

LUMI RENTAL COMPANY
(A SAUDI JOINT STOCK COMPANY)
FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

LUMI RENTAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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KPMG Professional Services Company

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P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

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

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Lumi Rental Company

Opinion

We have audited the financial statements of Lumi Rental Company ("the Company"), which comprise the statement of financial position as of 31 December 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended 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).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's 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), that is 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 Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent Auditor's Report

To the Shareholders of Lumi Rental Company (continued)

Residual value of Vehicles	
See Note 5 and 7 to the financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>Vehicles owned by the Company as at 31 December 2025 amounted to SR 2,816 million (2024: SR 2,860 million) representing 95% (2024: 95%) of total non-current assets which are measured at cost less accumulated depreciation and any impairment. The management is required to assess the residual value at least at each financial year-end and evaluate if there are any revision required. Depending on the results of such analysis, changes are accounted as a change in accounting estimate through changes in prospective depreciation. The future residual values are largely influenced by the estimated useful life of the vehicle, potential usage, customer base, manufacturer, overall state of the vehicle, as well as the evolution of the used-vehicles markets. The residual values for the vehicles operated by the Company varies at the actual time of disposal depending on the aforementioned factors, thus, the future value estimation as performed by the management is based on a number of estimations and judgmental assumptions. The Company assessed the residual values of its vehicle fleet during the year ended 31 December 2025, considering both external and internal factors to the Company such as: actual sales of used vehicles throughout the year and previous years, correlation of such values at the year end with the factors mentioned above. Due to the significance of the value of vehicles, the significance of the estimation uncertainty involved in determining the residual values of the vehicles, we consider this to be a key audit matter.</p>	<p>Our audit procedures performed included, among others, the following:</p> <ul style="list-style-type: none">• We obtained an understanding of management's process and key controls over setting and periodically reviewing vehicle residual values.• We discussed and evaluated the key assumptions underpinning residual values (including vehicle holding period/useful life, expected usage and condition at disposal, fleet mix by brand/category, and used-vehicle market trends).• We tested the accuracy of the data used in the residual value analysis by agreeing selected disposal information (including proceeds, vehicle details and dates) to supporting documentation and accounting records.• We performed a retrospective comparison of recent disposal outcomes to the residual values applied to assess whether historical results remained consistent with management's assumptions.• We recalculated depreciation for vehicles to confirm that residual values are correctly reflected in the fixed asset register and depreciation schedules.• Where external valuation information was used as a sense check, we assessed the scope and basis of such information and considered its relevance in corroborating management's residual value assumptions.• We assessed whether the related disclosures in the financial statements are appropriate in accordance with IAS 16 and IAS 8, including the disclosure of key judgements and estimation uncertainty, noting that no change to residual values was made during the year.



Independent Auditor's Report

To the Shareholders of Lumi Rental Company (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 IFRS 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 and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of 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, The Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 International Standards on Auditing 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 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism 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.

Independent Auditor's Report

To the Shareholders of Lumi Rental Company (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 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, then we are required to draw attention in our auditor's 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 auditor's 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 of Lumi Rental Company ("the Company").

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Professional Services Company

Dr. Abdullah Hamad Al Fozan
License No.: 348

Riyadh on: 15 Ramadhan 1447H
Corresponding to: 4 March 2026



LUMI RENTAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(Saudi Riyals)

	<i>Notes</i>	31 December 2025	31 December 2024
ASSETS			
Non-Current Assets			
Vehicles	7	2,816,087,843	2,859,992,020
Other property and equipment	8	45,177,244	31,022,527
Right of use asset	9	77,721,353	78,004,562
Advances	10	2,362,488	12,224,681
Intangible asset	11	17,803,236	7,567,139
Retentions receivable		983,025	11,336,233
		2,960,135,189	3,000,147,162
Current Assets			
Trade receivables, net	12	360,455,254	268,422,658
Retention receivable		18,943,708	-
Prepayments and other receivables	13	46,757,472	65,862,507
Cash and cash equivalents	15	21,419,102	29,527,685
Inventories	16	6,523,041	10,364,785
		454,098,577	374,177,635
Total Assets		3,414,233,766	3,374,324,797
EQUITY AND LIABILITIES			
EQUITY			
Share capital	17	550,000,000	550,000,000
Other reserve	18	26,091,205	26,091,205
General reserve	19	29,476,955	29,476,955
Retained earnings		802,241,584	606,674,346
Total Equity		1,407,809,744	1,212,242,506
LIABILITIES			
Non-Current Liabilities			
Loans and borrowings	20	813,306,323	1,013,396,631
Lease liabilities	21	26,402,093	40,593,066
Employees' end of service benefits	22	31,901,316	22,070,219
		871,609,732	1,076,059,916
Current Liabilities			
Trade payables	23	338,274,615	398,128,318
Loans and borrowings	20	698,229,797	596,149,814
Lease liabilities	21	50,420,938	40,412,510
Accruals and other liabilities	24	42,714,907	46,641,284
Zakat payable	25	5,174,033	4,690,449
		1,134,814,290	1,086,022,375
Total Liabilities		2,006,424,022	2,162,082,291
Total Equity and Liabilities		3,414,233,766	3,374,324,797



Mohammed Alkhalil
Board Chairman



Azfar Shakeel
Chief Executive Officer



Sulaiman Alrasheed
Chief Financial Officer

The accompanying notes from 1 to 37 form an integral part of these financial statements

LUMI RENTAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(Saudi Riyals)

	<i>Notes</i>	31 December 2025	31 December 2024
Revenue	26	1,668,761,860	1,549,769,083
Cost of revenue	27	<u>(1,209,216,170)</u>	<u>(1,111,994,092)</u>
Gross profit		459,545,690	437,774,991
Operating expenses			
General and administrative expenses	28	(150,655,994)	(144,832,482)
Impairment loss on trade receivables	12	(10,300,000)	(3,292,559)
Impairment loss on other receivables	12	-	(32,840)
Employee incentive	18	-	(5,800,000)
Other income		<u>21,111,855</u>	<u>34,122,011</u>
Profit from operations		319,701,551	317,939,121
Other finance expenses		(1,592,727)	(4,159,992)
Finance charges	29	<u>(114,876,079)</u>	<u>(128,777,085)</u>
Profit before zakat		203,232,745	185,002,044
Zakat charge for the year	25	<u>(5,147,011)</u>	<u>(4,700,946)</u>
Profit for the year		198,085,734	180,301,098
Other comprehensive income:			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Re-measurement of employees' end of service benefits	22	<u>(2,518,496)</u>	<u>818,158</u>
Other comprehensive (loss) / income for the year		<u>(2,518,496)</u>	<u>818,158</u>
Total comprehensive income for the year		<u>195,567,238</u>	<u>181,119,256</u>
Earnings per share – Basic and Diluted	30	<u>3.60</u>	<u>3.28</u>



Mohammed Alkhalil
Board Chairman



Azfar Shakeel
Chief Executive Officer



Sulaiman Alrasheed
Chief Financial Officer

The accompanying notes from 1 to 37 form an integral part of these financial statements

LUMI RENTAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

(Saudi Riyals)

	Notes	Share capital	Other Reserve	General reserve	Retained earnings	Total
Balance at 1 January 2024		550,000,000	20,291,205	29,476,955	425,555,090	1,025,323,250
Profit for the year		-	-	-	180,301,098	180,301,098
Other comprehensive income		-	-	-	818,158	818,158
Total comprehensive income		-	-	-	181,119,256	181,119,256
Transaction with parent	14	-	5,800,000	-	-	5,800,000
Balance as at 31 December 2024		550,000,000	26,091,205	29,476,955	606,674,346	1,212,242,506
Profit for the year		-	-	-	198,085,734	198,085,734
Other comprehensive income		-	-	-	(2,518,496)	(2,518,496)
Total comprehensive income		-	-	-	195,567,238	195,567,238
Transaction with parent	14	-	-	-	-	-
Balance as at 31 December 2025		<u>550,000,000</u>	<u>26,091,205</u>	<u>29,476,955</u>	<u>802,241,584</u>	<u>1,407,809,744</u>



Mohammed Alkhalil
Board Chairman



Azfar Shakeel
Chief Executive Officer



Sulaiman Alrasheed
Chief Financial Officer

The accompanying notes from 1 to 37 form an integral part of these financial statements

LUMI RENTAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

STATEMENT OF CASH FLOWS
For the year ended 31 December 2025
(Saudi Riyals)

	<i>Notes</i>	31 December 2025	31 December 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		198,085,734	180,301,098
<i>Adjustments for:</i>			
Depreciation of:			
Vehicles	7	393,205,135	339,918,605
Right of use asset	9	44,002,067	39,652,943
Other property plant and equipment	8	6,497,616	4,343,527
Intangible asset		1,152,290	726,094
Employee end of service benefits provision	22	8,374,267	5,636,866
Impairment loss on trade receivables	12	10,300,000	3,292,559
Impairment loss on other receivable	12	-	32,840
Net book value of vehicles sold	16	477,825,037	490,376,987
Employee Incentive	18	-	5,800,000
Other finance charges		1,592,727	4,159,992
Financial charges	29	111,042,130	124,241,554
Finance charge on lease liability	21	3,833,949	4,535,531
Zakat charge for the period	25	5,152,500	4,700,946
Gain on cancellation of lease		-	(10,719)
<i>Net changes in working capital:</i>			
Trade receivables		(102,332,596)	(29,316,682)
Retention receivable		(8,590,500)	(11,336,233)
Inventories – spare parts		(1,183,948)	(545,562)
Prepayments and other receivables		19,105,035	37,169,444
Trade payables		(59,853,703)	(322,626,388)
Accruals and other payables		(3,931,866)	3,974,400
Cash generated from operating activities		1,104,275,874	885,027,802
Other Interest paid		(1,592,728)	(4,159,992)
Lease interest paid	21	(3,833,949)	(4,535,531)
Interest paid on loans and borrowings	20	(111,146,557)	(123,299,548)
Employee benefits paid	22	(1,061,666)	(506,077)
Additions to the vehicles, net of advances	7,10	(817,054,192)	(956,763,278)
Zakat paid	25	(4,663,427)	(4,742,730)
Net cash from / (used in) operating activities		164,923,355	(208,979,354)
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances	10	4,816,082	(1,273,020)
Acquisition of property and equipment	8	(20,652,334)	(21,148,111)
Acquisition of intangible asset		(11,388,386)	(6,413,421)
Net cash used in investing activities		(27,224,638)	(28,834,552)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of loans and borrowings	20	(852,605,898)	(827,805,133)
Proceeds from loans and borrowings	20	754,700,000	1,090,402,505
Principal repayment of lease liabilities	21	(47,901,402)	(36,506,897)
Net cash (used in) / from financing activities		(145,807,300)	226,090,475
Net decrease in cash and cash equivalents		(8,108,583)	(11,723,431)
Cash and cash equivalents at 1 January		29,527,685	41,251,116
Cash and cash equivalents at 31 December	15	21,419,102	29,527,685



Mohammed Alkhalil
Board Chairman



Azfar Shakeel
Chief Executive Officer



Sulaiman Alrasheed
Chief Financial Officer

The accompanying notes from 1 to 37 form an integral part of these financial statements

LUMI RENTAL COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Saudi Riyals)

1. LEGAL STATUS AND NATURE OF OPERATIONS

Lumi Rental Company (the "Company") is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration numbered 1010228226 issued on 23 Muharram 1428H (corresponding to 11 February 2007). Unified number of the Company is 70011515019.

The Company is 70% owned and controlled subsidiary of Seera Group Holding (A Saudi Joint Stock Company) (the "Parent"), a company registered in Riyadh, the Kingdom of Saudi Arabia.

The objective of the Company is buying, leasing and renting vehicles, through its Branches, Workshops, Showrooms and Parking yards across the Kingdom of Saudi Arabia.

1.1 Branches, Workshops, Showrooms and Parking yards

Commercial

Registration No.	Registration date	Gregorian Date	Location
1010228226	1428/01/23	11/02/2007	Riyadh
1010324433	1433/02/13	08/01/2012	Riyadh
1010569335	1440/07/27	03/04/2019	Riyadh
1010599904	1441/02/18	18/10/2019	Riyadh
1010599908	1441/02/18	18/10/2019	Riyadh
1010616188	1441/04/11	09/12/2019	Riyadh
1010627470	1441/06/23	18/02/2020	Riyadh
1010638731	1441/10/22	14/06/2020	Riyadh
1010695162	1442/08/08	22/03/2021	Riyadh
1010788058	1443/08/04	08/03/2022	Riyadh
1131298375	1440/07/21	28/03/2019	Qassim
2050085522	1433/10/11	29/08/2012	Dammam
2050125982	1440/09/16	21/05/2019	Dammam
2050125983	1440/09/16	21/05/2019	Dammam
2050125984	1440/09/16	21/05/2019	Dammam
2051228260	1441/03/08	06/11/2019	Khobar
2055026257	1439/02/11	01/11/2017	Jubail
2055126812	1441/03/08	06/11/2019	Jubail
2251495553	1441/02/09	09/10/2019	AlHafof
2051226156	1440/09/16	21/05/2019	Khobar
3350161126	1443/12/21	21/07/2022	Hail
3350162620	1444/04/08	03/11/2022	Hail
3400120071	1442/02/10	28/09/2020	Sakaka
3550129516	1440/10/27	01/07/2019	Tabuk
3550134190	1442/02/05	23/09/2020	Tabuk
3550146188	1444/01/05	03/08/2022	Tabuk
3552101601	1442/02/05	23/09/2020	Al Wajh
4030279663	1436/03/08	30/12/2014	Jeddah
4030293122	1438/05/05	02/02/2017	Jeddah
4030367715	1441/02/18	18/10/2019	Jeddah
4030367717	1441/02/18	18/10/2019	Jeddah
4030368604	1441/03/02	31/10/2019	Jeddah
4030369035	1441/03/08	06/11/2019	Jeddah
4032251684	1443/01/10	19/08/2021	Al Taif
4650077802	1436/05/10	01/03/2015	Al Madinah
4650245988	1443/11/27	27/06/2022	Al Madinah

LUMI RENTAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

(Saudi Riyals)

1. LEGAL STATUS AND NATURE OF OPERATIONS (CONTINUED)

1.1 Branches, Workshops, Showrooms and Parking yards (continued)

Commercial

Registration No.	Registration date	Gregorian Date	Location
4651102370	1441/04/20	18/12/2019	Al Ula
4651102639	1442/02/05	23/09/2020	Al Ula
4700020204	1438/06/10	09/03/2017	Yanbu
4700112044	1442/02/05	23/09/2020	Yanbu
5800106763	1442/11/13	23/07/2021	Al Baha
5855070552	1438/05/05	02/02/2017	Khamis Mushait
5900120565	1441/03/08	06/11/2019	Jizan
5900137507	1444/04/09	04/11/2022	Jizan
3550146264	1444/01/06	04/08/2022	Tabuk
3451103084	1445/08/08	18/02/2024	Turaif
4031234013	1441/04/11	12/08/2019	Makkah
5950138095	1445/08/08	18-02-2024	Najran

2. STATEMENT OF COMPLIANCE WITH IFRS

These financial statements have been prepared in accordance with IFRS that are endorsed in Kingdom of Saudi Arabia (“KSA”) and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred to “IFRSs endorsed in KSA”).

3. STANDARDS, INTERPRETATIONS, AND AMENDMENTS TO EXISTING STANDARDS

a) Standards, interpretations and amendments issued

This table lists the recent changes to the standards that are required to be applied for an annual period beginning after 1 January 2025

Standards	Title	Effective date
IAS 1	Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	1 January 2025
IFRS S1*	General requirement for disclosure of sustainability-related financial information	1 January 2024
IFRS S2*	Climate related disclosure	1 January 2024

*Subject to endorsement of the standards by SOCPA.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

(Saudi Riyals)

3. STANDARDS, INTERPRETATIONS, AND AMENDMENTS TO EXISTING STANDARDS (CONTINUED)

b) Standards, interpretations and amendments issued but not yet effective

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

Standards	Title	Effective date
IFRS 7 and IFRS 9	Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	1 January 2026
Amendments to: IFRS 1 IFRS 7 IAS 7; IFRS 9; IFRS 10	Annual Improvements to IFRS Accounting Standards	
IAS 21	The Effects of Changes in Foreign Exchange Rates*	1 January 2027
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability	1 January 2027
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

The standards, interpretations and amendments with effective date of 1 January 2025 do not have any material impact on the Company's financial statements, whereas for other above-mentioned standards, interpretations and amendments, the Company is currently assessing the implications on the Company's financial statements on adoption.

4. BASIS OF PREPARATION

4.1 Overall consideration

These financial statements have been prepared using the measurement bases specified by IFRSs for each type of asset, liability, income, and expense. The measurement bases are more fully described in the accounting policies.

The material accounting policies adopted in the preparation of these financial statements are set out in note 6. The material accounting policies have been consistently applied to all the years presented unless otherwise stated.

The preparation of these financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires the Company's management to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing these financial statements and their effect are disclosed in note 5.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

(Saudi Riyals)

4. BASIS OF PREPARATION

4.2 Basis of Measurement

These financial statements have been prepared on the historical cost basis, except for the following:

- Employees' end of service benefits measured at the present value of future obligations using the Projected Unit Credit Method; and

Furthermore, these financial statements are prepared on a going concern basis.

4.3 Financial year end

The Company's financial year starts from 1 January and ends on 31 December in each Gregorian calendar year.

4.4 Functional and presentation currency

The financial statements are presented in Saudi Riyal ("SR"), which is also the Company's functional currency.

5. USE OF JUDGEMENT AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Information about judgements made in applying accounting policies that have the most material effect on the amounts recognised in the financial statements is mentioned below:

Useful lives and residual value of vehicles

An estimate of the useful lives and residual values of vehicles is made for the purposes of calculating depreciation respectively. These estimates are made based on expected usage for useful lives. Residual value is determined based on experience and observable data where available.

The useful lives and residual values of the Company's assets are determined by management based on technical evaluation at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as an anticipation of future events which may impact their life such as changes in technology.

Disclosure of estimation uncertainty:

The Company's fleet of vehicles represents a significant portion of total assets. Determining residual value of vehicles requires judgement based on past experience, expected usage patterns, market conditions for used vehicles and technological changes. This estimates affect depreciation expense and carrying amounts of vehicles.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

(Saudi Riyals)

5. USE OF JUDGEMENT AND ESTIMATES (CONTINUED)

Residual values are reassessed annually and updated if expectations change. Changes in residual values could materially affect as follows:

	Residual value	
	+1%	-1%
	2025	
Depreciation expense	(9,204,585)	13,952,530

Residual value assumptions are a key source of estimation uncertainty in determining depreciation expense of vehicles. As disclosed above, a 1% decrease in residual values would result in a material increase in depreciation expense for the period. However, management considers such a decrease to be a less likely outcome at the reporting date, given that, on an overall basis, the majority of vehicles disposed of during the period were sold at prices in excess of their carrying amounts (i.e., disposals generated gains). Management continues to monitor used-vehicle market trends and will update residual value assumptions when new evidence indicates a sustained change in expected disposal proceeds.

Impairment of trade receivables

The Company measures the loss allowance for trade receivables in an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the receivable and an analysis of the receivable's current financial position, adjusted for factors that are specific to the receivables, general economic conditions of the industry in which the receivables operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Trade receivable is normally assessed collectively, unless there is a need to assess a particular receivable on an individual basis. Management assume those customers which are 360 days overdue as uncollectable.

5.1 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted priced included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., price derivations).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

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5. USE OF JUDGEMENT AND ESTIMATES (CONTINUED)

5.1 Measurement of fair values (continued)

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

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

Further details on the assumptions used to assess fair values can be found in Note 30 to these financial statements.

6. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The company has consistently applied the following material accounting policies to all the periods presented in these financial statements.

6.1 Vehicles

Vehicles are presented at cost, net of accumulated depreciation and accumulated impairment losses, as appropriate. The original cost of the vehicles is recognised net of manufacturers' incentives and allowances.

Depreciation is based on their estimated residual values at the expected date of disposal, after taking into account the expected market conditions for used cars. Any adjustments to residual value and resultant depreciation are made prospectively.

Depreciation is calculated in a straight line over the estimated lifetime primarily of 2 to 5 years.

6.2 Financial Instruments

The Company's financial assets primary comprise of cash and cash equivalent, trade receivables, other receivables and unbilled revenue. The Company financial liabilities primary comprises of loans and borrowings, trade and other payables (excluding unearned rental income) and contract liabilities.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All trade receivables of the company are without a significant financing component and are initially measured at the transaction price.

On initial recognition, financial asset and financial liabilities are classified as measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

(Saudi Riyals)

6. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

6.2 Financial Instruments (continued)

All borrowing costs are expensed in the period in which they occur. Borrowing costs consist of finance cost and other costs that an entity incurs in connection with the borrowing of funds, with interest paid classified as operating cash outflows.

Impairment of financial assets

The Company recognises loss allowances for ECLs on:

- Financial assets measured at amortised cost.
- Contract assets

The Company measures loss allowances at an amount equal to lifetime ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Measurement of ECLs

At each reporting date, the Company assesses whether financial assets carried at amortised 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:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.
- it is probable that the borrower will enter bankruptcy or other financial reorganization
- the disappearance of an active market for a security because of financial difficulties.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured 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).

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

(Saudi Riyals)

6. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

6.3 General reserve

In accordance with the Regulations for Companies in the Kingdom of Saudi Arabia and the previously issued Company's articles of association before the listing of its shares on 25 September 2023, the Company was required to transfer 10% of its net income for the year to the statutory reserve until such reserve equals 30% of its share capital. The transfer to statutory reserve was previously made by the Company only at the year end. However, after the issuance of new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26/6/1444 H (corresponding to 19 January 2023), the management has decided to amend its position by discontinuing its practice of transfer of net income to statutory reserve as the newly issued companies law makes the transfer as voluntary. The previously recorded balance is retained as general reserve.

6.4 Employees' end of service benefits

Defined benefit plans

The end-of-service allowance is determined using the projected unit credit method and actuarial valuations are made at the end of each reporting period. Re-measurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income will not be reclassified as profit or loss in subsequent periods. Interest is determined by applying the discount rate at the beginning of the period to the defined benefit liability or net asset. Defined benefit costs are classified as follows:

- service cost (including current service cost and past service cost).
- interest expense; and
- Re-measurements

The Company presents the first two components of defined benefit costs in profit or loss and the third component in other comprehensive income, in relevant line items.

6.5 Right of use asset and lease liabilities

The Company recognises new assets and liabilities for its leases of various types of contracts including parking yards, warehouse, branches, accommodation/office rental premises etc. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit or Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the Statement of Profit or Loss. Short-term leases are leases with a lease term of 12 months or less. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term, management considers all facts and circumstances required.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

(Saudi Riyals)

6. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

6.6 Revenue

In accordance with IFRS 15, revenue is recognized at the fair value of the consideration received or receivable, reflecting the contractually defined terms of payment. Revenue is recognized in the statement of profit or loss and other comprehensive income when it is probable that the economic benefits will flow to the company, and when the revenue, along with any related costs, can be measured reliably. Recognition occurs in alignment with the transfer of control of goods or services to the customer, in accordance with the company's performance obligations under the contract.

Lease and Rental Arrangements

The Company has two distinct strategic divisions (Lease and Rental) which offer different services and are managed separately due to different economic characteristics. The Company consider itself as a lessor in both the strategic divisions, the Company also consider its arrangements under both the strategic divisions as operating lease as the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset. Income arising from these operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

Revenue from sale of vehicles

Revenue from sale of vehicles is recognised at the point in time when control of the vehicles is transferred to the customer, generally on date at which vehicle is made available to the buyer for the customary usage. The Company's revenue from sale of vehicles includes only one performance obligation.

6.7 Zakat

The Company is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("Authority" or "ZATCA"). Provision for zakat for the company and Zakat related to the company's ownership in the Saudi Arabian subsidiary is charged to the statement of profit or loss and other comprehensive income. Additional amounts payable, if any, at the finalization of final assessments are accounted for in the period in which these are determined.

6.8 Inventory

Inventories represent vehicles for sale, vehicle oil and other supplies. These are measured at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. The carrying amount of inventories is recognized as cost of revenue when the inventories are sold. The Company recognizes an allowance for inventory losses based on factors such as obsolescence, technical faults, physical damage, and other relevant considerations. The estimated net realizable value is compared to the carrying value of the inventory, and an allowance is recorded for any difference, ensuring that the inventory is stated at the lower of cost or net realizable value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

(Saudi Riyals)

6. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

6.8 Inventory (continued)

Vehicles for sale

Vehicles for sale that were previously held as vehicles in non-current assets for lease and rental arrangements are transferred to inventories at their carrying amount when they cease to be held for lease and rental purposes and become held for sale in the ordinary course of business. Other costs are included in the cost of vehicle inventories only to the extent that they are incurred in bringing the vehicles to their present location and condition necessary to make the sale.

Vehicle oil and other supplies

The cost of Vehicle oil and other supplies is based on weighted average principle. Other costs are included in the cost of vehicle oil and other supplies only to the extent they are incurred in bringing them to their present location and condition.

6.9 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of cash at banks and cash in hand.

6.10 Other property and equipment

Recognition and measurement

Items of property and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. All other repair and maintenance costs are recognized in the income statement as incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an item of property and equipment is recognized in profit or loss as other income.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Derecognition

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an item of property and equipment is recognized in the statement of profit or loss and other comprehensive income.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss. Land is not depreciated.

LUMI RENTAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

(Saudi Riyals)

6. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

6.10 Other property and equipment (continued)

Depreciation (continued)

The estimated depreciation rates of property and equipment for current and comparative periods are as follows:

Furniture and fixtures	3.42 to 6.67
Office equipment	5 to 6.67
Decors and enhancements	4.42 to 6.67
Air conditioners	6.67
Computers	5
Tools and hardware	2.17 to 6.67
Telecom and security systems	3.42 to 6.67
Building	10

The residual values, useful life and depreciation methods of property and equipment are reviewed at each year-end and adjusted prospectively, as appropriate.

7. VEHICLES

	<u>31 December 2025</u>	<u>31 December 2024</u>
<i>Cost:</i>		
Balance at the beginning of the year	3,443,989,058	3,196,967,084
Additions during the year	822,100,303	985,977,682
Transferred to inventory (Note 16)	(668,918,093)	(700,669,387)
Cost of damaged vehicles**	(34,621,219)	(38,286,321)
Balance at the end of the year	<u>3,562,550,049</u>	<u>3,443,989,058</u>
<i>Accumulated depreciation:</i>		
Balance at the beginning of the year	583,997,038	484,749,133
Charge for the year	393,205,135	339,918,605
Transferred to inventory (Note 16)	(223,930,375)	(231,535,203)
Accumulated depreciation of damaged vehicles**	(6,809,592)	(9,135,497)
Balance at the end of the year	<u>746,462,206</u>	<u>583,997,038</u>
Net book value	<u>2,816,087,843</u>	<u>2,859,992,020</u>

Depreciation costs for the year were expensed against the cost of revenue.

*Based on the annual review conducted by management, there has been no change in residual value estimate during the year ended 31 December 2025.

**This represent cost and accumulated depreciation related to total loss vehicles.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

(Saudi Riyals)

8. OTHER PROPERTY AND EQUIPMENT

	<u>Lands</u>	<u>Building</u>	<u>Furniture and fixtures</u>	<u>Office equipment</u>	<u>Decors and enhancements</u>	<u>Air conditioners</u>	<u>Computers</u>	<u>Tools and hardware</u>	<u>Telecom and security systems</u>	<u>Total</u>
<i>Cost:</i>										
Balance at 1 January 2024	-	-	4,110,670	230,554	13,111,400	1,087,837	5,176,333	2,883,720	670,479	27,270,993
Additions during the year	4,306,285	2,694,576	1,217,461	99,642	6,958,210	509,064	876,301	4,168,836	317,736	21,148,111
Disposals	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2024	4,306,285	2,694,576	5,328,131	330,196	20,069,610	1,596,901	6,052,634	7,052,556	988,215	48,419,104
Additions during the year	-	6,281,154	606,689	4,050	6,971,114	1,140,881	1,008,078	4,234,981	405,387	20,652,334
Disposals	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2025	4,306,285	8,975,730	5,934,820	334,246	27,040,724	2,737,782	7,060,712	11,287,537	1,393,602	69,071,438
<i>Accumulated Depreciation:</i>										
Balance at 1 January 2024	-	-	1,643,502	137,411	5,609,664	406,448	3,636,659	1,337,438	281,928	13,053,050
Charge for the year	-	41,950	619,138	30,410	1,966,441	179,141	484,659	863,855	157,933	4,343,527
Balance at 31 December 2024	-	41,950	2,262,640	167,821	7,576,105	585,589	4,121,318	2,201,293	439,861	17,396,577
Charge for the year	-	446,220	705,393	41,731	2,699,685	225,187	619,465	1,553,721	206,214	6,497,616
Balance at 31 December 2025	-	488,170	2,968,033	209,552	10,275,790	810,776	4,740,783	3,755,014	646,075	23,894,193
<i>Net book value:</i>										
At 31 December 2025	4,306,285	8,487,560	2,966,787	124,694	16,764,934	1,927,006	2,319,929	7,532,523	747,527	45,177,244
At 31 December 2024	4,306,285	2,652,626	3,065,491	162,375	12,493,505	1,011,312	1,931,316	4,851,263	548,354	31,022,527

LUMI RENTAL COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

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9. RIGHT OF USE ASSET

	31 December 2025		
	Branches	Parking yards and Accommodations	Total
Cost:			
Balance at the beginning of the year	119,302,648	34,682,177	153,984,825
Additions during the year	26,373,310	17,345,548	43,718,858
Disposal during the year*	<u>(11,005,958)</u>	<u>(5,389,089)</u>	<u>(16,395,047)</u>
Balance at end of the year	<u>134,670,000</u>	<u>46,638,636</u>	<u>181,308,636</u>
Accumulated depreciation			
Balance at the beginning of the year	64,221,531	11,758,732	75,980,263
Depreciation during the year	34,363,195	9,638,872	44,002,067
Disposal during the year*	<u>(11,005,958)</u>	<u>(5,389,089)</u>	<u>(16,395,047)</u>
Balance at end of the year	<u>87,578,768</u>	<u>16,008,515</u>	<u>103,587,283</u>
Net book value	<u>47,091,232</u>	<u>30,630,121</u>	<u>77,721,353</u>
	31 December 2024		
	Branches	Parking yards and Accommodations	Total
Cost:			
Balance at the beginning of the year	112,157,244	24,536,125	136,693,369
Additions during the year	18,771,193	10,894,417	29,665,610
Disposal during the year*	<u>(11,625,789)</u>	<u>(748,365)</u>	<u>(12,374,154)</u>
Balance at the of the year	<u>119,302,648</u>	<u>34,682,177</u>	<u>153,984,825</u>
Accumulated depreciation			
Balance at the beginning of the year	41,931,394	5,467,419	47,398,813
Depreciation during the year	32,613,265	7,039,678	39,652,943
Disposal during the year*	<u>(10,323,128)</u>	<u>(748,365)</u>	<u>(11,071,493)</u>
Balance at the of the year	<u>64,221,531</u>	<u>11,758,732</u>	<u>75,980,263</u>
Net book value	<u>55,081,117</u>	<u>22,923,445</u>	<u>78,004,562</u>

*The balance primarily represents fully amortised, expired and early terminated lease liabilities

10. ADVANCES

	31 December 2025	31 December 2024
Advance provided for other property and equipment	890,488	5,706,570
Advance provided for purchase of vehicles	<u>1,472,000</u>	<u>6,518,111</u>
	<u>2,362,488</u>	<u>12,224,681</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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11. INTANGIBLE ASSET

	31 December 2025		
	Software	Capital work in progress	Total
Balance at the beginning of the year	4,371,632	3,976,370	8,348,002
Additions during the year	305,125	11,083,261	11,388,386
Balance at the of the year	<u>4,676,757</u>	<u>15,059,631</u>	<u>19,736,388</u>
<i>Accumulated Amortisation</i>			
Balance at the beginning of the year	780,862	-	780,862
Amortisation during the year	1,152,290	-	1,152,290
Balance at the of the year	<u>1,933,152</u>	<u>-</u>	<u>1,933,152</u>
<i>Net book value</i>	<u>2,743,605</u>	<u>15,059,631</u>	<u>17,803,236</u>
31 December 2024			
	Software	Capital work in progress	Total
Balance at the beginning of the year	1,934,582	-	1,934,582
Additions during the year	2,437,050	3,976,370	6,413,420
Balance at the of the year	<u>4,371,632</u>	<u>3,976,370</u>	<u>8,348,002</u>
Accumulated Amortisation			
Balance at the beginning of the year	54,769	-	54,769
Amortisation during the year	726,094	-	726,094
Balance at the of the year	<u>780,863</u>	<u>-</u>	<u>780,863</u>
Net book value	<u>3,590,769</u>	<u>3,976,370</u>	<u>7,567,139</u>

12. TRADE RECEIVABLES, NET

	31 December 2025	31 December 2024
Trade receivables	427,174,352	337,552,683
Provision for impairment loss	<u>(66,719,098)</u>	<u>(69,130,025)</u>
	<u>360,455,254</u>	<u>268,422,658</u>

Information on the Company's exposure to credit and market risks and impairment losses related to trade receivables can be found in note 31 to these financial statements.

The Company uses the simplified IFRS 9 approach to measure expected credit losses using a provision for expected credit losses over the life of the accounts receivable. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the Company's historical credit losses experience over the two-year period prior to the year end. Historical loss rates are then adjusted based on current and prospective information on macroeconomic factors affecting the Company's customers. The Company has identified the gross domestic product (GDP) as the key macroeconomic factor for ECL calculations.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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12. TRADE RECEIVABLES, NET (CONTINUED)

The lifetime expected loss provision for trade receivables is as follows:

31 December 2025	Not due	0-90	91-180	181-270	271-360	361+	Total
Expected loss rate	2.2%	7.3%	41.4%	10.7%	18%	32.5%	15.6%
Gross carrying amount	<u>162,164,636</u>	<u>123,667,894</u>	<u>111,105,347</u>	<u>7,085,917</u>	<u>1,365,559</u>	<u>21,784,999</u>	<u>427,174,352</u>
Loss provision	<u>3,517,782</u>	<u>9,061,395</u>	<u>46,049,998</u>	<u>754,741</u>	<u>246,347</u>	<u>7,088,835</u>	<u>66,719,098</u>

31 December 2024	Not due	0-90	91-180	181-270	271-360	361+	Total
Expected loss rate	1.66%	6.92%	19.04%	20.66%	28.76%	64.12%	20.48%
Gross carrying amount	<u>105,360,006</u>	<u>98,403,623</u>	<u>36,474,975</u>	<u>14,410,497</u>	<u>7,103,088</u>	<u>75,800,494</u>	<u>337,552,683</u>
Loss provision	<u>1,751,810</u>	<u>6,811,106</u>	<u>6,946,149</u>	<u>2,977,924</u>	<u>2,042,584</u>	<u>48,600,452</u>	<u>69,130,025</u>

Movement of impairment loss is as follows:

	31 December 2025	31 December 2024
At the beginning of the year	<u>69,130,025</u>	<u>65,837,466</u>
Charge for the year	<u>10,300,000</u>	<u>3,292,559</u>
Write off for the year	<u>(12,710,927)</u>	<u>-</u>
At the end of the year	<u>66,719,098</u>	<u>69,130,025</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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(Saudi Riyals)

13. PREPAYMENTS AND OTHER RECEIVABLES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Prepaid expenses	25,701,802	30,999,360
Advances to suppliers	23,316,596	24,029,360
Insurance receivables	6,765,289	11,270,013
Advances to employees	149,688	195,089
Unbilled revenue*	10,115,018	6,647,270
Advances for letters of guarantee margins	672,240	1,023,785
VAT receivable	-	12,370,532
Others	5,085,779	4,376,038
	<u>71,806,412</u>	<u>90,911,447</u>
Impairment against other receivables	<u>(25,048,940)</u>	<u>(25,048,940)</u>
	<u>46,757,472</u>	<u>65,862,507</u>

Movement of impairment loss is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
At the beginning of the year	25,048,940	25,016,100
Impairment for the year	-	32,840
At the end of the year	<u>25,048,940</u>	<u>25,048,940</u>

*Unbilled revenue primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer.

14. RELATED PARTY TRANSACTIONS AND BALANCES

The Company, in the normal course of business, enters into transactions with other entities that fall within the definition of a related party contained in International Accounting Standard 24. Related parties represent the Parent company, fellow subsidiaries and key management personnel of the company. The transactions with related parties are made at approved contractual terms.

Outstanding balances at the year-end are unsecured, interest-free, payable on demand and settled in cash. There have been no guarantees provided or received for any related party receivables or payables.

The following are the details of major related party transactions and balances during the year:

Related parties' transactions

Senior management remuneration

The aggregate amount charged in these financial statements for remuneration, including all benefits to Board of Directors, Chief Executive officer, Chief Financial Officer, Executive Leasing Director and Executive Director Information Technology is as follows:

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14. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Key management personnel	<u>31 December 2025</u>	<u>31 December 2024</u>
Long term Benefits:		
End of service benefits	220,524	1,124,245
Short term benefits:		
Remuneration	2,783,988	3,081,529
Employee incentive	-	5,020,500
Board remuneration	4,660,000	4,710,000
Board allowance	520,000	441,000
Bonus	1,996,990	1,189,444
Housing and travel allowance	1,001,712	1,111,871
Total	<u>11,183,214</u>	<u>16,678,589</u>

Significant transactions and balances with related parties in the ordinary course of business which are included in the financial statements are summarized as follows:

Transactions

<u>Related parties</u>	<u>Relationship</u>	<u>31 December 2025</u>		
		<u>Sales</u>	<u>Purchases</u>	<u>Other Movements*</u>
Seera Group Holding	Parent Company (ultimate controlling party)	312,734	(3,535,963)	(1,386,861)
Almosafer Company for Travel and Tourism (MCT)	Fellow subsidiary	5,003,554	(7,764,020)	1,274,131

**These movements represent settlement of related party balances.*

<u>Related parties</u>	<u>Relationship</u>	<u>31 December 2024</u>		
		<u>Sales</u>	<u>Purchases</u>	<u>Other Movements*</u>
Seera Group Holding	Parent Company (ultimate controlling party)	3,089,006	(9,486,518)	(1,020,113)
Almosafer Company for Travel and Tourism (MCT)	Fellow subsidiary	7,325,135	(10,382,931)	1,785,374

**These movements represent settlement of related party balances.*

Balances Due to related parties

	<u>Relationship</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Seera Holding Group	Parent Company (ultimate controlling party)	15,493,918	10,883,828
Almosafer Company for Travel and Tourism (MCT)	Fellow subsidiary	2,902,227	1,415,892
		<u>18,396,145</u>	<u>12,299,720</u>

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15. CASH AND CASH EQUIVALENTS

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cash at banks	<u>21,419,102</u>	<u>29,527,685</u>

16. INVENTORIES

	<u>Note</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Vehicles	16.1	4,492,889	9,518,581
Spare parts		<u>2,030,152</u>	<u>846,204</u>
		<u>6,523,041</u>	<u>10,364,785</u>

16.1 Movement of vehicle

	<u>Note</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Opening balance		9,518,581	1,610,560
Net book value of vehicles available for sale	7	444,987,718	469,134,184
Net book value of damaged vehicles for disposal	7	27,811,627	29,150,824
Sold during the year	26	<u>(477,825,037)</u>	<u>(490,376,987)</u>
Closing balance		<u>4,492,889</u>	<u>9,518,581</u>

17. SHARE CAPITAL

The share capital of the Company consists of 55,000,000 fully paid ordinary shares of SR 10 each. The total share capital is SR **550,000,000** as at 31 December 2025 (31 December 2024: SR 550,000,000).

2025	<u>Percentage</u>	<u>Number of shares</u>	<u>SAR per share</u>	<u>Total</u>
Seera Holding Group	70%	38,500,000	10	385,000,000
Others	30%	16,500,000	10	165,000,000
Total	100%	55,000,000		550,000,000

2024	<u>Percentage</u>	<u>Number of shares</u>	<u>SAR per share</u>	<u>Total</u>
Seera Holding Group	70%	38,500,000	10	385,000,000
Others	30%	16,500,000	10	165,000,000
Total	100%	55,000,000		550,000,000

18. OTHER RESERVE

The employees of Lumi Rental Company were paid an incentive on the successful completion of listing of 30% of its issued share capital on Tadawul. The incentive was based on the strike price achieved for the listing of the said shares and hence, the incentive was classified under IFRS-2 Share-based Payment. The funds for the incentive were granted by Seera Holding Group and therefore, the incentive amount was recorded as an expense in the statement of profit or loss against an equity contribution from the parent company classified under other reserve,

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19. GENERAL RESERVE

As fully explained in note 6.3 to the financial statements that after issuance of new Companies Law the requirement to transfer net income to statutory reserve has become voluntary, the management has decided to amend its position by discontinuing its practice of transfer of net income to statutory reserve. The previously recorded balance is retained as general reserve

20. LOANS AND BORROWINGS

	<u>31 December 2025</u>	<u>31 December 2024</u>
Opening balance	1,609,546,445	1,346,007,067
Loans obtained during the year	754,700,000	1,090,402,505
Interest expense for the year	111,042,130	124,241,554
Principal repayment during the year	(852,605,898)	(827,805,133)
Loan interest paid during the year	(111,146,557)	(123,299,548)
Closing balance	<u>1,511,536,120</u>	<u>1,609,546,445</u>
Non-Current Liabilities	<u>813,306,323</u>	<u>1,013,396,631</u>
Current Liabilities	<u>698,229,797</u>	<u>596,149,814</u>

These represent Islamic financing arrangements structured as Murabaha, Tawaruq, or Forward / Term sale facilities obtained by the Company with local banks at the rate of prevailing market interest rate with last payment to be made between March 2026 and February 2029. This financing is being repaid on a quarterly basis and semi-annual basis at the prevailing market rate. The purpose of the loans was to finance the operations of the company. The loans are secured against promissory notes and assignment of revenue related cashflows.

21. LEASE LIABILITIES

	<u>Branches</u>	<u>Parking yards and Accommodations</u>	<u>31 December 2025</u>
Opening balance	59,519,695	21,485,881	81,005,576
Additions	26,373,309	17,345,548	43,718,857
Finance charges	2,118,948	1,715,001	3,833,949
Lease contract cancellation	-	-	-
Paid during the year	(40,554,942)	(11,180,409)	(51,735,351)
	<u>47,457,010</u>	<u>29,366,021</u>	<u>76,823,031</u>
Classified as:			
Non-current portion	<u>12,085,807</u>	<u>14,316,286</u>	<u>26,402,093</u>
Current portion	<u>35,371,203</u>	<u>15,049,735</u>	<u>50,420,938</u>
	<u>Branches</u>	<u>Parking yards and Accommodations</u>	<u>31 December 2024</u>
Opening balance	73,162,670	15,997,573	89,160,243
Additions	18,771,193	10,894,417	29,665,610
Finance charges	3,163,809	1,371,722	4,535,531
Lease contract cancellation	(1,313,380)	-	(1,313,380)
Paid during the year	(34,264,597)	(6,777,831)	(41,042,428)
	<u>59,519,695</u>	<u>21,485,881</u>	<u>81,005,576</u>
Classified as:			
Non-current portion	<u>26,432,115</u>	<u>14,160,951</u>	<u>40,593,066</u>
Current portion	<u>33,087,580</u>	<u>7,324,930</u>	<u>40,412,510</u>

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21. LEASE LIABILITIES (CONTINUED)

The maturity analysis of lease liabilities is disclosed in note 30. Following are the amounts recognised in the statement of profit or loss:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Depreciation expense of right-of-use assets (note 27 and 28)	44,002,067	39,652,943
Interest expense on lease liabilities	3,833,949	4,535,531
Expense relating to short-term leases (note 27 and 28)	13,543,486	13,713,710
Total amount recognised in statement of profit or loss	61,379,502	57,902,184

The following are the amounts recognised in the statement of cashflow:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cash outflow from long term lease	51,735,351	41,042,428
Cash outflow from short term lease	6,075,291	7,677,593
	57,810,642	48,720,021

22. EMPLOYEES' END OF SERVICE BENEFITS

	<u>31 December 2025</u>	<u>31 December 2024</u>
Net defined benefit liability	31,901,316	22,070,219

The Company calculates employees' end of service benefits according to laws and regulations applicable in the Kingdom of Saudi Arabia. Additionally, the Company re-measures the employees' end of service benefits using the projected credit unit method by a qualified actuary.

The most recent actuarial valuation of the present value of the end of service benefit obligation was carried out on 31 December 2025. During the financial year, no material fluctuations or events affected the actuarial assumptions used to calculate the liability.

The following table shows the reconciliation from the opening balances to the closing balances for net defined benefit liability and its components.

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at beginning of the year	22,070,219	17,687,218
Liability transferred in	-	70,370
Included in profit or loss		
Current service cost	8,374,267	4,763,398
Finance expense	-	873,468
	30,444,486	23,394,454
Included in OCI		
Actuarial gain due to changes in financial assumptions	508,245	(980,133)
Actuarial gain due to changes in demographic assumptions	712,842	(198,556)
Actuarial loss due to experience adjustments	1,297,409	360,531
	2,518,496	(818,158)
Benefits paid	(1,061,666)	(506,077)
Balance at the end of the year	31,901,316	22,070,219

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22. EMPLOYEES' END OF SERVICE BENEFITS (CONTINUED)

Actuarial assumptions on defined benefit liability

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	<u>31 December 2025</u>	<u>31 December 2024</u>
Discount rate	5.20%	5.40%
Future salary growth	5.00%	5.00%

Sensitivity analysis

Changes reasonably possible at the reporting date to any of the relevant actuarial assumptions, keeping the remaining assumptions constant, would have affected the defined benefit obligation by the amounts set out below:

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	29,519,379	34,476,215	19,898,942	24,658,415
Future salary growth (1% movement)	34,475,453	29,519,016	24,642,414	19,872,173

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The weighted average duration of the defined benefit obligation is 8 years.

The following payments are expected for the defined benefit plan in future years:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Years		
1	3,466,914	2,398,508
2	4,009,656	2,773,992
3	4,697,680	3,249,986
4	5,948,856	4,115,584
5	8,612,176	5,958,143
6-10	33,713,794	23,324,142
Total expected payment	<u>60,449,076</u>	<u>41,820,355</u>

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23. TRADE PAYABLES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade payables	319,878,470	385,828,598
Trade Payable to related parties (note 14)	18,396,145	12,299,720
	<u>338,274,615</u>	<u>398,128,318</u>

24. ACCRUALS AND OTHER LIABILITIES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Accrued maintenance	615,000	6,751,057
Annual leave and ticket accrual	11,662,363	9,496,557
Contract liabilities	5,860,873	7,295,568
Accrued commission	900,000	503,131
Accrued expenses – operating lease	6,500,000	11,252,694
Accrued rent expense	1,124,748	1,497,042
Accrued remuneration and allowances	5,150,394	5,151,000
VAT payable	6,299,056	-
Others	4,602,473	4,694,235
	<u>42,714,907</u>	<u>46,641,284</u>

25. ZAKAT PAYABLE

Components of the zakat base

	<u>31 December 2025</u>	<u>31 December 2024</u>
Zakat base:		
Profit for the year	<u>201,085,734</u>	<u>180,301,098</u>
Adjusted net profit	201,085,734	180,301,098
Equity and reserves	1,209,724,010	1,031,941,417
Liabilities and provisions	871,609,732	1,076,059,916
Zakat adjustments	694,045,256	709,119,439
	<u>2,976,464,732</u>	<u>2,997,421,870</u>
Non-current assets	<u>(2,960,135,189)</u>	<u>(2,999,175,714)</u>
	<u>16,329,543</u>	<u>(1,753,844)</u>
Zakat base at adjusted net profit	<u>201,085,734</u>	<u>180,301,098</u>
Zakat @ 2.5%	<u>5,152,500</u>	<u>4,660,325</u>
Zakat adjustments		
Addition of corresponding current liabilities when deduction of current assets is taken	16,329,543	30,007,515
Excess of current liabilities over current asset	677,715,713	679,111,924
	<u>694,045,256</u>	<u>709,119,439</u>

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25 ZAKAT PAYABLE (CONTINUED)

Zakat provision

	<u>31 December 2025</u>	<u>31 December 2024</u>
At the beginning of the year	4,690,449	4,732,233
Provided during the year	5,152,500	4,660,325
Adjustments related to prior years	(5,489)	40,621
Payments made during the year	<u>(4,663,427)</u>	<u>(4,742,730)</u>
At the end of the year	<u>5,174,033</u>	<u>4,690,449</u>

The company has filed Zakat returns up to and including the year ended 31 December 2024 and obtained final certificate valid till 30 April 2026. Furthermore, all zakat assessments have been finalised and closed till the financial year 2024.

26. REVENUE

	<u>31 December 2025</u>	<u>31 December 2024</u>
Revenue from Leases		
Vehicle lease arrangements	653,484,901	567,202,214
Vehicle rental arrangements	<u>516,890,175</u>	<u>465,377,968</u>
	1,170,375,076	1,032,580,182
Revenue from contracts with customers		
Revenue from sale of vehicles	449,620,375	487,183,795
Other revenue*	<u>48,766,409</u>	<u>30,005,106</u>
Total Revenue	<u>1,668,761,860</u>	<u>1,549,769,083</u>
Timing of revenue recognition		
Services transferred over time	1,186,440,987	1,032,580,182
Products transferred point in time	<u>482,320,873</u>	<u>517,188,901</u>
	<u>1,668,761,860</u>	<u>1,549,769,083</u>

The Company leases out its vehicles to customers based in Kingdom of Saudi Arabia against consideration in Saudi Riyals. The entity has classified these leases as operating lease because they do not transfer substantially all of the risks and rewards incidental to the ownership of the asset.

*Other revenue refers to insurance claims received from the insurance companies for vehicles deemed as total losses and other services offered to a customer.

The following table sets out a maturity analysis of lease payments showing the undiscounted lease payments to be received after the reporting period.

	<u>31 December 2025</u>	<u>31 December 2024</u>
Less than one year	530,160,609	513,677,300
One to two years	365,771,937	366,909,485
Two to three years	206,295,944	210,842,598
Three to four years	67,300,592	111,149,206
Four to five years	<u>10,202,357</u>	<u>35,026,465</u>
Total	<u>1,179,731,439</u>	<u>1,237,605,054</u>

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26 REVENUE (CONTINUED)

Contract balances

The following table provides information about contract liabilities from contracts with customers:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Contract liabilities	<u>5,860,873</u>	<u>7,295,568</u>

Significant changes in the contract liability balances during the year are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Contract liabilities		
Contract liability at the beginning of the year	7,295,568	6,956,572
Contract liabilities that were recognized as revenue during the year	(7,295,568)	(6,956,572)
Cash received in advance of the performance and not recognized as revenue during the year	5,860,873	7,295,568
Contract liabilities at the end of the year *	<u>5,860,873</u>	<u>7,295,568</u>

*Current liabilities will be satisfied during the year ended 31 December 2025.

27. COST OF REVENUE

	<u>31 December 2025</u>	<u>31 December 2024</u>
Depreciation on vehicles (note 7)	393,205,135	339,918,605
Cost of vehicles sold (note 16.1)	477,825,037	490,376,987
Vehicles' repairs and maintenance	59,118,323	59,359,241
Salaries and other benefits	113,106,996	85,986,865
Depreciation on right of use assets (note 9)	38,684,613	36,974,677
Short term leases	6,981,591	6,165,775
Outsource vehicle	17,843,662	8,076,884
Insurance	51,435,534	45,780,972
Vehicle delivery and transport	31,897,511	29,330,804
Fuel cost	11,157,517	6,946,486
Traffic and transport fines	673,002	-
Others	7,287,249	3,076,796
	<u>1,209,216,170</u>	<u>1,111,994,092</u>

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28. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Salaries and other benefits (note 28.1)	69,417,169	60,846,684
Fees and subscriptions	7,228,509	15,367,473
Depreciation (note 8)	7,649,907	5,069,671
Advertising	5,265,469	8,327,976
Travel and transportation	3,193,369	2,862,674
Professional fee	5,132,799	2,592,697
Utilities	1,543,081	1,216,950
Software expenses	14,466,560	9,211,611
Communication	872,586	729,563
General Maintenance	1,321,156	1,526,327
Hospitality and cleanliness	1,593,717	1,266,413
Stationery	1,501,090	1,357,841
Depreciation on right of use assets (note 9)	5,317,454	2,678,266
Short term leases	6,561,895	7,547,935
Supporting Services	13,605,459	18,164,123
Board Remuneration	5,180,000	5,151,000
Others	805,774	915,278
	<u>150,655,994</u>	<u>144,832,482</u>

28.1 The salaries and other benefits include the provision for employees' end of service benefits amounting to SR 8,374,267 (2024: SR 4,763,398).

29. FINANCE CHARGES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Long term loans (note 21)	111,042,130	124,241,554
Finance charge on lease liability (note 21)	3,833,949	4,535,531
	<u>114,876,079</u>	<u>128,777,085</u>

30. EARNINGS PER SHARE (EPS)

Basic and diluted EPS

The calculation of basic and diluted EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders (basic)

	<u>31 December 2025</u>	<u>31 December 2024</u>
Profit attributable to ordinary shareholders	198,085,734	180,301,098
Weighted-average number of ordinary shares at the end of the year	55,000,000	55,000,000
Basic and diluted	<u>3.60</u>	<u>3.28</u>

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31. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Market risk and
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Related party balances
- Other receivables
- Lease Liabilities
- Loans and borrowings
- Trade payables
- Accruals and other liabilities

Fair value and fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

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31 FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)

Financial instrument category

	<i>Note</i>	<u>31 December 2025</u>	<u>31 December 2024</u>
Financial assets at amortized cost			
Trade receivables, net	<i>12</i>	360,455,254	268,422,658
Other receivables	<i>13</i>	12,000,756	7,671,055
Retention receivable		19,926,734	11,336,233
Cash and cash equivalents	<i>15</i>	21,419,102	29,527,685
		<u>413,801,846</u>	<u>316,957,631</u>
Financial liabilities at amortized cost			
Trade payables	<i>23</i>	338,274,615	398,128,318
Lease liabilities	<i>21</i>	76,823,031	81,005,576
Accruals and other liabilities	<i>24</i>	30,554,978	39,345,716
Loans	<i>20</i>	1,511,536,120	1,609,546,445
		<u>1,957,188,744</u>	<u>2,128,026,055</u>

Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade receivables, trade payables due to others and related parties, lease liabilities, loans and borrowings and accruals and other liabilities.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade receivables, trade payables due to others and related parties and accruals and other liabilities approximates their fair value.

Loans and borrowings carry variable interest rate and hence their carrying amount is adjusted periodically as per market benchmark rate, therefore the carrying amount approximates their fair value.

There were no transfers between levels during the year.

General objectives, policies and processes

The Management has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Management receives periodic reports from the Company Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Management is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

(Saudi Riyals)

31 FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales. It is Company policy, implemented locally, to assess the credit risk of new customers before entering contracts. Credit ratings are taken into account by local business practices.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company’s standard payment and delivery terms and conditions are offered. The Company’s review includes external ratings, when available, and in some cases bank references. Credit limits are set for each client, which is the maximum amount opened without management approval.

The management determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables’ ageing analysis. When monitoring the credit risk of customers, customers are grouped by their credit characteristics. Customers that are graded as “high risk” are placed on a restricted customer list, and future credit sales are made only with approval of the management, otherwise payment in advance is required.

Credit risk also arises as a result of cash and cash equivalents held by banks and financial institutions. In the case of banks and financial institutions, only independently scored parties are acceptable. The Company’s maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarized below:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Classes of financial assets – carrying amounts:		
Trade receivables, net	360,455,254	268,422,658
Other receivables	12,000,756	7,671,055
Retention receivable	19,926,734	11,336,233
Cash and cash equivalents	21,419,102	29,527,685
Total carrying amount	<u>413,801,846</u>	<u>316,957,631</u>

The carrying amount of financial assets represents the maximum credit exposure.

Credit risk on receivable and bank balances is limited as:

- Cash balances are held by banks with acceptable credit ratings.
- Trade receivables are shown net of allowance for impairment of trade receivables.

The Company manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. The Company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables on an ongoing basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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31 FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of holdings of financial instruments. The Company is not exposed to equity price risk and foreign currency risk, as it does not hold any financial instruments at year-end that would expose it to such risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any fixed rate financial assets and liabilities at fair value through profit or loss.

Management of the Company does not enter into future agreements to hedge its interest rate risk. However, these are monitored on a regular basis and corrective measures initiated wherever required.

For borrowings at floating rate, a reasonable possible change of 100 basis points in interest rates at the reporting date would have increase (decreased) statement of profit or loss by the amounts below. This analysis assumes that all other variables remain constant.

	<u>100 bps increase</u>	<u>100 bps decrease</u>
31 December 2025	(15,115,361)	15,115,361
31 December 2024	(16,095,464)	16,095,464

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet the monitoring of liquidity ratios and maintaining debt financing plans.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date on the contractual maturity date.

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31 FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)

Following are the contractual maturities at the end of the reporting period of financial liabilities. The amounts are grossed and undiscounted and include estimated interest payments.

	<u>Carrying amount</u>	<u>Total</u>	<u>Up to three months</u>	<u>More than three months and up to a year</u>	<u>More than one year and up to five year</u>
31 December 2025					
Financial liabilities					
Trade payables	338,274,615	338,274,615	280,837,531	57,437,084	-
Loans and borrowings	1,511,536,120	1,626,396,997	204,323,663	561,896,724	860,176,609
Lease liabilities	76,823,031	82,406,819	23,358,483	21,913,193	37,135,143
Accruals and other liabilities	30,554,978	30,554,978	30,554,978	-	-
	<u>1,957,188,744</u>	<u>2,077,633,409</u>	<u>539,074,655</u>	<u>641,247,001</u>	<u>897,311,752</u>
31 December 2024					
Financial liabilities					
Trade payables	398,128,318	398,128,318	360,289,913	37,838,405	-
Loans and borrowings	1,609,546,445	1,854,494,034	173,216,534	527,766,196	1,153,511,304
Lease liabilities	81,005,576	86,565,378	20,389,682	20,065,835	46,109,861
Accruals and other liabilities	39,345,716	39,345,716	39,345,716	-	-
	<u>2,128,026,055</u>	<u>2,378,533,446</u>	<u>593,241,845</u>	<u>585,670,436</u>	<u>1,199,621,165</u>

32. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	<u>01-Jan-25</u>	<u>Cashflows</u>	<u>New leases</u>	<u>Other</u>	<u>31-Dec-25</u>
Bank Borrowings	1,609,546,445	(97,905,898)	-	(104,427)	1,511,536,120
Lease Liabilities	81,005,576	(51,735,351)	43,718,857	3,833,949	76,823,031
Total	<u>1,690,552,021</u>	<u>(149,641,249)</u>	<u>43,718,857</u>	<u>3,729,522</u>	<u>1,588,359,151</u>
	<u>01-Jan-24</u>	<u>Cashflows</u>	<u>New leases</u>	<u>Other</u>	<u>31-Dec-24</u>
Bank Borrowings	1,346,007,067	262,597,373	-	942,005	1,609,546,445
Lease Liabilities	89,160,243	(41,042,428)	28,352,230	4,535,531	81,005,576
Total	<u>1,435,167,310</u>	<u>221,544,222</u>	<u>28,352,230</u>	<u>5,488,259</u>	<u>1,690,552,021</u>

33. OPERATING SEGMENTS

Basis for segmentation

The Company has the following three strategic divisions, which are its reportable segments. These divisions offer different services and are managed separately because they have different economic characteristics – such as trends in sales growth, rates of return and level of capital investment – and have different marketing strategies.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

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33. OPERATING SEGMENTS (CONTINUED)

The following summary describes the operations of each reportable segment:

Reportable segments	Operations
Leasing	Providing vehicles on long term leases to corporate and government customers.
Rental	Providing vehicles on daily, weekly, monthly rentals to walk-in and corporate customers.
Used car sale	Sale of vehicles which have completed their economical life as per management policy.

The Company's Executive Committee reviews the internal management reports of each segment on a monthly basis.

The Company's reportable segments are strategic business units that offer different services. They are managed separately because each business requires different technology and marketing strategies.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Operating Decision Maker has been identified as the Chief Executive Officer.

Measurement of operating segment profit or loss, assets and liabilities

The Company evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS but excluding non-recurring losses.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax liabilities and defined benefit liabilities.

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33. OPERATING SEGMENTS (CONTINUED)

Information about reportable segment is set out below:

	Leasing		Rental		Used car sale		Others		Total	
	31 December 2025	31 December 2024								
Revenue	653,484,901	567,202,214	516,890,175	465,377,968	482,320,873	517,188,901	16,065,911	-	1,668,761,860	1,549,769,083
Depreciation of Vehicles	(223,383,175)	(184,933,649)	(169,821,960)	(154,984,956)	-	-	-	-	(393,205,135)	(339,918,605)
Cost of vehicles Sold	-	-	-	-	(477,825,037)	(490,376,987)	-	-	(477,825,037)	(490,376,987)
Segmental Profit	430,101,726	382,268,565	347,068,215	310,393,012	4,495,836	26,811,914	16,065,911	-	797,731,688	719,473,491

Reconciliation between profit from segment to total profit

Cost of Revenue									(338,185,998)	(281,698,500)
General & Admin Expense									(150,655,994)	(144,832,482)
Impairment loss on trade receivables									(10,300,000)	(3,292,559)
Impairment loss on other receivables									-	(32,840)
Employee Incentive									-	(5,800,000)
Other Income									21,111,855	34,122,011
Finance Cost									(116,468,806)	(132,937,077)
Profit before Zakat									203,232,745	185,002,044

	31 December 2025	31 December 2024								
Segment Assets	1,804,178,143	1,842,225,209	1,008,909,700	1,017,766,811	4,492,888	9,518,581	596,653,035	504,814,196	3,414,233,766	3,374,324,797
Segment Liabilities	(403,223,896)	(566,067,515)	(199,508,140)	(474,105,852)	-	-	(1,403,691,986)	(1,121,908,924)	(2,006,424,022)	(2,162,082,291)
Capital Expenditure*	376,503,734	579,004,728	445,596,569	406,972,954	-	-	-	-	822,100,303	985,977,682

*Capital expenditures comprise of additions to the vehicles.

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34. CONTINGENCIES AND COMMITMENTS

Contingent liabilities

As at 31 December 2025, the Company has letters of guarantees amounting to SR 358.2 million (31 December 2024: SR 407 million)

Capital commitments

The Company has SR 1.7 million capital commitments as at 31 December 2025 (31 December 2024: SR 9 million).

35. CAPITAL MANAGEMENT

The Board's policy is to maintain an efficient capital base as to maintain investor, creditor and market confidence and to sustain future development of its business.

The Company's objectives when managing capital are:

- a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- b) to provide an adequate return to shareholders

The Company monitors capital using a ratio of 'net debt' to 'equity'. Net debt is calculated as total external loans and borrowings and lease liabilities less cash and cash equivalents. The Company's net debt to equity ratio at 31 December 2025 was 1.11 (2024: 1.37).

36. SUBSEQUENT EVENTS

There are no subsequent events to disclose in the financial statements.

37. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors on 7 Ramadan 1447H corresponding to 24 February 2026.