

**AL JABR FINANCING COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**WITH**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**FOR THE THREE AND SIX MONTHS PERIODS ENDED**  
**30 JUNE 2025**

**AL JABR FINANCING COMPANY**  
**(CLOSED JOINT STOCK COMPANY)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2025**

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## KPMG Professional Services Company

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6189 Prince Turki Road, Al Corniche  
P.O. Box 4803  
Al Khobar, 34412 - 3146  
Kingdom of Saudi Arabia  
Commercial Registration No 2051062328

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

الطابق ١٦، برج البرغاش  
٦١٨٩ طريق الأمير تركي، الكورنيش  
ص.ب ٤٨٠٣  
الخبير ٣١٤٦ - ٣٤٤١٢  
المملكة العربية السعودية  
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

# Independent auditor's report on review of condensed interim financial statements

To the Shareholders of Al Jabr Financing Company (A Saudi Closed Joint Stock Company)

## Introduction

We have reviewed the accompanying 30 June 2025 condensed interim financial statements of **Al Jabr Financing Company** ("the Company"), which comprise:

- the condensed statement of financial position as at 30 June 2025;
- the condensed statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2025;
- the condensed statement of changes in equity for the six-month period ended 30 June 2025;
- the condensed statement of cash flows for the six-month period ended 30 June 2025; and
- the notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is 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 the 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 condensed 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 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.

KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. Commercial Registration of the headquarters in Riyadh is 1010425494.

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، مسجلة في المملكة العربية السعودية، رأس مالها (١١٠٠٠٠٠٠٠٠) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. رقم السجل التجاري للمركز الرئيسي في الرياض هو ١٠١٠٤٢٥٤٩٤.



# Independent auditor's report on review of condensed interim financial statements

To the Shareholders of Al Jabr Financing Company (A Saudi Closed Joint Stock Company) (continued)

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2025 condensed interim financial statements of **Al Jabr Financing Company** ("the Company") are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

## KPMG Professional Services

**Mohammed Najeeb Alkhelaiwi**  
License No: 481

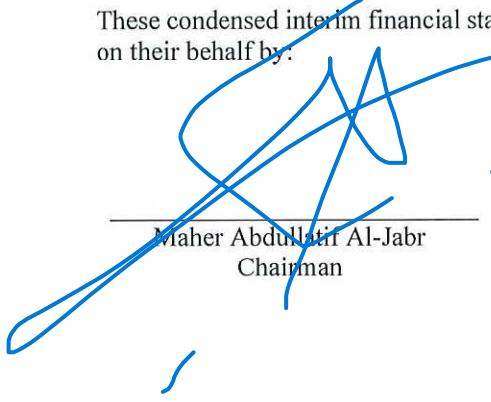



Al Khobar, 27 July 2025  
Corresponding to: 2 Safar 1447H

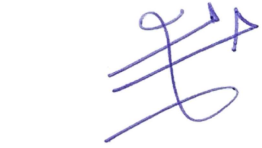
**AL JABR FINANCING COMPANY**  
**(CLOSED JOINT STOCK COMPANY)**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**  
**(Expressed in Saudi Riyals)**

	Note	30 June 2025 Un-audited	31 December 2024 Audited
<b>ASSETS</b>			
Cash and cash equivalents		15,722,183	19,229,499
Net investment in Islamic financing contracts	5	1,369,186,599	1,304,089,061
Due from related parties	6	1,505,502	1,178,246
Prepayment and other receivables	7	31,575,360	25,438,198
Right-of-use assets	8	232,344	1,224,139
Investment in equity instruments carried at FVOCI		892,850	892,850
Property and equipment		4,271,338	5,249,837
Intangible assets		2,061,332	2,114,187
<b>TOTAL ASSETS</b>		<b>1,425,447,508</b>	<b>1,359,416,017</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Islamic financing	10	668,390,285	625,513,279
Due to related parties	6	102,549	-
Accounts payable and other liabilities	11	176,621,431	152,527,352
Lease liabilities	9	468,979	465,137
Zakat provision	12	3,277,496	7,119,168
Employees' defined benefit obligations		8,217,948	7,516,243
<b>TOTAL LIABILITIES</b>		<b>857,078,688</b>	<b>793,141,179</b>
<b>EQUITY</b>			
Share capital	13	345,000,000	345,000,000
Statutory reserve		29,977,569	29,977,569
Actuarial reserve on employees' defined benefit obligations		(448,784)	(448,784)
Retained earnings		193,840,035	191,746,053
<b>TOTAL EQUITY</b>		<b>568,368,820</b>	<b>566,274,838</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,425,447,508</b>	<b>1,359,416,017</b>

These condensed interim financial statements were approved by the Board of Directors and have been signed on their behalf by:

  
 \_\_\_\_\_  
 Maher Abdullatif Al-Jabr  
 Chairman

  
 \_\_\_\_\_  
 Mohammad Alshaya  
 Chief Executive Officer

  
 \_\_\_\_\_  
 Mohammad Albawshal  
 Finance Manager

The accompanying notes from 1 to 21 appearing on pages 5 to 16 form an integral part of these condensed interim financial statements.

**AL JABR FINANCING COMPANY**  
**(CLOSED JOINT STOCK COMPANY)**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE**  
**INCOME**  
**FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2025**  
(Expressed in Saudi Riyals)

		For the three months period ended		For the six months period ended	
		30 June 2025	30 June 2024	30 June 2025	30 June 2024
	Note	Un-audited	Un-audited	Un-audited	Un-audited
Revenue	15	51,425,806	42,926,722	102,601,950	81,302,572
<b><u>Expenses</u></b>					
Allowance for expected credit losses		(21,332,841)	(14,031,734)	(41,306,191)	(21,320,204)
General and administrative expenses		(15,776,297)	(13,601,773)	(31,340,756)	(28,185,256)
Finance cost	16	(10,803,063)	(9,522,185)	(21,257,471)	(17,523,524)
Selling and marketing expenses		(1,385,096)	(2,035,101)	(2,807,657)	(3,906,473)
Insurance cost		(984,706)	(2,518,568)	(1,975,552)	(4,441,998)
		(50,282,003)	(41,709,361)	(98,687,627)	(75,377,455)
Government grant		521,967	1,089,469	1,145,742	2,330,208
Other income		5,752,978	7,339,516	10,833,549	12,877,570
<b>Profit before Zakat</b>		<b>7,418,748</b>	<b>9,646,346</b>	<b>15,893,614</b>	<b>21,132,895</b>
Zakat expenses		(1,583,972)	(2,100,000)	(3,293,972)	(4,051,291)
<b>Profit for the period</b>		<b>5,834,776</b>	<b>7,546,346</b>	<b>12,599,642</b>	<b>17,081,604</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>5,834,776</b>	<b>7,546,346</b>	<b>12,599,642</b>	<b>17,081,604</b>
Earnings per share (Basic and diluted)	17	0.017	0.022	0.037	0.050

The accompanying notes from 1 to 21 appearing on pages 5 to 16 form an integral part of these condensed interim financial statements.

**AL JABR FINANCING COMPANY**  
**(CLOSED JOINT STOCK COMPANY)**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**  
(Expressed in Saudi Riyals)

	<b>Share capital</b>	<b>Statutory reserve</b>	<b>Retained earnings</b>	<b>Actuarial reserve on employees' defined benefit obligations</b>	<b>Total</b>
Balance as at 1 January 2024 (Audited)	345,000,000	26,475,682	169,519,074	(189,500)	540,805,256
Profit for the period (Un-audited)	-	-	17,081,604	-	17,081,604
Other comprehensive income (Un-audited)	-	-	-	-	-
Total comprehensive profit for the period (Un-audited)	-	-	17,081,604	-	17,081,604
Balance as at 30 June 2024 (Un-audited)	345,000,000	26,475,682	186,600,678	(189,500)	557,886,860
<b>Balance as at 1 January 2025 (Audited)</b>	<b>345,000,000</b>	<b>29,977,569</b>	<b>191,746,053</b>	<b>(448,784)</b>	<b>566,274,838</b>
<b>Profit for the period (Un-audited)</b>	<b>-</b>	<b>-</b>	<b>12,599,642</b>	<b>-</b>	<b>12,599,642</b>
<b>Other comprehensive income (Un-audited)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive profit for the period (Un-audited)</b>	<b>-</b>	<b>-</b>	<b>12,599,642</b>	<b>-</b>	<b>12,599,642</b>
<b>Dividends (note 19) (Un-audited)</b>	<b>-</b>	<b>-</b>	<b>(10,505,660)</b>	<b>-</b>	<b>(10,505,660)</b>
<b>Balance as at 30 June 2025 (Un-audited)</b>	<b>345,000,000</b>	<b>29,977,569</b>	<b>193,840,035</b>	<b>(448,784)</b>	<b>568,368,820</b>

The accompanying notes from 1 to 21 appearing on pages 5 to 16 form an integral part of these condensed interim financial statements.

**AL JABR FINANCING COMPANY**  
**(CLOSED JOINT STOCK COMPANY)**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**  
(Expressed in Saudi Riyals)

	Notes	For the six months period ended	
		30 June 2025	30 June 2024
		Un-audited	Un-audited
<b>OPERATING ACTIVITIES:</b>			
Profit before zakat		15,893,614	21,132,895
<b>Adjustments for:</b>			
Depreciation and amortization		2,123,788	2,184,268
Provision for Employees' defined benefit obligations		816,729	747,000
Allowance for expected credit losses	5	41,306,191	21,320,204
Finance charges	16	21,257,471	17,523,524
Government grant		(1,145,742)	(2,330,208)
		<u>80,252,051</u>	<u>60,577,683</u>
<b>Changes in operating assets and liabilities:</b>			
Net investment in Islamic financing contracts		(106,403,729)	(128,766,981)
Due from related party		(327,256)	(508,520)
Prepayment and other receivables		(6,137,162)	(8,505,627)
Due to related party		102,549	1,672,324
Accounts payable and other liabilities		24,322,892	(10,561,490)
Finance charges paid		(17,611,978)	(11,890,177)
Zakat paid		(7,135,644)	(7,765,618)
Employees' benefit defined obligations paid		(115,024)	(200,503)
<b>Net cash used in operating activities</b>		<u>(33,053,301)</u>	<u>(105,948,909)</u>
<b>INVESTING ACTIVITIES:</b>			
Additions to property and equipment		(100,639)	(249,190)
<b>Net cash used in investing activities</b>		<u>(100,639)</u>	<u>(249,190)</u>
<b>FINANCING ACTIVITIES:</b>			
Islamic financing, net	10	40,152,284	120,494,095
Lease liabilities paid		-	(2,022,376)
Dividends paid	19	(10,505,660)	-
<b>Net cash generated from financing activities</b>		<u>29,646,624</u>	<u>118,471,719</u>
<b>Net change in cash and cash equivalents</b>		<u>(3,507,316)</u>	<u>12,273,620</u>
Cash and cash equivalents at the beginning of the year		<u>19,229,499</u>	<u>12,389,338</u>
<b>Cash and cash equivalents at the end of the period</b>		<u>15,722,183</u>	<u>24,662,958</u>
<b><u>Non-Cash Transactions</u></b>			
Government grant recognised		916,929	-
Additions under lease		-	387,618

The accompanying notes from 1 to 21 appearing on pages 5 to 16 form an integral part of these condensed interim financial statements.



**AL JABR FINANCING COMPANY**  
(CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**  
(Expressed in Saudi Riyals)

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**1. LEGAL STATUS AND ACTIVITY**

Al Jabr Financing Company (“the Company”) is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 2050097254 issued in Dammam on Rabi Al Awwal 21, 1436H (corresponding to January 12, 2015).

The Saudi Central Bank – (SAMA) (Saudi Arabian Monetary Authority – previously) granted approval in its letter No. 351000150191 dated Dhul Hijjah 18, 1435H (corresponding to October 12, 2014) and through the issuance of Ministerial Decision No. 394/S dated Rabi Al-Awwal 21, 1436H (corresponding to January 12, 2015) approving the conversion of “Al Jabr Company for Installment” from a limited liability Company to a closed joint stock Company and to amend its name to become “Al Jabr Financing Company” while maintaining the same commercial registration number of the Company prior to the conversion.

The principal activity of the company is financing of production assets, financing the activity of small and medium enterprises, Islamic finance lease and consumer finance in the Kingdom of Saudi Arabia under the license number 42/Ash/201512 dated Rabi Al Awwal 03, 1437H (corresponding to December 14, 2015) granted by Saudi Central Bank (SAMA).

These financial statements include of the activities of the following branches:

<b><u>Branch</u></b>	<b><u>C.R. No.</u></b>
Al Jabr Financing Company - Jeddah	4030443065
Al Jabr Financing Company – Riyadh	1010861762
Al Jabr Financing Company – Abha	5850143859

**The Company’s Head Office is located at the following address:**

Al Jabr Financing Company - Dammam, Kingdom of Saudi Arabia.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements (“Interim Financial Statements”) have been prepared in accordance with IAS 34 “Interim Financial Reporting” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”), and should be read in conjunction with the Company’s last annual financial statements as at and for the year ended 31 December 2024 (“Last Annual Financial Statements”). These condensed interim financial statements do not include all of the information required for a complete set of IFRS financial statements; however, changes in accounting policies and selected explanatory notes (if any) are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements.

**2.2 Basis of measurement**

These condensed financial statements are prepared on a going concern basis under the historical cost convention on the accrual basis of accounting except for investment in equity instruments carried at fair value through other comprehensive income (FVOCI) which is measured at fair value and employees’ end of service benefits which is measured at projected unit credit method.

**2.3 Basis of presentation**

The Company’s condensed interim statement of financial position is presented in order of their liquidity instead of the current / non-current classification. As per the current/ non -current classification the following balances would generally be classified as current: cash and cash equivalents, due from related parties, prepayments and other receivables, due to related parties, accounts payables and other liabilities and Zakat provision. The following balances would generally be classified as non-current: Property and equipment, intangible assets, Investment in equity instruments carried at FVOCI and employees’ defined benefit obligation. The balances which are mixed in nature, i.e. include both current and non- current portions, include net investment in Islamic financing contracts, right of use assets, lease liabilities, and Islamic financing.

## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.4 Significant accounting estimates, assumptions and judgments**

The preparation of condensed financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that effect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## **3. NEW STANDARDS OR AMENDMENTS AND FORTHCOMING REQUIREMENTS**

### **i) New and revised standards with no material effect on the financial statements**

There are certain new standards or amendments to existing standards which are effective from 1 January 2025, however, they do not have an impact or are applicable with respect to the Company's condensed interim financial statements for the six months period ended 30 June 2025.

### **ii) Accounting standards issued but not yet effective**

Certain new accounting standards, amendments to standards and interpretations have been published by the International Accounting Standards Board ("IASB") that are not mandatory for 30 June 2025 reporting period and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods.

## **4. ACCOUNTING POLICIES**

The accounting policies used in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2024.

**AL JABR FINANCING COMPANY**  
**(CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE INTERIM CONDENSED FIANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**  
(Expressed in Saudi Riyals)

**5. NET INVESTMENT IN ISLAMIC FINANCING CONTRACTS**

Investment in Islamic financing contacts comprised of investment in Ijara, Murabaha and Tawarruq contracts as mentioned below:

	<b>Ijara</b>		<b>Murabaha</b>		<b>Tawarruq</b>		<b>Total</b>	
	<b>30 June 2025</b>	<b>31 December 2024</b>	<b>30 June 2025</b>	<b>31 December 2024</b>	<b>30 June 2025</b>	<b>31 December 2024</b>	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>Un-audited</b>	<b>Audited</b>	<b>Un-audited</b>	<b>Audited</b>	<b>Un-audited</b>	<b>Audited</b>	<b>Un-audited</b>	<b>Audited</b>
Contracts receivables, gross	<b>1,148,526,987</b>	921,845,815	<b>129,215,909</b>	163,436,538	<b>683,174,467</b>	752,337,476	<b>1,960,917,363</b>	1,837,619,829
Unearned finance income	<b>(204,374,087)</b>	(149,345,004)	<b>(16,120,378)</b>	(23,569,707)	<b>(219,977,770)</b>	(252,819,533)	<b>(440,472,235)</b>	(425,734,244)
Deferred insurance	<b>(79,684,599)</b>	(49,765,402)	-	-	-	-	<b>(79,684,599)</b>	(49,765,402)
	<b>864,468,301</b>	722,735,409	<b>113,095,531</b>	139,866,831	<b>463,196,697</b>	499,517,943	<b>1,440,760,529</b>	1,362,120,183
Allowance for expected credit losses	<b>(6,399,197)</b>	(4,380,184)	<b>(254,369)</b>	(452,466)	<b>(64,920,364)</b>	(53,198,472)	<b>(71,573,930)</b>	(58,031,122)
Contracts receivables, net	<b>858,069,104</b>	718,355,225	<b>112,841,162</b>	139,414,365	<b>398,276,333</b>	446,319,471	<b>1,369,186,599</b>	1,304,089,061
Current portion	<b>275,137,681</b>	271,018,021	<b>66,810,767</b>	72,130,424	<b>123,680,984</b>	111,256,122	<b>465,629,432</b>	454,404,567
Non-current portion	<b>589,330,620</b>	451,717,388	<b>46,284,764</b>	67,736,407	<b>339,515,713</b>	388,261,821	<b>975,131,097</b>	907,715,616
Allowance for expected credit losses	<b>(6,399,197)</b>	(4,380,184)	<b>(254,369)</b>	(452,466)	<b>(64,920,364)</b>	(53,198,472)	<b>(71,573,930)</b>	(58,031,122)
	<b>858,069,104</b>	718,355,225	<b>112,841,162</b>	139,414,365	<b>398,276,333</b>	446,319,471	<b>1,369,186,599</b>	1,304,089,061

**AL JABR FINANCING COMPANY**  
**(CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**  
**(Expressed in Saudi Riyals)**

**5. NET INVESTMENT IN ISLAMIC FINANCING CONTRACTS (CONTINUED)**

**5.1** The maturity of investment in Islamic financing contracts are as follows:

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>Un-audited</b>	<b>Audited</b>
Year 1	<b>702,848,256</b>	649,615,540
Year 2	<b>475,254,884</b>	458,044,750
Year 3	<b>339,740,371</b>	323,950,584
Year 4	<b>225,673,032</b>	218,546,671
Year 5 onwards	<b>217,400,820</b>	187,462,284
Gross investment in Islamic financing contracts	<b>1,960,917,363</b>	1,837,619,829
<b>Less: unearned revenues</b>	<b>(520,156,834)</b>	(475,499,646)
Net investment in Islamic financing contracts	<b>1,440,760,529</b>	1,362,120,183

**5.2** Movement in allowance for credit losses during the period / year is as follows:

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>Un-audited</b>	<b>Audited</b>
Opening balance	<b>58,031,122</b>	33,368,490
Provision written off	<b>41,306,191</b>	(32,135,167)
Allowance for the period/ year	<b>(27,763,383)</b>	56,797,799
	<b>71,573,930</b>	58,031,122

**5.3** The Company in ordinary course of its business, holds collateral in respect of the Islamic financing contracts (being the title of assets leased out) in order to mitigate the credit risk associated with them. These collaterals are not readily convertible into cash and are intended to be repossessed and disposed of in case the customer defaults.

**5.4** The ageing analysis of net investment in Islamic financing contracts is as under:

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>Un-audited</b>	<b>Audited</b>
Not past due	<b>1,096,274,418</b>	1,054,097,407
Past due 1 - 30 days	<b>102,503,270</b>	121,361,536
Past due 31 - 90 days	<b>111,310,054</b>	74,105,162
Past due 91 - 180 days	<b>49,967,816</b>	46,769,725
Past due 180 - 365 days	<b>60,470,333</b>	52,304,015
Past due over 1 year	<b>20,234,638</b>	13,482,338
	<b>1,440,760,529</b>	1,362,120,183
Less: impairment for expected credit loss	<b>(71,573,930)</b>	(58,031,122)
<b>Net of impairment</b>	<b>1,369,186,599</b>	1,304,089,061
Total portfolio coverage ratio	<b>5.0%</b>	4.3%

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**5. NET INVESTMENT IN ISLAMIC FINANCING CONTRACTS (CONTINUED)**

**5.5** The movement in Allowance for expected credit loss for investment in Islamic financing contracts is as follows:

	<b>30 June 2025 (Un-audited)</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
1 January 2025	<b>2,109,737</b>	<b>2,560,409</b>	<b>53,360,976</b>	<b>58,031,122</b>
Transfer from stage 1	<b>(231,094)</b>	<b>128,922</b>	<b>102,172</b>	<b>-</b>
Transfer from stage 2	<b>473,596</b>	<b>(2,089,788)</b>	<b>1,616,192</b>	<b>-</b>
Transfer from stage 3	<b>850,346</b>	<b>497,243</b>	<b>(1,347,589)</b>	<b>-</b>
Financial assets – settled during the period	<b>(119,593)</b>	<b>(143,909)</b>	<b>(4,679,783)</b>	<b>(4,943,285)</b>
Financial assets – originated during the period	<b>509,437</b>	<b>1,029,253</b>	<b>1,149,711</b>	<b>2,688,401</b>
Net re-measurement of loss allowance	<b>(1,503,543)</b>	<b>1,894,531</b>	<b>43,170,087</b>	<b>43,561,075</b>
	<b>(20,851)</b>	<b>1,316,252</b>	<b>40,010,790</b>	<b>41,306,191</b>
Write-off during the period	<b>-</b>	<b>-</b>	<b>(27,763,383)</b>	<b>(27,763,383)</b>
30 June 2025	<b>2,088,886</b>	<b>3,876,661</b>	<b>65,608,383</b>	<b>71,573,930</b>

	<b>31 December 2024 (Audited)</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
1 January 2024	<b>1,739,781</b>	<b>2,186,798</b>	<b>29,441,911</b>	<b>33,368,490</b>
Transfer from stage 1	<b>(181,473)</b>	<b>56,238</b>	<b>125,235</b>	<b>-</b>
Transfer from stage 2	<b>852,229</b>	<b>(1,426,298)</b>	<b>574,069</b>	<b>-</b>
Transfer from stage 3	<b>2,302,153</b>	<b>342,263</b>	<b>(2,644,416)</b>	<b>-</b>
Financial assets – settled during the year	<b>(282,535)</b>	<b>(619,622)</b>	<b>(22,001,268)</b>	<b>(22,903,425)</b>
Financial assets – originated during the year	<b>1,221,441</b>	<b>1,807,804</b>	<b>26,142,607</b>	<b>29,171,852</b>
Net re-measurement of loss allowance	<b>(3,541,859)</b>	<b>213,225</b>	<b>53,858,004</b>	<b>50,529,370</b>
	<b>369,956</b>	<b>373,610</b>	<b>56,054,231</b>	<b>56,797,797</b>
Write-off during the year	<b>-</b>	<b>-</b>	<b>(32,135,167)</b>	<b>(32,135,167)</b>
31 December 2024	<b>2,109,737</b>	<b>2,560,409</b>	<b>53,360,976</b>	<b>58,031,122</b>

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**6. RELATED PARTY BALANCES AND TRANSACTIONS**

Related parties represent shareholders, directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties. In the normal course of business, the Company buys and pays for the cars purchased from a related Company on a commercial basis. Details of significant transactions with related parties during the period and related balances are as follows:

<b>Name of the related party</b>	<b>Relationship</b>
Al Jabr Holding Company	Ultimate parent (Shareholder)
Al Jabr Investment Company	Common control entity
Al Jabr Trading Company	Common control entity
Al Jabr Rent a Car	Common control entity
Haier and Al Jabr Saudi Electronics Trading Company	Common control entity
Wa'ad Al Shamal Hotel Services Company	Common control entity
Karan Hotel Suites Operation and Management Company	Common control entity

Common control entities include entities with common Directors (Key management personal) or under the control of Al Jabr Holding Company.

<b>Name of the related party</b>	<b>Nature of transactions</b>	<b>30 June 2025</b>	<b>30 June 2024</b>
		<b>Un-audited</b>	<b>Un-audited</b>
Al Jabr Trading Company	Purchase of vehicles for financing	<b>207,197,725</b>	68,416,663
	Commission, rebates and offers	<b>3,358,302</b>	-
	Services received	<b>431,051</b>	799,734
	Expenses paid on behalf of Co.	<b>3,483</b>	187,398
	Collections on behalf of the related party	<b>(2,568,176)</b>	(2,482,023)
Al Jabr Holding Company	VAT paid/payable on behalf of Co.	<b>4,225,875</b>	10,595,638
	Expenses paid on behalf of related party	<b>35,000</b>	-
Al Jabr Rent a Car	Purchase of vehicles	<b>469,686</b>	92,170
	Expenses paid on behalf of Co.	<b>33,040</b>	84,877
	Repossessed vehicles sold	<b>1,912,825</b>	2,166,230
Al Jabr Investment Company	Expenses paid on behalf of related party	<b>1,559</b>	2,281
	Collection on behalf of the related party	<b>(450,864)</b>	(1,244,877)

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**6. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)**

Key management personnel compensation comprised of the following transactions:

<b>Name of the related party</b>	<b>Nature of transactions</b>	<b>30 June 2025 Un-audited</b>	<b>30 June 2024 Un-audited</b>
Board of Directors	Remuneration and meeting attendance allowance	<b>140,196</b>	144,000
Key management personnel	Salaries and benefits	<b>2,287,056</b>	2,086,826
	End of service indemnities	<b>1,146,342</b>	1,082,983

**6.1 Balance dues from related parties are as follows:**

	<b>30 June 2025 Un-audited</b>	<b>31 December 2024 Audited</b>
Al Jabr Rent a Car	<b>1,489,844</b>	1,178,246
Al Jabr Holding Company	<b>15,658</b>	-
Wa'ad Al Shamal Hotel Services Company*	<b>6,271,518</b>	9,140,444
Karan Hotel Suites Operation and Management Company*	<b>1,996,575</b>	3,254,621
Fahad Abdul Rehman Hamad Al Jabr*	<b>77,348</b>	84,748

\*The balances due from above related parties have been classified under “net investment in Islamic financing contracts” in Note 5.

**6.2 Balance dues to related parties are as follows:**

	<b>30 June 2025 Un-audited</b>	<b>31 December 2024 Audited</b>
Al Jabr Investment Company	<b>102,549</b>	-
Al Jabr Trading Company*	<b>139,739,107</b>	105,432,233

\* The balance has been classified to 'Vehicles supplies balance from a related party' in Note 11.

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**7. PREPAYMENT AND OTHER RECEIVABLES**

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>Un-audited</b>	<b>Audited</b>
Insurance claim receivable, gross	<b>3,840,491</b>	3,750,170
Less: provision	<b>(3,365,204)</b>	(3,365,204)
Insurance claim receivable	<b>475,287</b>	384,966
Insurance cost due from customers	<b>16,607,365</b>	12,105,783
Deferred transaction cost, net	<b>6,058,866</b>	3,057,343
Prepaid expenses	<b>4,700,871</b>	1,918,684
Advance to suppliers	<b>1,809,030</b>	6,252,671
VAT Refundable	<b>209,952</b>	-
Employees receivable	<b>104,002</b>	85,299
Security deposits	<b>75,832</b>	75,832
Other receivables*	<b>1,534,155</b>	1,557,620
	<b>31,575,360</b>	25,438,198

\* Other receivables include non-financing receivable balance amounting to SR 1.5 million (31 December 2024: SR 1.6 million) which related to direct charges to customers' accounts for other additional services.

**8. RIGHT-OF-USE ASSETS**

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>Un-audited</b>	<b>Audited</b>
Balance at the beginning of the period / year	<b>1,224,139</b>	2,849,179
Addition	-	387,618
Amortization	<b>(991,795)</b>	(2,012,658)
Balance at the end of the period / year	<b>232,344</b>	1,224,139

**9. LEASE LIABILITIES**

The Company has lease contracts for office buildings and generally have lease terms between 2 and 3 years.

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>Un-audited</b>	<b>Audited</b>
Balance at the beginning of the period / year	<b>465,137</b>	2,035,326
Addition	-	387,618
Less: payment	-	(2,020,760)
Add: finance cost	<b>3,842</b>	62,953
Balance at the end of the period / year	<b>468,979</b>	465,137



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**9. LEASE LIABILITIES (CONTINUED)**

Lease liabilities are classified as follows:

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>Un-audited</b>	<b>Audited</b>
Non-current	-	111,600
Current	<b>468,979</b>	<b>353,537</b>
	<b>468,979</b>	<b>465,137</b>

Amount recognised in profit or loss:

	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>Un-audited</b>	<b>Un-audited</b>
Finance cost on lease liabilities	<b>3,842</b>	53,761
Amortisation of right-of-use assets	<b>991,795</b>	995,135

**10. ISLAMIC FINANCING**

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>Un-audited</b>	<b>Audited</b>
Islamic financing from banks	<b>601,234,605</b>	553,585,698
Islamic financing from public institutions	<b>67,155,680</b>	71,927,581
	<b>668,390,285</b>	<b>625,513,279</b>
Classification of Islamic financing are presented below:		
Current portion	<b>439,981,714</b>	435,954,800
Non-current portion	<b>228,408,571</b>	189,558,479
	<b>668,390,285</b>	<b>625,513,279</b>
Secured	<b>601,234,605</b>	553,585,698
Unsecured	<b>67,155,680</b>	71,927,581
	<b>668,390,285</b>	<b>625,513,279</b>

The Islamic financing movement is as follows:

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>Un-audited</b>	<b>Audited</b>
Balance at the beginning of the period / year	<b>625,513,279</b>	447,766,521
Additions	<b>140,000,000</b>	314,970,000
Finance cost	<b>21,253,629</b>	39,348,272
Repayments	<b>(117,459,694)</b>	(175,905,618)
Government grant	<b>(916,929)</b>	(665,896)
Balance at the end of the period / year	<b>668,390,285</b>	<b>625,513,279</b>

During the period, the company obtained short-term and medium term loans from local commercial banks amounting to SR 30 million and SR 85 million respectively. In addition, the company obtained medium-term financing from a public institution amounting to SR 25 million to finance lease assets. Furthermore, the management has recognized the deferred Government grant of SR 0.92 million.

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**11. ACCOUNTS PAYABLE AND OTHER LIABILITIES**

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>Un-audited</b>	<b>Audited</b>
Vehicles supplies balance from a related party (note 6.2)	<b>139,739,107</b>	105,432,233
Vehicles suppliers	<b>6,158,307</b>	11,698,977
Insurance payable	<b>6,032,155</b>	4,908,838
Advances from financing contracts	<b>2,758,412</b>	2,876,107
Insurance claims payable	<b>5,683,002</b>	4,828,939
Deferred government grants	<b>1,486,330</b>	1,715,144
Accrued expenses	<b>2,169,083</b>	4,815,635
Deferred sales rebate income	<b>2,610,173</b>	1,137,229
Employees' vacations	<b>1,259,295</b>	1,332,607
VAT payable	-	3,872,083
Other payable*	<b>8,725,567</b>	9,909,560
	<b>176,621,431</b>	152,527,352

\* Other payables include unidentified bank receipts from customers amounting to SR 2.4 million (31 December 2024: SR 4.1 million) and customer credit balances totaling SR 4.9 million (31 December 2024: SR 4.2 million).

**12. ZAKAT PROVISION**

The movement in the provision for zakat for the period is as follows:

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>Un-audited</b>	<b>Audited</b>
Balance at the beginning of the period / year	<b>7,119,168</b>	7,795,609
Provided during the period / year	<b>3,293,972</b>	7,089,177
Payments during the period / year	<b>(7,135,644)</b>	(7,765,618)
Balance at the end of the period / year	<b>3,277,496</b>	7,119,168

Zakat and income tax returns for the company have been filed for the year 2024 and the zakat certificate has been received. The company has received and clear final assessment until 2018. ZATCA has not issued any assessments for years 2019 to 2024.

**13. SHARE CAPITAL**

The share capital is fully paid, each share is equal to SAR 1 and owned as at 30 June 2025 and 31 December 2024 by the following;

	<b>Number of shares</b>	<b>Percentage of ownership %</b>	<b>Amount</b>
Al Jabr Holding Company	<b>345,000,000</b>	<b>100</b>	<b>345,000,000</b>
	<b>345,000,000</b>	<b>100</b>	<b>345,000,000</b>

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**14. CONTINGENCIES AND COMMITMENTS**

The company has the following contingencies and commitments as at 30 June 2025.

	<b>30 June 2025</b>	31 December 2024
	<b>Un-audited</b>	Audited
Letters of guarantee	<b>10,000,000</b>	-

**15. REVENUE**

	<b>For the three months period ended</b>		<b>For the six months period ended</b>	
	<b>30 June 2025</b>	30 June 2024	<b>30 June 2025</b>	30 June 2024
	<b>Un-audited</b>	Un-audited	<b>Un-audited</b>	Un-audited
Ijara contracts	<b>24,076,531</b>	18,466,771	<b>45,767,023</b>	36,986,939
Tawarruq contracts	<b>21,666,401</b>	19,498,015	<b>44,643,164</b>	33,909,259
Murabaha contracts	<b>4,452,269</b>	4,174,244	<b>9,520,541</b>	8,479,534
Administration fee	<b>1,230,605</b>	763,169	<b>2,671,222</b>	1,862,128
Agency fee	-	24,523	-	64,712
	<b>51,425,806</b>	42,926,722	<b>102,601,950</b>	81,302,572

**16. FINANCE COST**

	<b>For the three months period ended</b>		<b>For the six months period ended</b>	
	<b>30 June 2025</b>	30 June 2024	<b>30 June 2025</b>	30 June 2024
	<b>Un-audited</b>	Un-audited	<b>Un-audited</b>	Un-audited
Finance cost on Islamic financing from banks	<b>9,749,673</b>	8,351,741	<b>19,174,255</b>	14,924,931
Unwinding of finance cost on Islamic financing from public institutions	<b>1,051,444</b>	1,140,209	<b>2,079,374</b>	2,528,889
Finance cost on lease liabilities (note: 9)	<b>1,946</b>	28,611	<b>3,842</b>	55,379
Unwinding of finance cost on services assets and liabilities, net	-	1,624	-	14,325
	<b>10,803,063</b>	9,522,185	<b>21,257,471</b>	17,523,524

**17. EARNINGS PER SHARE - BASIC AND DILUTED**

Basic earnings per share for profit attributable to ordinary shares holders for the period ended 30 June 2025 and 30 June 2024 are computed based on the weighted average number of shares outstanding during the period. The diluted earnings per share are the same as the basic earnings per share because the Company does not have any dilutive instruments in issue.

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**17. EARNINGS PER SHARE - BASIC AND DILUTED (CONTINUED)**

On November 26, 2023, the company held a extraordinary general assembly meeting where the shareholders agreed to divide the company's shares. The split ratio was 10 to 1, it was agreed that each share of SR 10 will be split into 10 shares of SR 1. As a result, the total number of shares increased from 34,500,000 to 345,000,000. Accordingly, the basic and diluted EPS has been calculated based on the revised number of shares. The legal formalities completed in June 2024.

	<b>For the three months period ended</b>		<b>For the six months period ended</b>	
	<b>30 June 2025</b>	30 June 2024	<b>30 June 2025</b>	30 June 2024
	<b>Un-audited</b>	Un-audited	<b>Un-audited</b>	Un-audited
Net profit for the period attributed to shareholders	<b>5,834,776</b>	7,546,346	<b>12,599,642</b>	17,081,604
Weighted average number of shares	<b>345,000,000</b>	345,000,000	<b>345,000,000</b>	345,000,000
Basic and diluted earnings per share*	<b>0.017</b>	0.022	<b>0.037</b>	0.050

\*The basic and diluted earnings per share for the comparative period have been recalculated and retrospectively adjusted to reflect the impact of the share split.

**18. SUBSEQUENT EVENTS**

There are no significant subsequent events occurred between 30 June 2025 and the date of approval of these financial statements, which may have material impact on these condensed interim financial statements.

**19. DIVIDENDS**

In their meeting on 22 April 2025, the Board of Directors proposed a cash dividend of SR 10,505,660 representing 30% of the Company's profit for the year ended 31 December 2024. The proposal was approved by the Shareholder, Al Jabr Holding Company, at the Ordinary General Assembly Meeting on 15 May 2025, and the dividend was distributed on 18 June 2025.

**20. COMPARATIVE**

Certain comparative figures have been reclassified to comply with the current period's presentation of the condensed interim financial statements, where necessary.

**21. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 2 Safar 1447H (corresponding to 27 July 2025) by the Board of Directors of the company.