

LEND SAUDI FOR FINANCING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE AND NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023



LENDO SAUDI FOR FINANCING COMPANY

(A SAUDI CLOSED JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE AND NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023**

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**INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT FOR THE INTERIM CONDENSED
FINANCIAL STATEMENTS**

To The Shareholders
Lendo Saudi for Financing Company
(A Saudi Closed Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Lendo Saudi for Financing Company, (A Saudi Closed Joint Stock Company) (the "Company") as at September 30, 2023 and the related interim condensed statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three and nine month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard (34), "Interim Financial Reporting" 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 International Standard on Review Engagements (2410), "Review of interim condensed financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, 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 International Accounting Standard (34) "Interim Financial Reporting", as endorsed in the Kingdom of Saudi Arabia.

RSM Allied Accountants Professional Services Co.

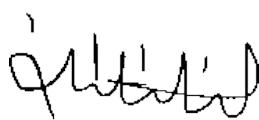
Abdul Hamid Mohiuddin Nazer
License No 376
Jeddah – Saudi Arabia
October 24, 2023 (Rabi II 9, 1445 H)



LEND SAUDI FOR FINANCING COMPANY
 (A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS At SEPTEMBER 30, 2023
 (ALL AMOUNTS EXPRESSED IN SAUDI RYALS UNLESS OTHERWISE STATED)

	Notes	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Assets			
Non-Current assets			
Property and equipment, net		283,977	267,825
Intangible, net	5	2,404,807	1,910,510
Total non-current assets		2,688,784	2,178,335
Current assets			
Prepayments and other current assets	6	613,626	141,664
Cash and cash equivalents	7	9,823,535	10,761,968
Total current assets		10,437,161	10,903,632
Total assets		13,125,945	13,081,967
Shareholders' equity and liabilities			
Shareholders' equity			
Capital	8	20,000,000	20,000,000
Accumulated losses	17	(9,366,812)	(8,315,468)
Total shareholders' equity		10,633,188	11,684,532
Liabilities			
Non-Current liabilities			
Employees' benefits obligations	9	630,469	461,615
Total non-current liabilities		630,469	461,615
Current liabilities			
Trade payables		926,457	575,880
Accrued expenses and other liabilities	10	935,831	306,175
Zakat and income tax provision	11	-	53,765
Total current liabilities		1,862,288	935,820
Total liabilities		2,492,757	1,397,435
Total shareholders' equity and liabilities		13,125,945	13,081,967

Chairman of the Board



Chief Executive Officer



Chief Financial Officer



The accompanying notes (1) to (18) are an integral part of these interim condensed financial statements

LEND SAUDI FOR FINANCING COMPANY
 (A SAUDI CLOSED JOINT STOCK COMPANY)
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE THREE AND NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023
 (ALL AMOUNTS EXPRESSED IN SAUDI RYALS UNLESS OTHERWISE STATED)

Note	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2023	2022	2023	2022
Revenue	5,549,669	1,893,848	12,348,659	4,588,126
Cost of revenue	(610,685)	(225,585)	(1,147,858)	(754,744)
Gross profit	4,938,984	1,668,263	11,200,801	3,833,382
General and administrative expenses	(4,350,401)	(2,701,359)	(12,305,910)	(7,647,022)
Net profit/ (loss) for the period before zakat and income tax	588,583	(1,033,096)	(1,105,109)	(3,813,640)
Zakat and income tax	-	-	53,765	-
Net profit/ (loss) for the period	588,583	(1,033,096)	(1,051,344)	(3,813,640)
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss:</i>				
Re-measurement of employees' benefits	-	-	-	-
Total comprehensive loss for the period	588,583	(1,033,096)	(1,051,344)	(3,813,640)
Earning per share				
Basic and diluted earning/ (loss) per share from net loss for the period	0.29	(2.07)	(0.53)	(7.63)

Chairman of the Board



Chief Executive Officer



Chief Financial Officer



The accompanying notes (1) to (18) are an integral part of these interim condensed financial statements

LEND SAUDI FOR FINANCING COMPANY

(A SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023**

(ALL AMOUNTS EXPRESSED IN SAUDI RYALS UNLESS OTHERWISE STATED)

	Capital		Accumulated losses		Total		Total
	Saudi	Non-Saudi	Saudi	Non-Saudi	Saudi	Non-Saudi	
Balance as at January 1, 2022 (Audited)	5,000,000	-	(2,987,016)	-	2,012,984	-	2,012,984
Net loss for the period	-	-	(3,813,640)	-	(3,813,640)	-	(3,813,640)
Other comprehensive losses	-	-	-	-	-	-	-
Total comprehensive losses	-	-	(3,813,640)	-	(3,813,640)	-	(3,813,640)
Balance as at September 30, 2022 (Unaudited)	5,000,000	-	(6,800,656)	-	(1,800,656)	-	(1,800,656)
Balance as at January 1, 2023 (Audited)	8,000,000	12,000,000	(8,210,070)	(105,398)	(210,070)	11,894,602	11,684,532
Net loss for the period	-	-	(420,538)	(630,806)	(420,538)	(630,806)	(1,051,344)
Other comprehensive losses	-	-	-	-	-	-	-
Total comprehensive losses	-	-	(420,538)	(630,806)	(420,538)	(630,806)	(1,051,344)
Balance as at September 30, 2023 (Unaudited)	8,000,000	12,000,000	(8,630,608)	(736,204)	(630,608)	11,263,796	10,633,188

Chairman of the Board



Chief Executive Officer



Chief Financial Officer



The accompanying notes (1) to (18) are an integral part of these interim condensed financial statements

LENDO SAUDI FOR FINANCING COMPANY
 (A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023
 (ALL AMOUNTS EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Cash flows from operating activities		
Net loss for the year before zakat and income tax	(1,105,109)	(3,813,640)
Adjustments:		
Depreciation of property and equipment	114,388	63,276
Amortization of intangible	443,069	343,406
Employees' benefits obligations	312,328	111,575
	<u>(235,324)</u>	<u>(3,295,383)</u>
Changes in operating assets and liabilities		
Prepayments and other current assets	(471,962)	(47,819)
Trade payables	350,577	444,628
Accrued expenses and other liabilities	629,656	(22,052)
Employees' benefits paid	<u>(143,474)</u>	-
Net cash generated from/ (used in) operating activities	129,473	(2,920,626)
Cash flows from investing activities		
Additions in property and equipment	(130,540)	(158,540)
Additions in intangibles assets	<u>(937,366)</u>	<u>(452,532)</u>
Net cash used in investing activities	(1,067,906)	(611,072)
Cash flows from financing activities		
Due to a related party	-	2,330,530
Net cash generated from financing activities	-	2,330,530
Net change in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	(938,433)	(1,201,168)
Cash and cash equivalents at the ending of the year	10,761,968	4,599,233
	<u>9,823,535</u>	<u>3,398,065</u>

Chairman of the Board



Chief Executive Officer



Chief Financial Officer



The accompanying notes (1) to (18) are an integral part of these interim condensed financial statements

LEND SAUDI FOR FINANCING COMPANY

(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023

(ALL AMOUNTS EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1 - ORGANIZATION AND ACTIVITIES

Lendo Saudi for Financing Company (“the Company”) is a Saudi Closed Joint Stock Company, operating under Commercial Registration No 1010499636 issued in Riyadh on Rabi Al-Thani 11 1440 (H).

The principal activities of the Company comprise providing services related to system analysis, designing and Programming of special software, software maintenance and fintech. On August 24, 2021, the Extraordinary Assembly Meeting resolved to change the business acitvities of the Company into debt crowd funding. On September 21, 2021, the Company amended its bylaw and completed all formalities related to this change. On March 15, 2022 corresponding to (Shaaban 11, 1443) the Company with its unified number 7005485003 obtained the license No. 61/AC/202203 from The Saudi Central Bank to operate in crowdfunding following to its successul trial ran through the Sandbox for its platform and its business.

The Company's registered office is in Riyadh, Kingdom of Saudi Arabia.

2 - BASIS OF PREPARTION

These financial statements have been prepared in accordance with the International Accounting Standard “Interim Financial Reporting” IAS 34 as endorsed in the Kingdom of Saudi Arabia and other relevant pronouncements endorsed by the Saudi Organization for Chartered Professional Accountants (“SOCPA”) and the requirements of the laws and regulations in the Kingdom of Saudi Arabia. The interim condensed financial statements have been prepared on a historical cost convention, the use of accrual principle and going concern basis.

The 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 annual financial statements for the year ended December 31, 2022. The interim results for the three and nine- month period ended September 30, 2023 are not necessarily indicative of the annual results of the Company.

3 - FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Saudi Riyal currency, which is the functional and presentation currency of the Company.

4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of interim condensed financial information of the Company are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended December 31, 2022.

LENDO SAUDI FOR FINANCING COMPANY
 (A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023
 (ALL AMOUNTS EXPRESSED IN SAUDI RYALS UNLESS OTHERWISE STATED)

5 - INTANGIBLE, NET

Description	Platform		
	Cost	Accumulated Amortization	Net book value
Balance as at January 1, 2022	2,188,813	(255,362)	1,933,451
Additions	452,533	(475,474)	(22,941)
Balance as at December 31, 2022 (audited)	2,641,346	(730,836)	1,910,510
Balance as at January 1, 2023 (audited)	2,641,346	(730,836)	1,910,510
Additions	937,366	(443,069)	494,297
Balance at September 30, 2023 (unaudited)	3,578,712	(1,173,905)	2,404,807

6 - PREPAYMENTS AND OTHER CURRENT ASSETS

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Prepaid to vendors	565,123	74,111
Prepaid insurance	38,376	67,553
Advances to staff	10,127	-
	613,626	141,664

7 - CASH AND CASH EQUIVALENTS

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Cash at banks	9,823,535	10,761,968



LEND SAUDI FOR FINANCING COMPANY
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023
 (ALL AMOUNTS EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)

8 - CAPITAL

The share capital of the Company was amounting to SR 500,000 divided into 50,000 shares of SR 10 each.(2019: SR 10,000 divided into 10,000 shares of SR 1 each). The share capital of the Company as of December 31, 2020 was as follow:

Name of Shareholders	Nationality	Percentage	Number of shares	Total
Faris Bin Ibrahim Rashid Alhamed	Saudi	99.8%	49,900	499,000
Osama Aijaz Alraee	Saudi	0.2%	100	1,000
		100%	50,000	500,000

On August 24, 2021, the Extraordinary Assembly Meeting approved the increase in capital from SR 500,000 to SR 5,000,000 by issuing additional 450,000 shares to the existing shareholders to be 500,000 share at SR 10 each. The Company completed the all formalities related to this change. Following to the change, the capital of the Company is allocated among the shareholders is as follows:

Name of Shareholders	Nationality	Percentage	Number of shares	Total
Faris Bin Ibrahim Rashid Alhamed	Saudi	99.8%	499,000	4,990,000
Osama Aijaz Alraee	Saudi	0.2%	1,000	10,000
		100%	500,000	5,000,000

On September 28, 2022, the Company submitted its request to the Saudi Central Bank to obtain the approval for its plan to increase the capital of the Company by SR 15 million and to approved the proposed 60% shares to be owned by the foreign investor (“Lendo Inc.”).

On November 16, 2022, the Company obtained the approval from the Saudi Central Bank on the proposed plan. On December 19, 2022, the shareholder, Faris Bin Ibrahim Rashid Alhamed agreed to transfer his 499,000 shares to the shareholder, Osama Aijaz Alraee in a separate agreement between the shareholders.

Further, on December 19, 2022, the Company held its Extraordinary General Assembly Meeting and approved the increase in capital by SR 15 million and the issuance of 1.5 million additional shares and the entry of Lendo Inc. as a shareholder owning 60% of the total outstanding shares. The amount of the increase financed through a balance due to Lendo Inc. amounting to SR 12,000,000 and payment made by Osama Aijaz Alraee amounting to SR 3,000,000. The Company has completed the legal formalities related to these changes. The Company’s share capital is allocated among its shareholders as follows:

Name of Shareholders	Nationality	Percentage	Number of shares	Total
Lendo Inc	Cayman	60%	1,200,000	12,000,000
Osama Aijaz Alraee	Saudi	40%	800,000	8,000,000
		100%	2,000,000	20,000,000



LENDO SAUDI FOR FINANCING COMPANY
 (A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023
 (ALL AMOUNTS EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)

9 - EMPLOYEES' BENEFITS OBLIGATIONS

The movement in the employees' benefits obligations at December 31, as follows:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Balance in January 1,	461,615	136,360
Charged during the year	312,328	148,767
Losses on re-measurement of Employees' benefits	-	176,488
Benefits paid during the year	(143,474)	-
Balance in December 31,	630,469	461,615

10 - ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Value added tax payable	451,679	250,893
Employees related payable	421,652	55,282
Accruals	62,500	-
	935,831	306,175

11 - ZAKAT AND INCOME TAX PROVISION

Movement in Zakat provision

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Balance at the beginning of the period/ year	53,765	-
(Reversed)/ charged during the period/ year	(53,765)	53,765
Payment during the period/ year	-	-
	53,765	53,765

Movement in income tax provision

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Balance at the beginning of the period/ year	-	-
Charged during the period/ year	-	-
Payment during the period/ year	-	-
	-	-

The Company has filed its zakat returns with the Zakat, Tax and Customs Authority (ZATCA) for the period from 2019 till year 2022, which is still under review of the ZATCA and obtained its certificate that expires on April 30, 2024.



LENDO SAUDI FOR FINANCING COMPANY

(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023

(ALL AMOUNTS EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)

12 - COST OF REVENUE

	For the three- month period ended September 30,		For the nine- month period ended September 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales commission and incentives	364,438	33,693	498,947	101,079
Amortisation expense	178,936	124,525	443,070	343,406
Loan origination cost	67,311	67,367	205,841	310,259
	610,685	225,585	1,147,858	754,744

13 - GENERAL AND ADMINISTRATIVE EXPENSES

	For the three- month period ended September 30,		For the nine- month period ended September 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and wages	2,198,776	1,672,211	6,740,501	4,987,236
Professional consultancy fees	1,256,347	483,261	3,322,761	1,094,589
Legal and Professional fees	78,100	56,250	235,405	161,926
Rent	255,765	151,896	704,999	443,433
IT expenses	399,492	100,483	746,157	249,000
Marketing expenses	56,205	133,488	265,520	245,232
Government fees	24,176	28,213	95,134	115,793
Depreciation	41,451	26,835	114,388	63,276
License and subscriptions	28,235	44,025	43,235	120,350
Withholding tax	2,192	(9,763)	6,988	11,963
Others	9,662	14,460	30,822	154,224
	4,350,401	2,701,359	12,305,910	7,647,022

14 - EARNING PER SHARE

Basic and diluted earnings per share are calculated by dividing operating loss by the weighted average number of ordinary shares issued, that is 2,000,000 shares outstanding as of as at September 30, 2023 (September 2022: 500,000 shares).

	For the three- month period ended September 30,		For the nine- month period ended September 30,	
	September 30,	September 30,	September 30,	September 30,
	2023	2022	2022	2022
Net profit/ (loss) for the period	588,583	(1,033,096)	(1,051,344)	(3,813,640)
Total comprehensive income/ (loss) for the period	588,583	(1,033,096)	(1,051,344)	(3,813,640)
Weighted average number of shares	Share	Share	Share	Share
	2,000,000	500,000	2,000,000	500,000
	SR / Share	SR / Share	SR / Share	SR / Share
Basic and diluted earning/ (loss) per share from net loss for the period	0.29	(2.07)	(0.53)	(7.63)
Basic and diluted earning/ (loss) per share from total comprehensive loss for the period	0.29	(2.07)	(0.53)	(7.63)



LEND SAUDI FOR FINANCING COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE NINE- MONTH PERIOD ENDED SEPTEMBER 30, 2023
(ALL AMOUNTS EXPRESSED IN SAUDI RIYALS UNLESS OTHERWISE STATED)

15 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Liquidity risks

Liquidity risk occurs when an entity faces a difficulty in selling a financial asset in a timely and quickly manner to prevent or reduce the loss. Liquidity risks are closely managed through the periodic monitoring of available liquidity and current and future liabilities.

Foreign currency risk management

Currency risk arises from possible changes and fluctuations in currency rates that affect future profit. The Company monitors currency fluctuations and believes that the impact of currency risk is not material.

Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The Company's management believes the fair value of the financial assets and liabilities approximate their carrying amounts.

16 - CLIENT MONEY

Clients' Money represents money that the Company receives from or holds for, or on behalf of, a client in connection with its crowdfunding Business. Client money are maintained in a separate designated bank account in a local bank under the name of the Company. This bank account receives the money from the investors and the borrowers through the Company platform. As of September 30, 2023, the bank account has a balance amounting to SR 25,951,641 (December 31, 2022 SR 17,522,596).

17 - ACCUMULATED LOSSES

The Company has incurred losses of SR 1.05 million for the nine month period ended September 30, 2023 (September 30, 2022: SR 3.8 million), and has accumulated losses amounting to SR 9.36 million (December 31, 2022: SR 8.3 million). As of September 30, 2023, The Company and its Board are in process of having discussions on the Company's accumulated losses.

18 - THE APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors on October 24, 2023.

