





Derayah Reports Resilient Q1 2025 Results with Continued AUM Growth and Strong Core Revenues

Total Number of Client Accounts '000	Total Assets Under Custody (AUC) ₪ Bn	Operating Income ₪ Mn	Net Income ₪ Mn
+4% YTD	+20% YTD	-6% YOY	-22% YOY
555 	36.4 	209 	106 

Riyadh, May 13, 2025 — Derayah Financial (Derayah, Tadawul: 4084), reported total operating income of ₪ 209 million in 1Q 2025, down 6% year-over-year (YoY), primarily due to a drop in the fair value of FVTPL investments, reflecting unfavorable market conditions, compared to the investment gains recorded in 4Q FY24. Despite challenging and volatile market conditions amid fears of a global trade war, performance remained resilient - supported by healthy recurring revenue streams and diversification within the brokerage business across both local and international markets.

Operating profit came in at ₪ 132 million, a decline of 13% YoY, reflecting higher operating expenses, largely due to the transfer of vested shares to the relevant employees in accordance with the Employee Share Ownership Plan (ESOP), which aims to retain and attract talent.

Overall, net income for the quarter came at ₪ 106.2 million, down 22% YoY, after accounting for the share in the loss reported by associate, digital bank D360. Core business, excluding the effect of Bank D360 losses, reported a net profit of ₪ 130.3 million, down 11% YoY.

Mr. Mohammed AlShammasi, Chief Executive Officer

"I am pleased to share our first-quarter results, marked by a strong growth across key operating metrics highlighting the benefits of our strategic focus on client engagement and product development. Our client base has now reached 555,000 with total client assets approaching ₪ 55 billion, including ₪ 18.1 billion in assets under management — a clear reflection of growing client confidence in our platform and our ability to serve an expanding range of financial needs.

Our associate D360, has reached a notable milestone with over one million clients, which highlights the demand for neo-bank services and establishes a foundation for future cross-selling opportunities.

In addition, we have introduced a dividend policy to ensure a more attractive return profile while supporting long-term value creation for shareholders."



Mr. Bilal Bushnaq, Chief Financial Officer

"In Q1 2025, Derayah delivered a robust financial performance which highlights the positive impact of our diversified business model. Despite mixed market conditions, we delivered strong core revenues, supported by growing brokerage revenue underscoring the resilience and profitability of our overall trading activity.

The quarter saw continued growth in Assets Under Management, which drove a 36% increase in management fees year-over-year, offsetting subdued performance and subscription fee income.

We maintained a healthy cost-to-income ratio of 37%, while net operating income held steady quarter-on-quarter at ₪ 131.9 million, delivering a strong operating margin of 63%. These results reflect our ongoing commitment to operational discipline and sustainable profitability."

1Q 2025 Key Highlights

- Client accounts increased by 22,000 in 1Q 2025, or 4% QoQ, reaching a total of 555,000
- Overall trading activity was relatively resilient declining at lower rate than the market
- Total assets under custody (AUC) increased by 20% YTD to ₪ 36.4bn
- Total assets under management (AUM) increased by 5% YTD to ₪ 18.1bn
- Net profit for 1Q 2025 reached ₪ 106mn, with return on average equity of 42.3%
- Total operating income decreased by 6% YoY to ₪ 209mn
- The cost-to-income ratio came in at 37.0%

Total Operating income declined by 6% YoY to ₪ 209.4 million in 1Q 2025, primarily due to the primarily due to a drop in the fair value of FVTPL investments, reflecting unfavorable market conditions, compared to the investment gains recorded in 4Q FY24. However, core business lines continued to show resilience amid mixed market conditions, benefiting from the diversified business model and recurring revenue streams:

- Brokerage** revenue grew by 6% YoY and 8% quarter-on-quarter (QoQ), exceeding ₪ 134 million.
Non-margin trading revenue across local and international markets rose 3% YoY, exceeding ₪ 125 million.
While revenue from Sharia-compliant margin lending solutions increased by 64% YoY in 1Q 2025, reaching nearly ₪ 9 million. This growth was driven by an improved net margin, on lower funding costs, along with a 7% increase in the Margin Financing Fund (Trade Finance Fund), which ended the quarter at c. ₪ 1.5 billion.
- Asset Management** revenue declined 22% YoY to ₪ 27 million, mainly due to muted performance fees, on lower market returns and subdued subscription fees, following Saudi Founding Day promotional campaign. This was partially offset with growing management fees which increased 36% YoY in 1Q 2025, on strong AUM growth, and underscoring the stability of recurring revenue within the Asset Management business.



Assets Under Management (AUM) rose 5% QoQ and 43% YoY to reach SAR 18.1 billion by the end of Q1 2025, supported by strong net inflows despite challenging market conditions. Growth was particularly notable in public market funds, which increased 17% QoQ, driven by c. SAR 680 million in net new subscriptions — reinforcing a solid foundation for future expansion.

- **Special commission income** remained broadly stable YoY at ₪ 41 million, reflecting a strong 28% YoY increase in assets under custody (AUC), which exceeded SAR 36 billion at end-1Q FY25, but was negatively impacted by lower benchmark rates.

Total operating expenses reached ₪ 78 million in 1Q 2025, marking a 10% YoY increase driven by business expansion, continued investment in technology and strategic initiatives. Moreover, and under the Employee Share Ownership Plan (ESOP), which is designed to attract and retain talent, the Company transferred vested shares to eligible employees resulting in ₪ 8.6 million (non-cash expense) addition to employee-related costs. Despite this, the Company maintained disciplined cost control, with the cost-to-income ratio contained at 37.0%.

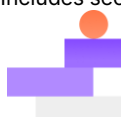
Derayah recorded a share of loss in associate of ₪ 24 million, stemming from its investment in D360, the digital bank. This loss reflects the Company's share of the results of operations of the associate which is accounted for using the equity method. Overall, this was in line with expectations as D360 continues its ramp-up phase following its full commercial launch in December 2024, which is a phase that requires significant investment in platform development and operational capabilities.

Net income for the period stood at ₪ 106 million, down 22% YoY but broadly stable sequentially, supported by a strong net income margin of over 50%.

1Q 2025 Selected Operating and Financial Metrics

₪ Bn	1Q 2025	4Q 2024	Δ%
Operating metrics			
Total number of customer accounts, '000	555	532	+4%
Total assets under custody (AUC) ¹	36	30	20%
Total assets under management (AUM)	18	17	5%

¹ Includes securities and cash

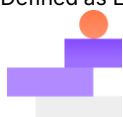


﷼ Mn	1Q 2025	4Q 2024	Δ%	1Q 2024	Δ%
Selected Financial Metrics					
Brokerage service	134	125	+8%	127	+6%
Asset management service	33	39	-17%	42	-22%
Special commission income	42	48	-12%	43	-1%
Gain on Investments & Other ²	(0)	20	NM	9	NM
Total operating income	209	233	-10%	222	-6%
Total operating expenses	(78)	(100)	-22%	(70)	+10%
Net operating income	132	133	-1%	152	-13%
Share of loss in an associate	(24)	(26)	-8%	(11)	+119%
Income before zakat	109	109	-0%	143	-23%
Zakat	(3)	(2)	+69%	(6)	-53%
Net income for the period	106	108	-1%	136	-22%
Return on average equity ³	42.3%	50.2%	-7.9%	48.5%	-6.2%
Net income margin	50.7%	46.2%	4.5%	61.4%	-10.6%
Cost-to-income ratio	37.0%	42.9%	-5.9%	31.6%	5.4%

﷼ Mn	1Q 2025	4Q 2024	Δ%	1Q 2024	Δ%
Balance Sheet					
Total Non-Current Assets	758	770	-1.5%	646	17.3%
Total Current Assets	531	457	16.3%	511	4.0%
Total assets	1,289	1,226	5.1%	1,157	11.4%
Total Current Liabilities	85	152	-43.9%	168	-49.3%
Total Non-Current Liabilities	120	117	2.5%	116	3.7%
Total liabilities	205	269	-23.7%	283	-27.6%
Share Capital	499	499	0.0%	162	207.8%
Retained Earnings	556	429	29.5%	677	-17.9%
Total Shareholders' Equity	1,084	958	13.2%	874	24.1%
Total liabilities and equity	1,289	1,226	5.1%	1,157	11.4%

² Includes (Loss) / gain on financial assets at FVPTL, Rental income on investment property and Dividend income

³ Defined as Last Twelve Months Net Income/ Average Equity



Derayah's New 3-year Dividend Policy

On April 23, 2025, the Board of Directors approved a new three-year dividend distribution policy, pending approval by the General Assembly:

- For the financial year ending December 31, 2025, Derayah Financial commits to a minimum distribution of ₪ 1.30 per share.
- For 1Q 2025, the Board has approved a dividend distribution of ₪ 0.325 per share.
- For the financial years ending December 31, 2026, and December 31, 2027, Derayah Financial commits to distributing a minimum of 60% of full-year net profit.
- Dividend distributions will be made quarterly, starting from 1Q 2025 through to 4Q 2027.
- The Board may consider making distributions above the committed minimum, depending on the Company's financial performance, capital needs, and other relevant factors.

Earnings Call

The Company is holding an earnings call to discuss 1Q 2025 financial results with analysts and investors on Wednesday, 14 May 2025, at 3:00 pm Riyadh time (12:00 pm London, 4:00 pm Dubai, 8:00 am New York).

For further details about the call, including dial-in details, please contact Investor Relations on investor.relations@derayah.com

Additional Information

The 1Q 2025 financial statements, earnings release, earnings presentation, and financial data supplement will be available on the Investor Relations website of Derayah Financial at: www.ir.derayah.com

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