

ALPHA ARABIA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024
AND INDEPENDENT AUDITOR'S REPORT ON REVIEW

ALPHA ARABIA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2024

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Report on Review of Condensed Interim Financial Statements

To the Shareholders of
Alpha Arabia Finance Company
(A Saudi Closed Joint Stock Company)

Introduction:

We have reviewed the accompanying condensed interim statement of financial position of **Alpha Arabia Finance Company** ("the Company") as of September 30, 2024, and the related condensed interim statement of comprehensive income, for the three and nine months period then ended September 30, 2024 and the condensed interim statement of changes in equity and cash flows for the nine months period then ended, and other explanatory notes. Management is responsible for preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review:

We conducted our review in accordance with International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia and consequently doesn't 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 condensed interim 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.

Other matter:

These are the first condensed interim financial statements for the nine months period ended September 30, 2024. The comparative figures showing the condensed interim financial statements for the period from June 8, 2023 (The date of issuing commercial register) till September 30, 2023 which are not comparable. Accordingly, no review report has been issued for the nine months period ended September 30, 2023.

RSM Allied Accountants Professional Services



Mohammed Bin Farhan Bin Nader
(License No. 435)

Riyadh, Kingdom of Saudi Arabia
Rabi Al Thani 24, 1446 H (Corresponding to October 27, 2024)

ALPHA ARABIA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF SEPTEMBER 30, 2024
(SAUDI RIYAL)

	Notes	September 30, 2024	December 31, 2023
		(Unaudited)	(Audited)
ASSETS			
Cash and cash equivalents	5	49,920,549	94,658,602
Islamic financing receivables, net	6	58,786,653	-
Prepaid expenses and other current assets	7	1,913,813	2,690,242
Property and equipment	8	303,878	225,870
Right of use assets	9	4,025,737	5,123,665
Intangible assets	10	2,890,938	2,212,820
TOTAL ASSETS		117,841,568	104,911,199
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	100,000,000	100,000,000
(Accumulated losses) / retained earnings		(9,052,837)	65,422
TOTAL EQUITY		90,947,163	100,065,422
LIABILITIES			
Islamic financing payable	12	14,136,352	-
Accrued expenses and other current liabilities	13	9,352,784	347,723
Lease liabilities	9	2,970,663	4,393,094
Zakat provision	14	96,096	16,355
Employees' defined benefit's obligations		338,510	88,605
TOTAL LIABILITIES		26,894,405	4,845,777
TOTAL EQUITY AND LIABILITIES		117,841,568	104,911,199

The accompanying notes form an integral part of these condensed interim financial statements

ALPHA ARABIA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024
(SAUDI RIYAL)

		For the period from June 8, 2023 (The date of issuing commercial register) till September 30, 2023	For the nine months period ended September 30, 2024
Notes	For the three months period ended September 30, 2024	September 30, 2023	September 30, 2024
	(Unaudited)	(Unaudited)	(Unaudited)
Income			
Income from Islamic financing	3,005,568	-	4,027,822
Other income	748,733	2,291,697	3,235,373
Total income	3,754,301	2,291,697	7,263,195
Expenses			
Expected credit losses for islamic financing receivables	(261,474)	-	(701,258)
Salaries, wages and other benefits	(3,043,637)	(770,417)	(8,014,585)
Depreciation of right of use assets	(365,976)	(365,976)	(1,097,928)
Amortization of intangible assets	(165,969)	-	(428,443)
Depreciation of property and equipment	(19,984)	(7,600)	(49,985)
Other general and administrative expenses	(1,835,342)	(275,805)	(4,306,965)
Selling and marketing expenses	(550,950)	-	(1,360,280)
Finance cost	(199,254)	(72,234)	(332,705)
Total expenses	(6,442,586)	(1,492,032)	(16,292,149)
(Loss) / profit for the period before zakat	(2,688,285)	799,665	(9,028,954)
Zakat	(29,769)	(17,965)	(89,305)
(Loss) / profit for the period	(2,718,054)	781,700	(9,118,259)
Other comprehensive income items	-	-	-
Total comprehensive (loss) / income for the period	(2,718,054)	781,700	(9,118,259)

The accompanying notes form an integral part of these condensed interim financial statements

ALPHA ARABIA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024
(SAUDI RIYAL)

	<u>Share capital</u>	<u>Retained earnings / (accumulated losses)</u>	<u>Total equity</u>
<u>For the period from June 8, 2023 (The date of issuing commercial register) till September 30, 2023</u>			
Profit for the period	-	781,700	781,700
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	781,700	781,700
Capital injection	100,000,000	-	100,000,000
Balance as of September 30, 2023 (unaudited)	<u>100,000,000</u>	<u>781,700</u>	<u>100,781,700</u>
 <u>For the nine months period ended September 30, 2024</u>			
Balance as of January 1, 2024 (Audited)	100,000,000	65,422	100,065,422
Loss for the period	-	(9,118,259)	(9,118,259)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(9,118,259)	(9,118,259)
Balance as of September 30, 2024 (unaudited)	<u>100,000,000</u>	<u>(9,052,837)</u>	<u>90,947,163</u>

The accompanying notes form an integral part of these condensed interim financial statements

ALPHA ARABIA FINANCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024
(SAUDI RIYAL)

	For the nine months period ended September 30, 2024	For the period from June 8, 2023 (The date of issuing commercial register) till September 30, 2023
	(Unaudited)	(Unaudited)
<u>OPERATING ACTIVITIES:</u>		
(Loss)/ income for the period before zakat	(9,028,954)	799,665
Adjustments for:		
Depreciation of property and equipment	49,985	7,600
Depreciation of right of use assets	1,097,928	365,976
Amortization of intangible assets	428,443	-
Expected credit losses for Islamic financing receivables	701,258	-
Finance cost	332,705	72,234
Current service cost for employee's defined benefits obligations	249,905	-
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	776,429	(3,142,231)
Islamic financing receivables, gross	(59,487,911)	-
Accrued expenses and other current liabilities	9,005,061	30,399
Cash used in operating activities	(55,875,151)	(1,866,357)
Zakat paid	(9,564)	-
Net cash flows used in operating activities	(55,884,715)	(1,866,357)
<u>INVESTING ACTIVITIES:</u>		
Addition in property and equipment	(127,993)	(121,604)
Addition in intangible assets	(1,106,561)	-
Net cash flows used in investing activities	(1,234,554)	(121,604)
<u>FINANCING ACTIVITIES:</u>		
Proceeds from Islamic financing - net	14,494,355	-
Repayment of Islamic financing	(416,667)	-
Finance cost paid	(96,472)	-
Lease rental paid	(1,600,000)	(1,600,000)
Capital injection	-	100,000,000
Net cash flows from financing activities	12,381,216	98,400,000
Net changes in cash and cash equivalents during the period	(44,738,053)	96,412,039
Cash and cash equivalents at the beginning of the period	94,658,602	-
Cash and cash equivalents at the end of the period	49,920,549	96,412,039

The accompanying notes form an integral part of these condensed interim financial statements

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024**

1- COMPANY INFORMATION

Alpha Arabia Finance Company (“the Company”) is a Saudi Closed Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010887286 dated Dhul-Qi'dah 19, 1444 H, (corresponding to June 8, 2023) having obtained the necessary approval from the Ministry of Commerce (MOC) and Notary Public.

In accordance with Article 6 of the implementing Regulations of the Law of supervision of finance Companies, the Company submitted its application to the Saudi Central Bank (“SAMA”) to obtain a license as a financing Company. On Ramadan 20, 1444 H (corresponding to April 11, 2023) the Company received an initial approval from the SAMA to practice consumer financing, financial leasing, and financing small and medium enterprises.

The Company obtained the license having a number of 85/AH/202402 from SAMA on Rajab 25, 1445 H (corresponding to February 6, 2024), authorizing the Company to engage in the finance lease activities. The Company commenced its commercial operations in terms of investing in Islamic financing in the month of February 2024.

The principal activities of the Company include financial lease, financing to Small and Medium Enterprises (SMEs) and Consumer financing.

The Company’s registered office located in Riyadh Kingdom of Saudi Arabia, postal code 13524.

2- BASIS OF PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

2-1 Statement of compliance

The Company's condensed interim financial statements have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting" that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncement approved by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

These condensed interim financial statements do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards. and therefore, they should be read in conjunction with the Company’s annual financial statements for the period ended December 31, 2023.

The results for the period are not indication of the annual results for the Company.

The Company’s condensed interim financial statements for the nine months period ended September 30, 2024 are the first statements issued by the management of the company covering this period since the date of registration of Company in the Commercial Register is June 8, 2023, therefore comparative figures have been presented for the condensed interim statement of comprehensive income and condensed interim statement of changes in equity and condensed interim statement of cash flows for the period from the date of issuing commercial register till September, 2023 which are not comparable.

The interim condensed statement of financial position is presented in descending order of liquidity, as this presentation is more appropriate to the Company’s operations.

2-2 Basis of measurement

These condensed interim financial statements have been prepared under historical cost convention using going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. Moreover, these condensed interim financial statements are prepared using accrual basis.

2-3 Accounting estimates and assumptions

In preparing these condensed interim financial statements, management has made judgements and estimates that affect the application of material accounting policies information and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The judgements are made by the management in applying the Company’s material accounting policies information and are the key sources of estimation uncertainty. In preparing these interim condensed financial statements, the significant judgments made by management in applying the Company’s material accounting policies information and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements for the year ended December 31, 2023.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

2- BASIS OF PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

2-4 Functional and presentation currency

These condensed interim financial statements are presented in Saudi Riyal, unless otherwise stated. The Saudi Riyal is the functional and presentation currency of the Company.

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

There are new standards and number of amendments to standards which are effective from January 1, 2024 which will be explained in Company's annual financial statements, furthermore, there was no material impact on the Company's condensed interim financial statements for several amendments apply for the first time in 2024. The Company has not adopted any other standard, amendments to standards and interpretations that has been issued but is not effective yet.

4- CONSISTENT MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies information followed, and the methods of calculation applied in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended December 31, 2023 except as follows:

Islamic Financing Receivables – net (Tawarruq receivables)

Tawarruq is an agreement whereby the Company sells to a customer an asset, which the Company has purchased and after such sale, arranges to sell the underlying asset and disburses the sale proceeds to the customer. The selling price comprises the cost plus an agreed profit margin. Gross amounts due under the Tawarruq sale contract include the total sale payments on the Tawarruq agreement (Tawarruq sale contract receivable). The difference between the Tawarruq sale contract receivable and the cost of the sold asset is recorded as unearned Tawarruq profit and for presentation purposes, is deducted from the gross amounts due under the Tawarruq sale contract receivable.

Income from Islamic financing

Income from Islamic financing receivables is recognized in statement of comprehensive income using effective profit rate ("EPR"), on the outstanding balance over the term of the contract.

The calculation of the EPR includes transaction costs, fees and commission income received that are an integral part of the EPR. Transaction costs include incremental costs that are directly attributable to the acquisition of the financial asset.

Income from Islamic financing is calculated by applying the EPR to the carrying amount of financial assets, except for:

- Purchased or originated credit-impaired ("POCI") financial assets, for which the original credit [1] adjusted EPR is applied to the amortised cost of the financial asset;
- Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which income is calculated by applying the EPR to their amortised cost (i.e. net of the expected credit loss provision) starting from the subsequent reporting period.

Islamic financing payable

Financial facilities are initially recognized at fair value, net of transaction costs incurred. Financial facilities are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in statement of profit or loss over the period of the facilities using the effective interest method. Financial facilities are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired.

Processing fee

Processing fees and other operating income represent administration fees which include Islamic financings initiation and customer risk assessment. Processing fee income is recognised over the period of Islamic financings using the effective profit rate method, which results in a constant periodic rate of return over the net investment outstanding over the term of the contract.

Other operating income

Other operating income is recorded as when earned.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

5- CASH AND CASH EQUIVALENTS

	(Saudi Riyal)	
	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Islamic short-term deposits (A)	20,000,000	92,000,000
Cash at banks (B)	29,888,952	2,655,753
Cash in hand	31,597	2,849
Total	<u>49,920,549</u>	<u>94,658,602</u>

(A) Islamic short-term deposits represent short term deposits with commercial banks with an average rate of return of 6 % per annum. During the period, the Company has earned the profit of SR 2,378,916 (September 30,2023: 2,291,697) (Note 16). The profit receivables as of September 30, 2024 on these term deposits amounts to SR 49,778 (December 31, 2023: SR 735,297) (Note 7).

(B) Cash at banks comprises of current account balances held with local banks having sound credit ratings.

6- ISLAMIC FINANCING RECEIVABLES, NET

	(Saudi Riyal)	
	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Gross investment in islamic financing	85,822,405	-
Unearned islamic financing income	(24,472,590)	-
Total outstanding investment in Islamic financing	61,349,815	-
Less: Unearned admin fees	(1,861,904)	-
Net investment in islamic financing	59,487,911	-
Less: Expected credit losses for islamic financing receivables	(701,258)	-
Balance as of end of the period	<u>58,786,653</u>	<u>-</u>

The bifurcation of Islamic financing receivables into performing and non-performing is as follows:

	<u>September 30, 2024</u>		
	<u>Personal</u>	<u>Small medium enterprises</u>	<u>Total</u>
Performing	14,055	56,361,941	56,375,996
Under performing	-	4,973,819	4,973,819
Gross receivables	14,055	61,335,760	61,349,815
Less: Expected credit losses (A)	(113)	(701,145)	(701,258)
Net investment in Islamic financing	<u>13,942</u>	<u>60,634,615</u>	<u>60,648,557</u>

Stage wise analysis of Islamic financing receivables is as follows:

	<u>September 30, 2024</u>		
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Total</u>
Balance as of beginning of the period	-	-	-
Transfers	(4,973,819)	4,973,819	-
Net other movements (B)	61,349,815	-	61,349,815
	56,375,996	4,973,819	61,349,815
Less: Expected credit losses (A)	(451,004)	(250,254)	(701,258)
	<u>55,924,992</u>	<u>4,723,565</u>	<u>60,648,557</u>

(A) The movement in the expected credit losses is as follows:

	(Saudi Riyal)	
	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Balance as of beginning of the period	-	-
Charged during the period	(701,258)	-
Balance as of end of period	<u>(701,258)</u>	<u>-</u>

(B) Net other movements include financing originated, financing repaid and other measurements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

6- ISLAMIC FINANCING RECEIVABLES, NET (CONTINUED)

Assignment of Islamic financing receivables:

The Company assigned Islamic financing receivables amounting to SR 20.33 million (December 31, 2023: Nil) to local commercial bank for obtaining Islamic bank financing. The carrying amount of associated Islamic bank financing amounts to SR 19.8 million (December 31, 2023: Nil). These Islamic financing receivables have not been derecognized from the condensed interim statement of financial position as the Company retains substantially all the related risks and rewards, primarily credit risk. The Company is liable for the repayments of their assigned receivables to local commercial banks in case of customer default. The amount received on assignment of Islamic financing receivables has been recognized as Islamic bank financing in the condensed interim statement of financial position. Pursuant to the terms of the transfer agreement, the Company is not allowed to re-pledge those receivables and the financial institution lenders have recourse only to the receivables in the event the Company defaults its obligation.

7- PREPAID EXPENSES AND OTHER CURRENT ASSETS

	(Saudi Riyal)	
	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Prepayments for IT related services (A)	1,578,086	1,482,286
Profit receivables on Islamic short-term deposits (Note 5)	49,778	735,297
Other prepaid expenses	285,949	472,659
Total	<u>1,913,813</u>	<u>2,690,242</u>

(A) These includes an amount of SR 1,511,573 against IT services being taken by a Company from related parties, Information Technology Integrated Solutions and Integrated Marketing Advertising Company (Note 18A).

8- PROPERTY AND EQUIPMENT

	(Saudi Riyal)				
	<u>Computer Hardware</u>	<u>Office equipments</u>	<u>Furnitures and fixtures</u>	<u>Other assets</u>	<u>Total</u>
Cost:					
Additions	224,066	10,143	4,934	-	239,143
As of December 31, 2023	224,066	10,143	4,934	-	239,143
Additions	74,677	-	18,124	35,192	127,993
As of September 30, 2024	<u>298,743</u>	<u>10,143</u>	<u>23,058</u>	<u>35,192</u>	<u>367,136</u>
Accumulated depreciation:					
Charged during the period	12,640	623	10	-	13,273
As of December 31, 2023	12,640	623	10	-	13,273
Charged during the period	44,910	760	2,360	1,955	49,985
As of September 30, 2024	<u>57,550</u>	<u>1,383</u>	<u>2,370</u>	<u>1,955</u>	<u>63,258</u>
Net book value:					
As of September 30, 2024	<u>241,193</u>	<u>8,760</u>	<u>20,688</u>	<u>33,237</u>	<u>303,878</u>
As of December 31, 2023	<u>211,426</u>	<u>9,520</u>	<u>4,924</u>	-	<u>225,870</u>

9- RIGHT OF USE ASSETS AND LEASE LIABILITIES

The rights of use assets have been measured at an amount equal to the lease liabilities and adjusted for the amounts of lease payments due related to those lease contracts recognized in the condensed interim statement of financial position.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

9- RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED)

The following are the book values of the assets of the right of use assets, the obligations of the company's leases and movements during the period:

Right of use assets:

	(Saudi Riyal)	
	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<u>Cost:</u>		
Balance as of beginning of the period	5,855,617	-
Additions	-	5,855,617
Balance as of end of the period	5,855,617	5,855,617
<u>Accumulated depreciation:</u>		
Balance as of beginning of the period	731,952	-
Charged during the period	1,097,928	731,952
Balance as of end of the period	1,829,880	731,952
Net book value	4,025,737	5,123,665

	(Saudi Riyal)	
<u>Lease liabilities</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Balance as of beginning of the period	4,393,094	-
Additions	-	5,855,617
Finance cost charged during the period (Note 17)	177,569	137,477
Paid during the period	(1,600,000)	(1,600,000)
Balance as of end of the period	2,970,663	4,393,094

10- INTANGIBLE ASSETS

	(Saudi Riyal)		
	<u>Fully Developed</u>	<u>Under Development(A)</u>	<u>Total</u>
<u>Cost:</u>			
Additions	-	2,212,820	2,212,820
Balance as of December 31, 2023	-	2,212,820	2,212,820
Additions	1,106,561	-	1,106,561
Transfers	2,212,820	(2,212,820)	-
Balance as of September 30, 2024	3,319,381	-	3,319,381
<u>Accumulated amortization:</u>			
Charged during the period	428,443	-	428,443
Balance as of September 30, 2024	428,443	-	428,443
<u>Net book value:</u>			
Balance as of September 30, 2024	2,890,938	-	2,890,938
Balance as of December 31, 2023	-	2,212,820	2,212,820

(A) The project underdevelopment represents the amounts paid for IT infrastructure and systems to be used in the Company's operation.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

11- SHARE CAPITAL

The share capital of the Company as of September 30, 2024 and as of December 31, 2023 amounts to SR 100 million, divided into 10 million shares of SR 10 each share, distributed among the shareholders as follows:

Shareholder name	Number of shares	(Saudi riyal)	
		Value of share	Total
Alpha United Investment Company	3,000,000	10	30,000,000
National Trust Investment - Oman	3,000,000	10	30,000,000
Abdulmohsen AbdulRahman Al Sowailem	3,000,000	10	30,000,000
Sultan Saleh Al Musabhi	600,000	10	6,000,000
Fahad Saleh Al Musabhi	400,000	10	4,000,000
Total	10,000,000		100,000,000

12- ISLAMIC FINANCING PAYABLE

During the period, the company has obtained a banking facility from a local commercial bank to finance Retail and SME customers under respective offerings. The loan carry financing costs at SAIBOR Plus agreed commission rates. The loan is repayable on period basis with the last installment due in August 2027. The loan has been secured against the bank deposits and Islamic financing receivables (Note 6).

13- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	(Saudi Riyal)	
	September 30, 2024	December 31, 2023
Cash guarantees from customers	7,478,900	-
Other payables	821,372	33,858
Employees related accruals	447,721	158,791
Other liabilities	244,164	-
VAT payable	156,701	-
Accrued expenses	107,811	105,777
GOSI payable	96,115	49,297
Total	9,352,784	347,723

14- ZAKAT PROVISION

Zakat provision is calculated at the year end of each year in accordance with the regulations of the Zakat, Tax and Customs Authority (ZATCA). The zakat provision shall be recorded at the end of the financial year within the items of comprehensive income and the differences resulting from the final assessment are recognized within the same item in the year in which the zakat assessment is approved. The Company has calculated estimated zakat adjustment near period end of these condensed interim financial statements.

15- OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	(Saudi Riyal)		
	For the three months period ended September 30, 2024	For the period from June 8, 2023 (The date of issuing commercial register) till September 30, 2023	For the nine months period ended September 30, 2024
IT related expenses	1,540,641	88,550	3,643,870
Professional fee	107,237	-	283,499
Bank charges	68,743	-	74,772
Utilities	48,685	-	124,218
Government fees	29,948	-	69,313
Pre-operating expense	-	33,632	-
Others	40,088	153,623	111,293
Total	1,835,342	275,805	4,306,965

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

16- OTHER INCOME

	(Saudi Riyal)		
	For the three months period ended September 30, 2024	For the period from June 8, 2023 (The date of issuing commercial register) till September 30, 2023	For the nine months period ended September 30, 2024
Profits on deposits (Note 5)	84,684	2,291,697	2,378,916
Others	664,049	-	856,457
Total	748,733	2,291,697	3,235,373

17- FINANCE COST

	(Saudi Riyal)		
	For the three months period ended September 30, 2024	For the period from June 8, 2023 (The date of issuing commercial register) till September 30, 2023	For the nine months period ended September 30, 2024
Islamic financing cost	155,136	-	155,136
Finance cost on lease liabilities (Note 9)	44,118	72,234	177,569
Total	199,254	72,234	332,705

18- RELATED PARTIES TRANSACTION

Related parties represent the directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties. Prices and terms of payment for transactions with related parties are approved by the shareholders of the Company. Transactions with related parties are under normal course of business.

Significant related parties transactions held during the period are as follows:

<u>Name of related party</u>	<u>Type of relationship</u>	<u>Nature of transaction</u>	(Saudi Riyal)	
			For the three months period ended September 30, 2024	For the nine months period ended September 30, 2024
Information Technology Integrated Solutions (A)	Affiliate	Operating	1,327,918	2,204,322
Integrated Marketing Advertising Company	Affiliate	Operating	449,127	1,161,581
Alpha United Company	owner	Operating	1,600,000	1,600,000

(A) Due from Information Technology Integrated Solutions and Integrated Marketing Advertising Company amounts to SR 1,401,518 and 110,055 as of period- end respectively (Note 7A).

19- CONTINGENCIES AND COMMITMENTS

There are no contingencies and capital commitments as of period end.

20- FAIR VALUE OF FINANCIAL INSTRUMENTS

For the purpose of fair value disclosures of financial instruments in the condensed interim financial statements, all financial assets and liabilities of the Company are not measured at fair value, as they are measured at amortized cost.

21- SUBSEQUENT EVENTS

As per management opinion, there are no significant subsequent events after the period ended September 30, 2024 that could have a material impact on the condensed interim financial position of the Company or the results of its operations.

22- APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements for the three and nine months period ended September 30, 2024 were approved by the Board of Directors on Rabi Al Thani 24, 1446 H (Corresponding to October 27, 2024).