

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

INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025

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

To the shareholders of
Alpha Arabia Finance Company
(A Saudi Closed Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Alpha Arabia Finance Company** ("the Company") as at September 30, 2025, and the related interim condensed statement of comprehensive income for the three and nine month periods then ended, and the interim condensed statements of changes in equity and cash flows for the nine month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these 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 are 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

Rabi Althani 24, 1447 H (Corresponding to October 16, 2025)



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

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

	Notes	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS			
Cash and cash equivalents	5	37,892,082	44,763,938
Islamic financing receivables, net	6	176,047,141	92,451,512
Prepaid expenses and other current assets	7	3,539,179	1,839,102
Right of use assets	8	7,505,705	3,659,761
Intangible assets	9	2,227,062	2,724,969
Property and equipment	10	296,163	365,149
TOTAL ASSETS		227,507,332	145,804,431
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	100,000,000	100,000,000
Accumulated losses		(7,851,169)	(9,668,430)
TOTAL EQUITY		92,148,831	90,331,570
LIABILITIES			
Islamic financing payables	12	82,656,968	37,346,910
Accrued expenses and other current liabilities	13	46,009,847	14,405,269
Lease liabilities	9	5,523,808	3,015,446
Zakat provision	14	537,868	325,865
Employees' defined benefit's obligations		630,010	379,371
TOTAL LIABILITIES		135,358,501	55,472,861
TOTAL EQUITY AND LIABILITIES		227,507,332	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 NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025
(SAUDI RIYAL)

	Notes	For the three-months period ended September 30		For the nine-months period ended September 30	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Income					
Commission income from Islamic financing receivables	15	11,770,947	3,005,568	30,310,582	4,027,822
Commission expense on Islamic financing payables	12	(2,172,783)	(219,491)	(4,095,042)	(219,491)
Net commission income from Islamic financing		9,598,164	2,786,077	26,215,540	3,808,331
Expenses					
Expected credit losses for Islamic financing receivables	6	(3,272,063)	(261,474)	(7,085,411)	(701,258)
Salaries, wages and other benefits		(2,967,257)	(3,043,638)	(9,030,945)	(8,014,585)
Depreciation of right of use assets	8	(682,337)	(365,976)	(1,414,289)	(1,097,928)
Amortization of intangible assets	9	(165,969)	(165,969)	(497,907)	(428,443)
Depreciation of property and equipment	10	(29,858)	(19,983)	(89,392)	(49,985)
Other general and administrative expenses	16	(2,028,447)	(1,835,342)	(4,953,177)	(4,306,965)
Selling and marketing expenses		(522,524)	(550,950)	(1,533,060)	(1,360,280)
Other income		669,623	748,733	856,069	3,235,373
Finance cost on lease liabilities	8	(95,767)	20,237	(187,369)	(113,214)
Profit/ (loss) for the period before zakat		503,565	(2,688,285)	2,280,059	(9,028,954)
Zakat	14	(72,599)	(29,769)	(462,798)	(89,305)
Profit / (loss) for the period		430,966	(2,718,054)	1,817,261	(9,118,259)
Total other comprehensive income for the period		-	-	-	-
Total comprehensive income/(loss) for the period		430,966	(2,718,054)	1,817,261	(9,118,259)

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

ALPHA ARABIA FINANCE COMPANY
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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025
(SAUDI RIYAL)

	Share capital	Accumulated losses	Total equity
<u>For the nine-month 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)
Total 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)	100,000,000	(9,052,837)	90,947,163
<u>For the nine-month period ended September 30, 2025</u>			
Balance as of January 1, 2025 (Audited)	100,000,000	(9,668,430)	90,331,570
Profit for the period	-	1,817,261	1,817,261
Total other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	1,817,261	1,817,261
Balance as of September 30, 2025 (Unaudited)	100,000,000	(7,851,169)	92,148,831

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

ALPHA ARABIA FINANCE COMPANY
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INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025
(SAUDI RIYAL)

	<u>September 30, 2025</u> (Unaudited)	<u>September 30, 2024</u> (Unaudited)
<u>OPERATING ACTIVITIES:</u>		
Profit/ (loss) for the period before zakat	2,280,059	(9,028,954)
Adjustments for:		
Depreciation of property and equipment	89,392	49,985
Depreciation of right of use assets	1,414,289	1,097,928
Amortization of intangible assets	497,907	428,443
Expected credit losses for Islamic financing receivables	7,085,411	701,258
Commission expense from Islamic financing payable, Net	4,095,042	214,491
Finance cost on lease liabilities	187,369	113,214
Gain on lease termination	(179,239)	-
Current service cost for employee's defined benefits obligations	363,626	249,905
<u>Changes in operating assets and liabilities:</u>		
Prepaid expenses and other current assets	(1,700,077)	776,429
Islamic financing receivables, gross	(90,681,040)	(59,487,911)
Accrued expenses and other current liabilities	31,604,578	9,005,061
Cash used in operating activities	(44,942,683)	(55,875,151)
Employees' defined benefits paid	(112,987)	-
Zakat paid	(250,795)	(9,564)
Net cash flows used in operating activities	(45,306,465)	(55,884,715)
<u>INVESTING ACTIVITIES:</u>		
Addition in property and equipment	(20,406)	(127,993)
Addition in intangible assets	-	(1,106,561)
Net cash flows used in investing activities	(20,406)	(1,234,554)
<u>FINANCING ACTIVITIES:</u>		
Proceeds from Islamic financing payable	60,000,000	14,494,355
Repayment of Islamic financing payable	(14,236,111)	(416,667)
Finance cost paid	(4,548,873)	(96,472)
Lease liabilities paid	(2,760,001)	(1,600,000)
Net cash flows from financing activities	38,455,015	12,381,216
Net change in cash and cash equivalents during the period	(6,871,856)	(44,738,053)
Cash and cash equivalents at the beginning of the period	41,029,247	94,658,602
Change in cash held as collateral (Note 5)	(6,218,087)	-
Cash and cash equivalents at the end of the period	27,939,304	49,920,549

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 NINE MONTHS PERIOD ENDED SEPTEMBER 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 the Saudi Central Bank (SAMA) on Rajab 25, 1445 H (corresponding to February 6, 2024), authorizing the Company to engage in the financial lease, financing to Small and Medium Enterprises (SMEs) and Consumer financing. 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").

This interim condensed financial information 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

This interim condensed financial information 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, this interim condensed financial information is prepared using accrual basis except for the employees' defined benefit's obligations which are recognized at the present value of future obligations using the Projected Unit Credit Method.

2-3 Accounting estimates and assumptions

In preparing this interim condensed financial information, 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 this interim condensed financial information, 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

This Interim condensed financial information are presented in Saudi Riyal (SR), unless otherwise stated. The Saudi Riyal is the functional and presentation currency of the Company.

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

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.

4- CONSISTENT OF 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.

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

5- CASH AND CASH EQUIVALENTS

	(Saudi Riyal)	
	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Islamic short-term deposits (5-A)	26,000,000	20,500,000
Cash at banks (5-B)	1,893,180	20,483,995
Cash in hand	46,124	45,252
	27,939,304	41,029,247
Restricted cash at banks (5-C)	9,952,778	3,734,691
Total	37,892,082	44,763,938

(5-A) Islamic short deposits represent short term deposits with commercial banks with an agreed rate of return per annum. The profit receivables as of September 30, 2025, on these term deposits amounts to SR 372,091 (December 31, 2024: SR 139,172) (Note 7).

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

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

6- ISLAMIC FINANCING RECEIVABLES, NET

	(Saudi Riyal)	
	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Gross investment in Islamic financing	233,972,516	132,375,725
Unearned Islamic financing income	(52,549,713)	(36,901,653)
Net investment in Islamic financing	181,422,803	95,474,072
Less: Expected credit losses (6-A)	(5,375,662)	(3,022,560)
Balance as of end of the period / year	176,047,141	92,451,512

Following is the reconciliation of gross to net Islamic financing receivables:

	(Saudi Riyal)			
	September 30, 2025 (Unaudited)			
	Tawarruq Personal	Tawarruq Small medium enterprises	Ijara Small medium enterprises	Total
Performing	13,556,282	132,734,630	394,904	146,685,816
Under performing	-	20,765,124	-	20,765,124
Non-performing	-	13,971,863	-	13,971,863
Gross Islamic financing receivables	13,556,282	167,471,617	394,904	181,422,803
Less: Expected credit losses (6-A)	(2,572)	(5,373,090)	-	(5,375,662)
Net investment in Islamic financing	13,553,710	162,098,527	394,904	176,047,141

	(Saudi Riyal)			
	December 31, 2024 (Audited)			
	Tawarruq Personal	Tawarruq Small medium enterprises	Ijara 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 Islamic financing receivables	90,308	95,383,764	-	95,474,072
Less: Expected credit losses (A)	(725)	(3,021,835)	-	(3,022,560)
Net investment in Islamic financing	89,583	92,361,929	-	92,451,512

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

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

6- ISLAMIC FINANCING RECEIVABLES, NET (CONTINUED)

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

	(Saudi Riyal)	
	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Balance as of beginning of the period / year	3,022,560	-
Charged during the period / year	7,085,411	3,022,560
Written off during the period / year	(4,732,309)	-
Balance as of end of period / year	5,375,662	3,022,560

Assignment of Islamic financing receivables:

The Company assigned Islamic financing receivables amounting to SR 112.8 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 82.7 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 have recourse only to the receivables in the event the Company defaults its obligation.

7- PREPAID EXPENSES AND OTHER CURRENT ASSETS

	(Saudi Riyal)	
	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Other receivable (7-A)	2,287,577	-
Prepayments for IT related services (7-B)	636,598	1,509,884
Other prepaid expenses	242,913	190,046
Profit receivables on Islamic short-term deposits (Note 5-A)	372,091	139,172
Total	3,539,179	1,839,102

(7-A) During the period, the Company has reclassified an amount of SR 2.8 million (gross) from Islamic financing receivables to other receivables under "Prepaid expenses and other current receivables." These receivables are collateralized by an assignment of proceeds directly to the Company by a third party. The related provision for this balance amounts to SR 517,894, resulting in a net balance of SR 2.28 million.

(7-B) There is no balance as of September 30, 2025 (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.

8- 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:	September 30, 2024	December 31, 2024
Cost:	(Unaudited)	(Audited)
Balance as of beginning of the period / year	5,855,617	5,855,617
Addition during the period / year	8,188,042	-
Lease termination	(5,855,617)	-
Balance as of end of the period / year	8,188,042	5,855,617
Accumulated depreciation:		
Balance as of beginning of the period / year	2,195,856	731,952
Charged during the period / year	1,414,289	1,463,904
Lease termination	(2,927,808)	-
Balance as of end of the period / year	682,337	2,195,856
Net book value	7,505,705	3,659,761

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

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

	(Saudi Riyal)	
<u>Lease liabilities:</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>
	(Unaudited)	(Audited)
Balance as of beginning of the period / year	3,015,446	4,393,094
Addition during period / year	8,188,042	-
Lease termination	(3,107,048)	-
Finance cost charged during the period / year	187,369	222,352
Paid during the period / year	(2,760,001)	(1,600,000)
Balance as of beginning of the period / year	5,523,808	3,015,446

9- INTANGIBLE ASSETS

	(Saudi Riyal)		
	<u>Program fully Developed (*)</u>	<u>Program under Development</u>	<u>Total</u>
<u>Cost:</u>			
Balance as of January 1, 2024 (Audited)	-	2,212,820	2,212,820
Additions during the year	-	1,106,561	1,106,561
Transfers during the year	3,319,381	(3,319,381)	-
Balance as of December 31, 2024 (Audited)	3,319,381	-	3,319,381
Balance as of September 30, 2025 (Unaudited)	3,319,381	-	3,319,381
<u>Accumulated amortization:</u>			
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	497,907	-	497,907
Balance as of September 30, 2025 (Unaudited)	1,092,319	-	1,092,319
<u>Netbook value:</u>			
Balance as of September 30, 2025 (Unaudited)	2,227,062	-	2,227,062
Balance as of December 31, 2024 (Audited)	2,724,969	-	2,724,969

(*) The fully developed include implementation cost of intangible assets for software systems used by the Company, primarily related to the core operational system and customer registration applications.

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

10-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 during the year	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 during the period	-	20,406	-	-	20,406
As of September 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	66,228	2,109	3,459	17,596	89,392
As of September 30, 2025 (Unaudited)	144,452	3,746	6,982	23,461	178,641
<u>Netbook value:</u>					
As of September 30, 2025 (Unaudited)	241,554	26,803	16,075	11,731	296,163
As of December 31, 2024 (Audited)	307,782	8,506	19,534	29,327	365,149

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 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 June 2029. 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>September 30, 2025</u>	<u>December 31, 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Contract liabilities	26,240,695	2,925
Security deposits (SMEs)	17,059,978	12,175,150
Accrued expenses	1,745,013	1,472,505
Employees related accruals	452,808	442,070
VAT payable	433,113	224,361
GOSI payable	78,240	88,258
Total	46,009,847	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-COMMISSION INCOME FROM ISLAMIC FINANCING RECEIVABLES

	(Saudi Riyal)			
	<u>For the three-month period ended September 30</u>		<u>For the nine-month period ended September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Commission income from Islamic financing receivables	11,770,947	3,005,568	30,310,582	4,027,822
Total	11,770,947	3,005,568	30,310,582	4,027,822

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

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

15-COMMISSION INCOME FROM ISLAMIC FINANCING RECEIVABLES (CONTINUED)

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primarily geographical market, client type timing of revenue recognition:

	(Saudi Riyal)			
	For the three-month period ended September 30		For the nine-month period ended September 30	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Timing of recognition of revenue:				
Commission income recorded over time	11,770,947	3,005,568	30,310,582	4,027,822
Customer type:				
Private	11,770,947	3,005,568	30,310,582	4,027,822

The Company generates its revenues entirely within the Kingdom of Saudi Arabia.

16-OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	(Saudi Riyal)			
	For the three-month period ended September 30		For the nine-month period ended September 30	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
IT related expenses	905,285	1,540,641	2,949,231	3,660,870
Credit Information Report Fee – Simah	325,834	-	574,474	-
Other provision	571,894	-	571,894	-
Professional fee	79,475	107,237	362,892	212,499
Shariah Committee Fees	-	-	65,000	71,000
Government fees	27,622	29,948	64,899	69,313
Bank charges	19,346	68,743	41,208	74,772
License and subscription	10,000	10,000	30,000	25,287
Others	88,991	78,773	293,579	193,224
Total	2,028,447	1,835,342	4,953,177	4,306,965

17-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)			
			For the three-months period ended September 30		For the nine-months period ended September 30	
			2025	2024	2025	2024
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Integrated Marketing Advertising Company	Affiliate	Operation	356,529	353,565	1,251,816	714,044
Information Technology Integrated Solutions	Affiliate	Operation	317,353	670,358	952,058	2,400,458

As of September 30, 2025, and December 31, 2024, the Company did not have outstanding balances from/to related parties.

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

18-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 September 30, 2025.

During the prior year ended December 31,2024, the Company had certain legal cases pending in courts against its customers. However, based on management's best estimate no significant contingencies exist as of that date.

19-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.

20-CASHFLOW INFORMATION

A- Non – cash items

- Addition to right of use asset and lease liabilities (Note 8)

B- Changes in liabilities arising from financing activities

<u>September 30,2025</u>	<u>January 1,2025</u>	<u>Cashflows</u>	<u>Others</u>	<u>September 30,2025</u>
Lease liabilities	3,015,446	(2,760,001)	5,268,363	5,523,808
<u>December 31,2024</u>	<u>January 1,2024</u>	<u>Cashflows</u>	<u>Others</u>	<u>December 31,2024</u>
Lease liabilities	4,393,094	(1,600,000)	222,352	3,015,446

21-SUBSEQUENT EVENTS

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

22-APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

These interim condensed financial information for the three and nine months ended September 30, 2025, were approved by the Board of Directors on Rabi Althani 24, 1447 H (Corresponding to October 16, 2025).