

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

**INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2025
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

ALPHA ARABIA FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2025

<u>INDEX</u>	<u>PAGE</u>
Independent auditor's review report on the interim condensed financial information	1
Interim condensed statement of financial position (Unaudited)	2
Interim condensed statement of comprehensive income (Unaudited)	3
Interim condensed statement of changes in equity (Unaudited)	4
Interim condensed statement of cash flows (Unaudited)	5
Notes to the interim condensed financial information (Unaudited)	6 - 13

Independent Auditor's Review Report on the Interim Condensed Financial Information

**To the shareholders of
Alpha Arabia Finance Company**
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Alpha Arabia Finance Company** ("the Company") as of June 30, 2025, and the related interim condensed statement of comprehensive income for the three-months and six-months period ended June 30, 2025 and the related interim condensed statement of changes in equity and cash flows for the six-months period then ended, and other explanatory notes. Management is responsible for preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard (34) "Interim Financial Reporting (IAS 34)" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information 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" that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are 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 information is not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

RSM Allied Accountants Professional Services



Abdullah Bin Ahmed Al Faddaghi
License No, 706

Riyadh, Kingdom of Saudi Arabia
Safar 2, 1447 H (Corresponding to July 27, 2025)



ALPHA ARABIA FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2025
(SAUDI RIYAL)

	Notes	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS			
Cash and cash equivalents	5	58,865,128	44,763,938
Islamic financing receivables, net	6	136,802,001	92,451,512
Prepaid expenses and other current assets	7	3,684,807	1,839,102
Property and equipment	8	326,021	365,149
Right of use assets	9	2,927,809	3,659,761
Intangible assets	10	2,393,031	2,724,969
TOTAL ASSETS		204,998,797	145,804,431
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	100,000,000	100,000,000
Accumulated losses		(8,282,135)	(9,668,430)
TOTAL EQUITY		91,717,865	90,331,570
LIABILITIES			
Islamic financing payables	12	89,707,118	37,346,910
Accrued expenses and other current liabilities	13	19,456,910	14,405,269
Lease liabilities	9	3,107,048	3,015,446
Zakat provision	14	465,269	325,865
Employees' defined benefit's obligations		544,587	379,371
TOTAL LIABILITIES		113,280,932	55,472,861
TOTAL EQUITY AND LIABILITIES		204,998,797	145,804,431

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

ALPHA ARABIA FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2025
(SAUDI RIYAL)

	Notes	For the three-months period ended June 30		For the six-months period ended June 30	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Income					
Commission income from Islamic financing receivables		8,975,552	879,974	18,539,635	1,022,254
Commission expense on Islamic financing payables	12	(997,373)	-	(1,922,259)	-
Net commission income from Islamic financing		7,978,179	879,974	16,617,376	1,022,254
Expenses					
Expected credit losses for Islamic financing receivables	6	(2,035,211)	(345,952)	(3,813,347)	(439,784)
Salaries, wages and other benefits		(2,864,826)	(2,744,465)	(6,063,688)	(4,970,947)
Depreciation of right of use assets	9	(365,976)	(365,976)	(731,952)	(731,952)
Amortization of intangible assets	10	(165,969)	(165,969)	(331,938)	(262,474)
Depreciation of property and equipment	8	(29,858)	(16,491)	(59,534)	(30,002)
Other general and administrative expenses	15	(1,459,620)	(1,300,240)	(2,924,730)	(2,471,623)
Selling and marketing expenses		(354,780)	(523,375)	(1,010,536)	(809,330)
Other income		115,188	1,158,948	186,445	2,486,640
Finance cost on lease liabilities	9	(46,144)	(67,225)	(91,602)	(133,451)
Profit/ (loss) for the period before zakat		770,983	(3,490,771)	1,776,494	(6,340,669)
Zakat	14	(232,599)	(29,768)	(390,199)	(59,536)
Profit / (loss) for the period		538,384	(3,520,539)	1,386,295	(6,400,205)
Other comprehensive income items		-	-	-	-
Total comprehensive income/(loss) for the period		538,384	(3,520,539)	1,386,295	(6,400,205)

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

ALPHA ARABIA FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025
(SAUDI RIYAL)

	Share capital	Accumulated losses	Total equity
<u>For the six-month period ended June 30, 2024</u>			
Balance as of January 1, 2024 (Audited)	100,000,000	65,422	100,065,422
Loss for the period	-	(6,400,205)	(6,400,205)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(6,400,205)	(6,400,205)
Balance as of June 30, 2024 (Unaudited)	100,000,000	(6,334,783)	93,665,217
<u>For the six-month period ended June 30, 2025</u>			
Balance as of January 1, 2025 (Audited)	100,000,000	(9,668,430)	90,331,570
Profit for the period	-	1,386,295	1,386,295
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	1,386,295	1,386,295
Balance as of June 30, 2025 (Unaudited)	100,000,000	(8,282,135)	91,717,865

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

ALPHA ARABIA FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024
	(Unaudited)	(Unaudited)
<u>OPERATING ACTIVITIES:</u>		
Profit/ (loss) for the period before zakat	1,776,494	(6,340,669)
Adjustments for:		
Depreciation of property and equipment	59,534	30,002
Depreciation of right of use assets	731,952	731,952
Amortization of intangible assets	331,938	262,474
Expected credit losses for Islamic financing receivables	3,813,347	439,784
Commission expense from Islamic financing payable	1,922,259	-
Finance cost on lease liabilities	91,602	133,451
Current service cost for employee's defined benefits obligations	251,968	154,164
<u>Changes in operating assets and liabilities:</u>		
Prepaid expenses and other current assets	(1,845,705)	561,077
Islamic financing receivables, gross	(48,163,836)	(42,200,339)
Accrued expenses and other current liabilities	5,051,641	8,675,571
Cash used in operating activities	(35,978,806)	(37,552,533)
Employees' defined benefits paid	(86,752)	-
Zakat paid	(250,795)	(9,564)
Net cash flows used in operating activities	(36,316,353)	(37,562,097)
<u>INVESTING ACTIVITIES:</u>		
Addition in property and equipment	(20,406)	(94,410)
Addition in intangible assets	-	(1,106,561)
Net cash flows used in investing activities	(20,406)	(1,200,971)
<u>FINANCING ACTIVITIES:</u>		
Proceeds from Islamic financing payable	60,000,000	-
Repayment of Islamic financing payable	(6,944,443)	-
Finance cost paid	(2,617,608)	-
Net cash flows from financing activities	50,437,949	-
Net change in cash and cash equivalents	14,101,190	(38,763,068)
Cash and cash equivalents at the beginning of the period	44,763,938	94,658,602
Change in cash held as collateral (Note 5)	(9,952,778)	-
Cash and cash equivalents at the end of the period	48,912,350	55,895,534

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

ALPHA ARABIA FINANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

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 and unified national number 7034107420 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.

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 INTERIM CONDENSED FINANCIAL INFORMATION

2-1 Statement of compliance

The Company's interim condensed financial information 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 interim condensed 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 year ended December 31, 2024.

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

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 interim condensed 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 interim condensed financial statements are prepared using accrual basis.

2-3 Accounting estimates and assumptions

In preparing these interim condensed 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, 2024.

2-4 Functional and presentation currency

These Interim condensed financial information 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, 2025, which will be explained in Company's annual financial statements, furthermore, there was no material impact on the Company's Interim condensed financial information for several amendments apply for the first time in 2025. The Company has not adopted any other standard, amendments to standards and interpretations that has been issued but is not effective yet.

ALPHA ARABIA FINANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
(CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

4- CONSISTENT MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies information followed, and the methods of calculation applied in the preparation of this interim condensed financial information are consistent with those used in the preparation of the Company's annual financial statements for the year ended December 31, 2024, except as follows:

Ijara

Ijara is an agreement whereby the Company, acting as a lessor, purchases an asset for lease according to the customer request (lessee), based on his promise to lease the asset for an agreed rent and specific period that could end by transferring the ownership of the leased asset to the lessee. The difference between the gross receivables and the present value of the receivables is recognised as unearned finance income. Finance income from Ijara contract is recognized over the term of the Ijara using the net investment method, which reflects a constant periodic rate of return.

Write-off financial assets

Write-off Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ALPHA ARABIA FINANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
(CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

5- CASH AND CASH EQUIVALENTS

	(Saudi Riyal)	
	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Islamic short-term deposits (A)	-	20,500,000
Cash at banks (B)	48,906,226	20,483,995
Cash in hand	6,124	45,252
	48,912,350	41,029,247
Restricted cash (C)	9,952,778	3,734,691
Total	58,865,128	44,763,938

(A) Islamic short deposits represent short term deposits with commercial banks with an agreed rate of return per annum. The profit receivables as of June 30, 2025, on these term deposits amounts to SR nil (December 31, 2024: SR 139,172).

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

(C) Cash held as collateral amounting to SR 9.9 million (December 31, 2024: SR 3.7 million) represent collateral against Islamic financing payables (Note 12).

6- ISLAMIC FINANCING RECEIVABLES, NET

	(Saudi Riyal)	
	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Gross investment in Islamic financing	185,127,209	132,375,725
Unearned Islamic financing income	(44,039,301)	(36,901,653)
Net investment in Islamic financing	141,087,908	95,474,072
Less: Expected credit losses (A)	(4,285,907)	(3,022,560)
Balance as of end of the period / year	136,802,001	92,451,512

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

	(Saudi Riyal)			
	June 30, 2025 (Unaudited)			
	Tawarruq	Tawarruq	Ijara	
	Personal	Small medium enterprises	Small medium enterprises	Total
Performing	8,950,468	104,636,386	186,087	113,772,941
Under performing	18,992	13,399,482	-	13,418,474
Non-performing	21,138	13,875,355	-	13,896,493
Gross receivables	8,990,598	131,911,223	186,087	141,087,908
Less: Expected credit losses (A)	(76,490)	(4,207,629)	(1,788)	(4,285,907)
Net investment in islamic financing	8,914,108	127,703,594	184,299	136,802,001

	(Saudi Riyal)			
	December 31, 2024 (Audited)			
	Tawarruq	Tawarruq	Ijara	
	Personal	Small medium enterprises	Small medium enterprises	Total
Performing	90,308	83,489,987	-	83,580,295
Under performing	-	7,408,617	-	7,408,617
Non-performing	-	4,485,160	-	4,485,160
Gross receivables	90,308	95,383,764	-	95,474,072
Less: Expected credit losses (A)	(724)	(3,021,836)	-	(3,022,560)
Net investment in Islamic financing	89,584	92,361,928	-	92,451,512

ALPHA ARABIA FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
(CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

6- ISLAMIC FINANCING RECEIVABLES, NET (CONTINUED)

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

	(Saudi Riyal)	
	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Balance as of beginning of the period / year	3,022,560	-
Charged during the period / year	3,813,347	3,022,560
Written off during the period / year	(2,550,000)	-
Balance as of end of period / year	4,285,907	3,022,560

Assignment of Islamic financing receivables:

The Company assigned Islamic financing receivables amounting to SR 123.1 million (December 31, 2024: SR 50.42 million) to local commercial bank for obtaining Islamic bank financing. The carrying amount of associated Islamic bank financing amounts to SR 89.7 million (December 31, 2024: SR 37.35 million). These Islamic financing receivables have not been derecognized from the Interim condensed 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 Interim condensed statement of financial position. As presented under the item of Islamic financing payables (Note 12). 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)	
	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Other receivable (A)	2,859,471	-
Prepayments for IT related services (B)	572,323	1,509,884
Other prepaid expenses	253,013	190,046
Profit receivables on Islamic short-term deposits (Note 5)	-	139,172
Total	3,684,807	1,839,102

(A) During the period company has reclassified an amount SR 2.8 million from Islamic financing receivables to other receivables item under the prepaid expenses and other current receivable, as these receivables are collateralized against assignment of proceeds directly to the company by a third party.

(B) These include an amount of SR 317,353 (December 31, 2024: SR 952,058) represent advance payments against IT services being taken by the Company from related parties, Information Technology Integrated Solutions and Integrated Marketing Advertising Company.

ALPHA ARABIA FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

8- PROPERTY AND EQUIPMENT

	(Saudi Riyal)				
	Computer Hardware	Office equipment's	Furniture and fixtures	Leasehold Improvements	Total
<u>Cost:</u>					
As of January 1, 2024 (Audited)	224,066	10,143	4,934	-	239,143
Additions	161,940	-	18,123	35,192	215,255
As of December 31, 2024 (Audited)	386,006	10,143	23,057	35,192	454,398
Additions	-	20,406	-	-	20,406
As of June 30, 2025 (Unaudited)	386,006	30,549	23,057	35,192	474,804
<u>Accumulated depreciation:</u>					
As of January 1, 2024 (Audited)	12,640	623	10	-	13,273
Charged during the year	65,584	1,014	3,513	5,865	75,976
As of December 31, 2024 (Audited)	78,224	1,637	3,523	5,865	89,249
Charged during the period	44,152	1,345	2,306	11,731	59,534
As of June 30, 2025 (Unaudited)	122,376	2,982	5,829	17,596	148,783
<u>Netbook value:</u>					
As of June 30, 2025 (Unaudited)	263,630	27,567	17,228	17,596	326,021
As of December 31, 2024 (Audited)	307,782	8,506	19,534	29,327	365,149

ALPHA ARABIA FINANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
(CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

9- RIGHT OF USE ASSETS AND LEASE LIABILITIES

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 / year:

	(Saudi Riyal)	
Right of use assets:	June 30, 2024	December 31, 2024
Cost:	(Unaudited)	(Audited)
Balance as of beginning of the period / year	5,855,617	5,855,617
Balance as of end of the period / year	5,855,617	5,855,617
Accumulated depreciation:		
Balance as of beginning of the period / year	2,195,856	731,952
Charged during the period / year	731,952	1,463,904
Balance as of end of the period / year	2,927,808	2,195,856
Net book value	2,927,809	3,659,761

	(Saudi Riyal)	
Lease liabilities:	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Balance as of beginning of the period / year	3,015,446	4,393,094
Finance cost charged during the period / year	91,602	222,352
Paid during the period / year	-	(1,600,000)
Balance as of beginning of the period / year	3,107,048	3,015,446

10-INTANGIBLE ASSETS

	(Saudi Riyal)		
	Fully Developed	Under Development	Total
Cost:			
Balance as of January 1, 2024 (Audited)	-	2,212,820	2,212,820
Additions	-	1,106,561	1,106,561
Transfers	3,319,381	(3,319,381)	-
Balance as of December 31, 2024 (Audited)	3,319,381	-	3,319,381
Balance as of June 30, 2025 (Unaudited)	3,319,381	-	3,319,381
Accumulated amortization:			
Balance as of January 1, 2024 (Audited)	-	-	-
Charged during the year	594,412	-	594,412
Balance as of December 31, 2024 (Audited)	594,412	-	594,412
Charged during the period	331,938	-	331,938
Balance as of June 30, 2025 (Unaudited)	926,350	-	926,350
Netbook value:			
Balance as of June 30, 2025 (Unaudited)	2,393,031	-	2,393,031
Balance as of December 31, 2024 (Audited)	2,724,969	-	2,724,969

ALPHA ARABIA FINANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
(CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

11-SHARE CAPITAL

The share capital of the Company amounts to SR 100 million, divided into 10 million shares of SR 10 each share, distributed among the shareholders as follows:

<u>Shareholder name</u>	(Saudi Riyal)		
	<u>Number of shares</u>	<u>Value of shares</u>	<u>Total</u>
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 PAYABLES

These represent bank facilities 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 facilities are repayable on periodic basis with the last installation due in February 2028. The loan has been secured against the bank deposits (Note 5) and Islamic financing receivables (Note 6).

13-ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	(Saudi Riyal)	
	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	(Unaudited)	(Audited)
Security deposits SMEs	17,248,400	12,175,150
Accrued expenses	1,545,013	1,472,505
Employees related accruals	439,619	442,070
VAT payable	147,027	224,361
GOSI payable	74,155	88,258
Other payables	2,696	2,925
Total	19,456,910	14,405,269

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 this interim condensed financial information.

15-OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	(Saudi Riyal)			
	<u>For the three-month period ended June 30</u>		<u>For the six-month period ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
IT related expenses	1,209,169	1,130,929	2,043,946	2,120,229
Professional fee	91,300	50,237	283,417	105,262
Simah expenses	-	-	248,640	-
Shriaa Committee Fees	30,000	20,000	65,000	71,000
Government fees	8,302	27,700	37,277	39,365
Bank charges	20,839	910	21,862	6,029
License and subscription	10,000	9,998	20,000	15,287
Others	90,010	60,466	204,588	114,451
Total	1,459,620	1,300,240	2,924,730	2,471,623

ALPHA ARABIA FINANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
(CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

16-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 party 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)			
			<u>For the three-months</u>		<u>For the six-month</u>	
			<u>period ended June 30</u>		<u>period ended June 30</u>	
			<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Integrated Marketing Advertising Company	Affiliate	Operating	547,055	327,121	895,287	712,453
Information Technology Integrated Solutions	Affiliate	Operating	-	130,346	-	876,404

As of June 30, 2025, and 2024, the Company did not have outstanding balances from/to related parties.

17-CONTINGENT LIABILITIES

The Company has certain legal cases pending in courts against its customers. However, based on management's best estimate no significant contingencies exist as at June 30, 2025.

18-FAIR VALUE OF FINANCIAL INSTRUMENTS

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

19-SUBSEQUENT EVENTS

As per management opinion, there are no significant subsequent events after the period ended June 30, 2025, that could have a material impact on the interim condensed financial position of the Company or the results of its operations.

20-APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

These interim condensed financial information for the three and six months ended June 30, 2025, were approved by the Board of Directors on Safar 2, 1447 H (Corresponding to July 27, 2025).