AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30, 2025 (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
Condensed interim consolidated financial statements (Unaudited)
For the three-month and six-month period ended June 30, 2025

Report on review of condensed interim consolidated financial statements

To the shareholders of Al Yusr Leasing and Financing Company
(A Saudi Closed Joint Stock Company)

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Al Yusr Leasing and Financing Company (the “Company”) and its subsidiaries (together the “Group”) as of June 30, 2025 and the related condensed interim consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the condensed interim consolidated statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes. The Board of Directors is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (“IAS 34”), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim consolidated 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”, as 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, as 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 condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Ali H. Al Basri
License Number 409

برايس وترهاوس كوبرز
محاسبون قانونيون
ترخيص ٣٢٣/١١/٢٥/٢
س.ت ٢٠٥١٠٦٢٣٨٤
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July 28, 2025

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AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	As at June 30, 2025 Unaudited	As at December 31, 2024 Audited
ASSETS			
Cash at banks	5	**48,834,743**	48,161,424
Prepayments, advances and other receivables		**109,459,375**	111,829,976
Repossessed assets held for sale		**90,000**	90,000
Due from related parties	7	**548,148,688**	568,100,138
Margin deposit – restricted	6	**-**	7,240,756
Investment in Islamic financing, net	8	**1,791,294,913**	1,844,282,391
Investment in equity instruments carried at fair value through other comprehensive income ("FVOCI")	9	**34,975,643**	34,975,643
Intangible assets, net		**16,229,386**	18,837,061
Right-of-use assets, net		**13,666,293**	15,136,528
Property and equipment, net		**3,681,089**	4,154,373
Total assets		**2,566,380,130**	2,652,808,290
LIABILITIES AND EQUITY			
Liabilities			
Accounts payable		**13,833,803**	16,869,179
Accruals, provisions and other liabilities		**42,560,198**	44,925,366
Due to related parties	7	**13,593,351**	1,689,183
Zakat payable	10	**15,054,113**	15,301,665
Lease liabilities		**14,594,886**	14,676,510
Employees' end of service benefits		**9,972,000**	9,712,000
Borrowings	11	**1,627,602,287**	1,726,807,958
Total liabilities		**1,737,210,638**	1,829,981,861
Equity			
Share capital		**500,000,000**	500,000,000
Statutory reserve		**123,715,275**	123,715,275
Retained earnings		**193,090,762**	186,747,699
Fair value reserve on investments		**5,957,730**	5,957,730
Employees' end of service benefits reserve		**6,405,725**	6,405,725
Total equity		**829,169,492**	822,826,429
Total liabilities and equity		**2,566,380,130**	2,652,808,290

The accompanying notes from 1 to 16 are an integral part of these condensed interim consolidated financial statements.

Eng. Abdulmohsen Abdullatif Alisa Chairman	Mr. Mohammed Saleh Aldowesh Chief Executive Officer	Mr. Abdullah Abdulkarim Almuhana Chief Financial Officer

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	For the three-month period ended June 30, 2025	For the three-month period ended June 30, 2024	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
Revenue					
Income from investment in Islamic financing	12	**81,445,734**	92,401,173	**162,568,482**	195,451,251
Other income, net	13	**5,151,526**	11,560,229	**14,881,049**	11,055,413
Total revenue		**86,597,260**	103,961,402	**177,449,531**	206,506,664
Operating expenses					
Salaries, wages and other employee related costs		**(24,554,023)**	(29,908,032)	**(50,529,919)**	(54,748,442)
Depreciation and amortisation		**(2,574,764)**	(2,350,266)	**(5,232,325)**	(4,742,706)
Other operating expenses	14	**(14,773,334)**	(13,341,810)	**(32,939,831)**	(24,753,070)
Charge for expected credit losses ("ECL") on financial assets, net	8.6	**(6,975,483)**	(33,179,594)	**(10,848,296)**	(64,527,511)
Total operating expenses		**(48,877,604)**	(78,779,702)	**(99,550,371)**	(148,771,729)
Operating profit		**37,719,656**	25,181,700	**77,899,160**	57,734,935
Loss on the sale of investment properties		-	(2,000,000)	-	(2,000,000)
Finance costs, net		**(34,149,143)**	(38,691,540)	**(69,908,401)**	(76,023,780)
Profit / (loss) before zakat		**3,570,513**	(15,509,840)	**7,990,759**	(20,288,845)
Zakat expense	10	**(736,064)**	-	**(1,647,696)**	-
Net profit / (loss) for the period		**2,834,449**	(15,509,840)	**6,343,063**	(20,288,845)
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to consolidated statement of profit or loss in subsequent periods					
Fair value gain on investment in equity instruments carried at FVOCI	16.3	-	1,044,000	-	1,044,000
Other comprehensive income for the period		-	1,044,000	-	1,044,000
Total comprehensive income / (loss) for the period		**2,834,449**	(14,465,840)	**6,343,063**	(19,244,845)

The accompanying notes from 1 to 16 are an integral part of these condensed interim consolidated financial statements.

Eng. Abdulmohsen Abdullatif Alisa Chairman	Mr. Mohammed Saleh Aldowesh Chief Executive Officer	Mr. Abdullah Abdulkarim Almuhana Chief Financial Officer

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Fair value reserve on investments	Employees' end of service benefits reserve	Total equity
Balance as at January 1, 2024 (Audited)	500,000,000	123,715,275	217,214,638	-	6,350,070	847,279,983
Net loss for the period	-	-	(20,288,845)	-	-	(20,288,845)
Other comprehensive income for the period	-	-	-	1,044,000	-	1,044,000
Total comprehensive (loss) / income for the period	-	-	(20,288,845)	1,044,000	-	(19,244,845)
Balance as at June 30, 2024 (Unaudited)	500,000,000	123,715,275	196,925,793	1,044,000	6,350,070	828,035,138
Balance as at January 1, 2025 (Audited)	**500,000,000**	**123,715,275**	**186,747,699**	**5,957,730**	**6,405,725**	**822,826,429**
Net profit for the period	-	-	**6,343,063**	-	-	**6,343,063**
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	**6,343,063**	-	-	**6,343,063**
Balance as at June 30, 2025 (Unaudited)	**500,000,000**	**123,715,275**	**193,090,762**	**5,957,730**	**6,405,725**	**829,169,492**

The accompanying notes from 1 to 16 are an integral part of these condensed interim consolidated financial statements.

Eng. Abdulmohsen Abdullatif Alisa
Chairman

Mr. Mohammed Saleh Aldowesh
Chief Executive Officer

Mr. Abdullah Abdulkarim Almuhana
Chief Financial Officer

AL YUSR LEASING AND FINANCING COMPANY
(A Saudi Closed Joint Stock Company)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	For the six-month period ended June 30, 2025	2024
Cash flows from operating activities			
Profit / (loss) before zakat		**7,990,759**	(20,288,845)
Adjustments to reconcile profit / (loss) before zakat to net cash flows generated from operating activities:			
Depreciation and amortisation		**5,232,325**	4,742,706
Charge for ECL on financial assets, net		**33,812,073**	86,780,428
Finance income on present value of margin deposit	6	**(30,878)**	-
Finance income on due from related parties	12	**(10,259,380)**	(9,123,528)
Loss on the sale of investment properties		**-**	2,000,000
Finance costs, net		**69,908,401**	76,023,780
Employees' end of service benefits		**1,723,091**	1,050,500
		108,376,391	141,185,041
Changes in working capital:			
Prepayments, advances and other receivables		**2,370,601**	(3,993,454)
Repossessed assets held for sale		**-**	1,474,762
Margin deposit – restricted		**7,271,634**	-
Due from related parties		**30,210,830**	25,547,087
Investment in Islamic financing, net		**19,175,405**	167,656,002
Accounts payable		**(3,035,376)**	(8,372,756)
Accruals, provisions and other liabilities		**(2,365,168)**	(9,356,589)
Due to related parties		**11,904,168**	-
Cash generated from operating activities before zakat and employees' end of service benefits paid		**173,908,485**	314,140,093
Zakat paid	10	**(1,895,248)**	(8,391,374)
Employees' end of service benefits paid		**(1,463,092)**	(1,640,382)
Net cash generated from operating activities		**170,550,145**	304,108,337
Cash flows from investing activities			
Payments for purchase of investment in equity instruments carried at FVOCI		**-**	(21,616,350)
Proceeds from the sale of investment properties		**-**	4,000,000
Payments for purchase of property and equipment		**(344,882)**	(439,050)
Payments for purchase of intangible assets		**(336,248)**	(172,806)
Net cash used in investing activities		**(681,130)**	(18,228,206)
Cash flows from financing activities			
Proceeds from borrowings		**294,919,142**	280,793,990
Repayment of borrowings		**(381,308,229)**	(350,493,701)
Repayment of lease liabilities		**(81,624)**	(404,812)
Finance costs paid		**(72,194,504)**	(76,964,622)
Net cash used in financing activities		**(158,665,215)**	(147,069,145)
Net increase in cash and cash equivalents		**11,203,800**	138,810,986
Cash and cash equivalents at the beginning of the period		**20,109,194**	(24,431,383)
Cash and cash equivalents at the end of the period	5	**31,312,994**	114,379,603
Non-cash transactions			
Fair value gain on investment in equity instruments carried at FVOCI	16.3	**-**	(1,044,000)
Due from related parties	7.2	**-**	(120,362,243)
Investment in Islamic financing held for sale	7.2.1 (b)	**-**	120,362,243

The accompanying notes from 1 to 16 are an integral part of these condensed interim consolidated financial statements.

(All amounts in Saudi Riyals unless otherwise stated)

1 Legal status and operations

Al-Yusr Leasing and Financing Company (the "Company") is a Saudi Closed Joint Stock Company registered in Riyadh in the Kingdom of Saudi Arabia under commercial registration ("CR") number 1010192058 issued on Shawal 20, 1424H corresponding to December 14, 2003.

The main activities of the Company are to engage in Islamic finance lease, financing of small and medium-sized enterprises, financing of productive assets and consumer finance under the Saudi Central Bank ("SAMA") license No. (10/AO/201403) issued on Rabi' al-Thani 27, 1435H corresponding to February 28, 2014.

The Company's head office is located at the following address;

Salah Uddin Ayubi Street, Al Malaz
P.O. Box 25773
Riyadh 11476
Kingdom of Saudi Arabia

On Shawwal 26, 1444H (corresponding to May 16, 2023) the Company incorporated its subsidiary, Manasat Alraqamiah for Information Technology Company ("MAIT"), a limited liability Company registered in Riyadh with CR number 1010881199. The Subsidiary is owned 100% by the Company.

MAIT is licensed to involve in

- wholesale, retail trade and repair of motor vehicles and motorcycles and
- information and communications.

On Ramadan 15, 1444H (corresponding to April 8, 2023) the Company incorporated its subsidiary, Al Sharakat Alragmeya for Information Technology Company ("ASAIT"), a limited liability Company registered in Riyadh with CR number 1010873663. ASAIT is owned 100% by the Company.

ASAIT is licensed to involve in

- Software publishing and
- Computer programming activities.

These condensed interim consolidated financial statements comprise the condensed interim financial statements of the Company along with its branches and its Subsidiary (collectively referred to as "the Group").

These condensed interim consolidated financial statements were authorised for issue by the Group's Board of Directors on July 28, 2025.

The Group has the following active branches, and the results thereof are included in these condensed interim consolidated financial statements:

			Status of branch as at	
Branch name	**CR number**	**Date of issuance of CR**	**June 30, 2025**	**December 31, 2024**
Head Office Branch	7014828904	Shawwal 20, 1424H	Active	Active
Exit -10 Branch- Riyad	7007215747	Rajab 13, 1443 H	Active	Active
Al Jouf Branch	7012361163	Jumada al-Ula 9, 1443H	Active	Active
Hail Branch	7012824483	Safar 19, 1443H	Active	Active
Hafer Al Batin Branch	7013913566	Safar 22, 1443H	Active	Active
Tabuk Branch	7014185297	Jumada al-Ula 9, 1443H	Active	Active
Dammam Branch	7012370198	Jumada al-Ula 9, 1443H	Active	Active
Jeddah Branch	7011801359	Thul-Qi`dah 7, 1443H	Active	Active
Madinah Branch	7011313850	Jumada al-Ula 9, 1443H	Active	Active
Abaha Branch	7014490317	Jumada al-Ula 9, 1443H	Active	Active
Jezan Branch	7012395286	Jumada al-Ula 9, 1443H	Active	Active
Al Hassa Branch	7012243411	Muharram 6, 1445H	Active	Active

2 Basis of preparation

2.1 Statement of compliance

These condensed interim consolidated financial statements of the Group for the three-month and six-month periods ended June 30, 2025 have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" ("IAS-34"), as endorsed in the Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IAS-34 as endorsed in KSA").

The condensed interim consolidated statement of financial position is stated in order of liquidity.

These condensed interim consolidated financial statements do not include all the notes, information and disclosures of the type normally required and included in the annual audited consolidated financial statements. Accordingly, these condensed interim consolidated financial statements are to be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2024.

The results of operations for the interim period reported are not necessarily indicative of results expected for the year ending December 31, 2025.

2.2 Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Investment in equity instruments carried at fair value through other comprehensive income – measured at fair value,
- Assets held for sale – measured at the lower of carrying amount and fair value less costs to sell, and
- Employees' end of service benefits - measured using Projected Unit Credit Method under IAS-19.

2.3 Functional and presentation currency

These condensed interim consolidated financial statements are presented in Saudi Riyal ("SR") which is the Group's functional and presentation currency. All financial information presented in Saudi Riyals has been rounded to the nearest Saudi Riyal, unless otherwise mentioned.

2.4 Going concern

The Group has performed its assessment on its ability to continue as going concern, concluding that it will continue its operations for the foreseeable future and be able to meet its obligations as they become due. As part of its periodic assessment, the Group focuses on its core business, i.e. investment in Islamic financing, in particular on its non-performing receivables.

The management has undertaken various measures and specific actions with respect to its receivables, including repossession of vehicles, legal actions to liquidate collaterals and rescheduling of certain financing exposures, in order to improve the recoverability cycle of those receivables. In addition, management has established a centralised collection center with dedicated team duly serviced by an automated collection system.

With regards to its funding capacity, the management continues to focus on improving its cash flows and diversification of its funding sources to ensure sufficient liquidity is available to support its future plans.

Based on the above analysis and assessment, the Group's management is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, these condensed interim consolidated financial statements continue to be prepared on a going concern basis.

(All amounts in Saudi Riyals unless otherwise stated)

3 Consistent application of accounting policies

- The accounting policies and methods used in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of the annual audited consolidated financial statements for the year ended December 31, 2024 except for the new accounting policies introduced as adoption of the following amendments to IFRS explained below which became applicable for annual reporting periods commencing on or after January 1, 2025. The management has concluded that the below amendments have no significant impact on the Group's condensed interim consolidated financial statements.

New standards, interpretations and amendments adopted by the Group

The following standards, interpretations and amendments apply for the first time to financial reporting periods commencing on or after January 1, 2025:

Standards, interpretations or amendments	**Description**	**Effective date**
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	January 1, 2025

New standards, interpretations and amendments issued but not yet effective

The following standards, interpretations and amendments had been issued but were not mandatory for annual reporting periods commencing on or after January 1, 2025.

Standards, interpretations, amendments	**Description**	**Effective date**
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognised in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognised and derecognised and to provide an exception for certain financial liabilities settled using an electronic payment system.	January 1, 2026
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows	January 1, 2026

(All amounts in Saudi Riyals unless otherwise stated)

3 Consistent application of accounting policies (continued)

New standards, interpretations and amendments issued but not yet effective (continued)

Standards, interpretations, amendments	**Description**	**Effective date**
Contracts referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.	January 1, 2026
IFRS 18 – Presentation and disclosure in financial statements	IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The changes in presentation and disclosure required by IFRS 18 might require system and process changes for many entities.	January 1, 2027
IFRS 19 - Reducing subsidiaries` disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS.	January 1, 2027

The Group's management has not opted for earlier adoption of any of the above-mentioned standards, interpretations and amendments issued but not yet effective. Based on the management's best estimates and judgement, the Group does not foresee any significant changes in its accounting policies or significant retrospective adjustments as a result of adopting these amendments or new standards.

(All amounts in Saudi Riyals unless otherwise stated)

4 Critical accounting judgments, estimates and assumptions

The preparation of these condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. The actual results may differ from these estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Such judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advice and expectations of future events that are believed to be reasonable under the circumstances. The interim results may not represent a fully accurate indication of the annual results of operations. In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited consolidated financial statements as at and for the year ended December 31, 2024.

5 Cash at banks

	As at June 30, 2025	As at December 31, 2024
	Unaudited	Audited
Cash at banks	**48,834,743**	48,161,424

The Group does not earn profits on current accounts with banks.

Cash and cash equivalents - For the purpose of the condensed interim consolidated statement of cash flows:

	As at June 30, 2025	As at June 30, 2024
	Unaudited	Unaudited
Cash in hand	-	438,436
Cash at banks	**48,834,743**	71,954,682
Short term deposit	-	70,000,000
Less: Bank overdrafts (note 11)	**(17,521,749)**	(28,013,515)
	31,312,994	114,379,603

6 Margin deposit – restricted

	Notes	As at June 30, 2025	As at December 31, 2024
		Unaudited	Audited
Margin deposit with bank	6.1	-	7,271,634
Less: Effect of discounting	6.2	-	(30,878)
		-	7,240,756

(All amounts in Saudi Riyals unless otherwise stated)

6 Margin deposit – restricted (continued)

6.1 This amount represented the margin deposit placed by the Group according to certain securitisation and agency agreements entered into with bank.

6.2 The movement in the effect of discounting in respect of present value of margin deposit is as follow:

	As at June 30, 2025	As at December 31, 2024
	Unaudited	Audited
Opening balance	**30,878**	30,878
Finance income during the period / year	**(30,878)**	-
Closing balance	**-**	30,878

(All amounts in Saudi Riyals unless otherwise stated)

7 Related parties' balances and transactions

Related parties represent associated companies, major shareholders, directors, key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties.

7.1 Related parties' balances

In the ordinary course of the Group's activities, the Group enters into business transactions with related parties. The following balances are outstanding as at the respective periods ended June 30, 2025 and December 31, 2024, in relation to transactions with related parties:

	Nature of relationship	As at June 30, 2025 Unaudited	As at December 31, 2024 Audited
7.1.1 Due from related parties			
- Abdullatif Alissa Group Holding Company	Parent Company	**478,299,536**	492,801,631
- National Automotive Trading Company	Affiliate	**264,651**	264,651
- Alissa Universal Motor Company	Affiliate	**70,449,152**	75,898,507
- General Automotive Company (GACO)	Affiliate	**1,491,032**	1,491,032
		550,504,371	570,455,821
Expected credit losses on due from related parties		**(2,355,683)**	(2,355,683)
		548,148,688	568,100,138
7.1.2 Due to related parties			
- Abdullatif Alissa Group Holding Company	Parent Company	**13,122,687**	1,218,519
- Aqar and Memar Real Estate Company	Affiliate	**470,664**	470,664
		13,593,351	1,689,183
7.1.3 Key management personnel (KMP)*			
(Number of of KMP as at June 30, 2025: 7; 31 December 31, 2024: 12)			
Accruals, provisions and other liabilities	Accrued directors' meeting attendance fee	**1,432,659**	972,992
Long term benefits payables	Key management personnel's post-employment benefits	**972,299**	969,415

(All amounts in Saudi Riyals unless otherwise stated)

7 Related parties' balances and transactions (continued)

7.2 Related parties' transactions made during the period

Name of related party	Nature of relationship	Nature of transaction	For the six-month period ended June 30, 2025 Unaudited	2024 Unaudited
Abdullatif Alissa Group Holding Company	Parent Company	Collections against the portfolio sold to Parent Company	**36,771,875**	26,026,248
		Portfolio sold to Parent Company during the period (note 7.2.1)	**-**	120,362,243
		Installment repaid	**14,351,411**	16,439,783
		Collection transferred to Parent Company	**-**	29,534,366
		Expense recharged by Parent Company	**6,000,000**	5,395,000
		Finance income on sold portfolio	**10,259,380**	9,123,528
		Expense charged to parent company	**3,658,990**	-
Alissa Universal Motor Company	Affiliate	Finance income earned	**784,037**	907,897
		Installment repaid	**-**	6,233,391
Key management personnel*	-	Directors' meeting attendance fee	**1,666,666**	2,530,133
		Salaries and other benefits	**3,392,720**	4,179,643

* Key management personnel of the Group include all members of the Board of Directors, chief executive officer and senior management. Short-term employee benefits of the Group's key management personnel include salaries, allowances, cash and non-cash benefits, bonuses and contributions to the General Organisation for Social Insurance.

(All amounts in Saudi Riyals unless otherwise stated)

7 Related parties' balances and transactions (continued)

7.2 Related parties' transactions made during the period (continued)

7.2.1 Portfolio sold to Parent Company

a) During the year ended December 31, 2020, the Company sold Islamic financing receivables with no recourse to Abdullatif Alissa Group Holding Company (the "Parent Company") amounting to the net of SR 536 million (gross receivables sold amounted to SR 903 million less provision of ECL allowance against the sold portfolio of SR 362 million). As per the agreement, the Parent Company is required to settle SR 536 million over ten monthly instalments starting from March 2021 over a period of five years. On March 26, 2025, the Group rescheduled this agreement by modifying the repayment terms and deferring a portion of the earlier payments to later periods while keeping the overall loan tenure unchanged. This restructuring resulted in an increase in the Group's expected future profits by SR 9.3 million with no significant impact on the modification results.

b) On February 4, 2024, the Group entered into agreement with Parent Company to sell the investment in Islamic financing portfolio amounting to the net of SR 120.4 million (gross Islamic financing receivables amounting to SR 239.4 less portfolio written off SR 39.4 million less ECL provision amounting to SR 79.6 million) against consideration of SR 120.4 million. As per the agreement, Parent Company is required to settle the purchase consideration of SR 120.4 million over sixteen semi-annual installments starting from July 2024 over a period of eight years at an initial preferred profit rate of 0.75% per annum which was finally agreed at 7% per annum pursuant negotiation between the Group and its Parent Company. On March 26, 2025, the Group rescheduled this agreement by modifying the repayment terms and deferring a portion of the earlier payments to later periods while keeping the overall loan tenure unchanged. This restructuring resulted in an increase in the Group's expected future profits by SR 11.3 million with no significant impact on the modification results.

8 Investment in Islamic financing, net

	Note	As at June 30, 2025	As at December 31, 2024
		Unaudited	**Audited**
Gross investment in Islamic financing		**2,516,628,345**	2,631,345,162
Unearned Islamic financing income		**(629,727,229)**	(679,350,728)
Deferred origination expenses net of unearned origination fee		**21,619,594**	19,758,403
	8.1	**1,908,520,710**	1,971,752,837
Less: ECL allowance		**(117,225,797)**	(127,470,446)
		1,791,294,913	1,844,282,391

8.1 Portfolio expected credit losses analysis for investment in Islamic financing:

June 30, 2025 – Unaudited	Investment in Islamic financing	ECL allowance	Expected credit loss rates
Not yet due	**1,454,257,743**	**21,131,012**	**1%**
1-90 days	**225,256,391**	**11,997,929**	**5%**
91-180 days	**37,936,382**	**13,209,556**	**35%**
181-365 days	**49,809,958**	**17,184,379**	**34%**
Above 365 days	**141,260,236**	**53,702,921**	**38%**
	1,908,520,710	**117,225,797**	**6%**

December 31, 2024 – Audited	Investment in Islamic financing	ECL allowance	Expected credit loss rates
Not yet due	1,578,442,831	15,419,018	1%
1-90 days	153,148,127	18,109,868	12%
91-180 days	37,013,246	13,471,677	36%
181-365 days	67,229,264	25,752,358	38%
Above 365 days	135,919,369	54,717,525	40%
	1,971,752,837	127,470,446	6%

(All amounts in Saudi Riyals unless otherwise stated)

8 Investment in Islamic financing, net (continued)

8.2 Stage-wise breakup of investment in gross Islamic financing receivables is as follows:

	As at June 30, 2025 Unaudited	As at December 31, 2024 Audited
Performing (stage 1)	**1,587,858,937**	1,674,151,455
Under-performing (stage 2)	**91,655,197**	57,439,503
Non-performing (stage 3)	**229,006,576**	240,161,879
	1,908,520,710	1,971,752,837

8.3 The movement in investment in Islamic financing receivables is as follows:

	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Total
As at January 1, 2025	**1,674,151,455**	**57,439,503**	**240,161,879**	**1,971,752,837**
Transfers from performing	**(92,610,152)**	**54,544,477**	**38,065,675**	**-**
Transfers from under-performing	**3,685,842**	**(23,835,432)**	**20,149,590**	**-**
Transfers from non-performing	**2,362,885**	**2,354,194**	**(4,717,079)**	**-**
Financial assets settled	**(385,544,097)**	**(33,475,986)**	**(20,373,129)**	**(439,393,212)**
Financial assets originated	**422,242,111**	**-**	**-**	**422,242,111**
Transfers from financial assets originated	**(36,429,107)**	**34,628,441**	**1,800,666**	**-**
Financial assets - written off	**-**	**-**	**(46,081,026)**	**(46,081,026)**
As at June 30, 2025 – Unaudited	**1,587,858,937**	**91,655,197**	**229,006,576**	**1,908,520,710**

	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Total
As at January 1, 2024	1,891,703,431	92,074,502	388,200,508	2,371,978,441
Transfers from performing	(99,414,805)	23,004,345	76,410,460	-
Transfers from under-performing	15,242,193	(37,254,553)	22,012,360	-
Transfer from non-performing	4,346,424	512,956	(4,859,380)	-
Financial assets settled	(925,124,505)	(59,788,718)	(68,334,811)	(1,053,248,034)
Financial assets originated	850,674,883	-	-	850,674,883
Transfers from financial assets originated	(63,276,166)	38,890,971	24,385,195	-
Financial assets - written off	-	-	(197,652,453)	(197,652,453)
As at December 31, 2024 - Audited	1,674,151,455	57,439,503	240,161,879	1,971,752,837

(All amounts in Saudi Riyals unless otherwise stated)

8 Investment in Islamic financing, net (continued)

8.4 The movement in allowance for ECL for Islamic financing receivables is as follows:

	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Total
As at January 1, 2025	**18,991,839**	**14,537,047**	**93,941,560**	**127,470,446**
Transfer from performing	**(1,960,341)**	**989,477**	**970,864**	**-**
Transfer from under-performing	**902,247**	**(6,749,467)**	**5,847,220**	**-**
Transfer from non-performing	**818,561**	**883,536**	**(1,702,097)**	**-**
Financial assets settled	**(1,584,392)**	**(6,934,754)**	**(9,794,931)**	**(18,314,077)**
Financial assets originated	**3,933,447**	**-**	**-**	**3,933,447**
Transfers from financial assets originated	**(2,753,221)**	**2,120,483**	**632,738**	**-**
Changes in PDs/LGDs/EADs	**8,145,561**	**1,788,918**	**12,573,550**	**22,508,029**
Financial assets written-off	**-**	**-**	**(46,081,026)**	**(46,081,026)**
Additional ECL on financial assets written-off	**-**	**-**	**27,338,348**	**27,338,348**
ECL on income in suspense	**-**	**-**	**370,630**	**370,630**
As at June 30, 2025 – Unaudited	**26,493,701**	**6,635,240**	**84,096,856**	**117,225,797**

	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Total
As at January 1, 2024	29,291,234	28,409,870	122,115,462	179,816,566
Transfer from performing	(1,779,298)	298,349	1,480,949	-
Transfer from under-performing	3,520,716	(12,166,431)	8,645,715	-
Transfer from non-performing	1,895,503	202,440	(2,097,943)	-
Financial assets - settled	(8,229,354)	(16,073,443)	(10,894,240)	(35,197,037)
Financial assets originated	29,607,838	-	-	29,607,838
Transfers from financial assets originated	(20,222,913)	10,877,978	9,344,935	-
Changes in PDs/LGDs/EADs	(15,091,887)	2,988,284	39,194,260	27,090,657
Financial assets – written off	-	-	(197,652,453)	(197,652,453)
Additional ECL on financial assets written-off	-	-	123,755,385	123,755,385
ECL on income in suspense	-	-	49,491	49,491
As at December 31, 2024 - Audited	18,991,839	14,537,047	93,941,560	127,470,446

8.5 Write-offs

The Group writes off a financial asset when it has no reasonable expectations of recovering such financial asset in its entirety or a portion thereof. However, financial assets that are written off are still subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

During the period, the Board of Directors has approved the write-off of investment in Islamic financing amounting to SR 46 million (six-month period ended June 30, 2024: SR 117 million).

8.6 ECL allowance on investment in Islamic financing during the period, net

	For the six-month period ended June 30, 2025 Unaudited	For the six-month period ended June 30, 2024 Unaudited
Charge for ECL allowance - investment in Islamic financing	**(6,473,725)**	(30,012,833)
Additional ECL on financial assets written off	**(27,338,348)**	(56,767,595)
Recoveries against written off financial assets	**22,963,777**	22,252,917
Charge for ECL allowance	**(10,848,296)**	(64,527,511)

(All amounts in Saudi Riyals unless otherwise stated)

8 Investment in Islamic financing, net (continued)

8.7 Assignment of Islamic financing receivables

The Group assigned Islamic financing receivables amounting to SR 1,824 million as of June 30, 2025 (December 31, 2024: SR 1,840 million) to local commercial banks for obtaining Islamic financing. These Islamic financing receivables have not been derecognised from the condensed interim statement of financial position as the Group retains substantially all the risks and rewards, primarily credit risk. The Group is liable for the repayments of its assigned receivables to local commercial banks in case of customers' default in accordance with the terms of the agreement. The amount received on assignment of Islamic financing receivables has been recognised as borrowings in the condensed interim statement of financial position.

Pursuant to the terms of the transfer agreements, the Group is not allowed to repledge those receivables and the financial institution has recourse only to the receivables in the event the Group defaults on its obligation. The carrying value of these receivables and their related liabilities ("the related liabilities") approximate their fair value.

8.8 Changes in assumptions including incorporation of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Group has used GDP and Government Expenditure as key macroeconomic factors giving a weight of 65% to GDP growth rate and 35% to Government Expenditure. The macroeconomic factors have been updated based on the latest available information (as issued by IMF April'25 forecasts), where the average GDP and Government Expenditure for the next years are expected to be 3.25% and 32.49% (as a percentage of GDP) respectively. The Group has incorporated the forecasts from IMF which are representatives of the current and projected macro-economic outlook.

Further, the Group has also considered different scenarios with the different weightage for macroeconomic scenarios as adopted by SAMA for IFRS9 ECL computation, where scenario weightages of 40% to baseline scenario, 30% to upturn scenario and 30% to downturn scenario were considered.

Sensitivity analysis:

The increase or decrease of 10% change in macroeconomic factors will result in decrease of SR 3.9 million (June 30, 2024: SR 2.3 million) or increase of SR 5.19 million (June 30, 2024: SR 33.56 million) in the ECL provision, respectively.

The increase or decrease of 10% change in loss rates (PDs and LGDs) assuming macroeconomic factors remain the same will result in increase of SR 8.54 million (June 30, 2024: SR 15.01 million) or a decrease of SR 8.43 million (June 30, 2024: SR 14.43 million) in the ECL provision, respectively.

9 Investment in equity instruments carried at FVOCI

Name of the equity investments	Notes	As at June 30, 2025 Unaudited	As at December 31, 2024 Audited
Saudi Financial Lease Contract Registry Company	9.1	**892,875**	892,875
HyperPay Inc.	9.2	**33,883,695**	33,883,695
Car Switch Ltd.	9.3	**199,073**	199,073
		34,975,643	34,975,643

9.1 During 2017, in accordance with instructions issued by Saudi Central Bank ("SAMA"), the Group has made an investment of SR 892,875 in 89,288 shares of Saudi Financial Lease Contract Registry Group (SIJIL) at the rate of SR 10 per share. This investment is not held for trading. Instead, it is held for medium to long-term purposes. Accordingly, the Group has elected to designate this investment in equity instruments at FVOCI.

(All amounts in Saudi Riyals unless otherwise stated)

9 Investment in equity instruments carried at FVOCI (continued)

9.2 On August 8, 2023, MAIT entered into an agreement with HyperPay Inc. to subscribe 10,294 preferred A shares against consideration of USD 3,500,000 (equivalent SR 13,125,000). On same date, MAITentered into shares sale and purchase agreement with the following parties as follows:

	No of shares		Purchase consideration	
Name of seller	**Preferred A**	**Common**	**USD**	**SR**
HyperPay Inc.	1,167	-	338,430	1,269,112
Abdulrahman Abdulaziz Alali	1,056	-	306,240	1,148,400
ACP Investments 1 LP	3,542	319	1,119,690	4,198,838
Integrated Networks Company	4,804	1,181	1,735,650	6,508,688
	10,569	1,500	3,500,010	13,125,038

On December 31, 2023, MAIT purchased 5,675 preferred A shares amounting to USD 1.67 million (SR equivalent: 6.5 million) from HyperPay Inc., Abdulrahman Abdulaziz Alali and made a partial purchase from ACP Investment 1 LP.

This investment is not held for trading, instead, it is held for medium to long-term purposes.

Accordingly, the Group has elected to designate this investment in equity instruments at FVOCI.

9.3 ASAIT entered into an agreement with Car Switch Ltd. to subscribe 165 Series B preferred shares against consideration of USD 500,000 (equivalent to SR 1,875,000), the shares were purchased in February 19, 2024. This investment is not held for trading, instead, it is held for medium to long-term purposes. Accordingly, the Group has elected to designate this investment in equity instruments as at FVOCI.

9.4 The movement of investment in equity instruments carried at FVOCI is as follows:

	Investments			
	Saudi Financial Lease Contract Registry Company	**HyperPay Inc.**	**Car Switch Ltd.**	**Total**
Balance as of January 1, 2024	892,875	6,508,688	-	7,401,563
Investments made during the year	-	19,741,350	1,875,000	21,616,350
Fair value gain / (loss) during the year	-	7,633,657	(1,675,927)	5,957,730
Balance as of December 31, 2024 – Audited	892,875	33,883,695	199,073	34,975,643
Balance as of June 30, 2025 - Unaudited	**892,875**	**33,883,695**	**199,073**	**34,975,643**

10 Zakat payable

	As at June 30, 2025	**As at December 31, 2024**
	Unaudited	**Audited**
Balance at the beginning of the period / year	**15,301,665**	23,693,039
Charge for the period / year	**1,647,696**	-
Payment made during the period / year	**(1,895,248)**	(8,391,374)
Balance at the end of the period / year	**15,054,113**	15,301,665

(All amounts in Saudi Riyals unless otherwise stated)

10 Zakat payable (Continued)

10.1 Status of zakat assessments

The Group has filed the Zakat return with the Zakat, Tax and Customs Authority ("ZATCA") for the year ended December 31, 2024 on April 29, 2025.

11 Borrowings

	As at June 30, 2025 Unaudited	As at December 31, 2024 Audited
Bank borrowings	**1,605,488,619**	1,694,045,019
Bank overdrafts (note 5)	**17,521,749**	28,052,229
Accrued finance costs	**5,730,189**	8,016,291
Present value gain on profit free borrowings	**(1,138,270)**	(3,305,581)
	1,627,602,287	1,726,807,958
Borrowings:		
Current portion	**670,723,371**	710,878,937
Non-current portion	**956,878,916**	101,592,9021
Total borrowings	**1,627,602,287**	1,726,807,958

The Group has long-term financing facilities with banks to finance current and long-term funding needs, primarily to finance Islamic finance receivables, original facilities amounting to SR 2,519 million as of June 30, 2025 (December 31, 2024: SR 2,699 million). The majority of these financing facilities are repayable over a period of three to five years in monthly, quarterly or six-monthly installments.

12 Income from investment in Islamic financing

	For the six-month period ended June 30, 2025 Unaudited	For the six-month period ended June 30, 2024 Unaudited
Income from Murabaha	**443,147**	3,114,644
Income from Ijara	**722,722**	7,915,352
Income from Tawarruq	**151,143,233**	175,297,727
Income on receivables against portfolio sold to Parent Company	**10,259,380**	9,123,528
	162,568,482	195,451,251

(All amounts in Saudi Riyals unless otherwise stated)

13 Other income, net

	For the six-month period ended June 30, 2025 Unaudited	For the six-month period ended June 30, 2024 Unaudited
Vehicle servicing fees *	**5,696,829**	6,722,065
Recovery against legal expenses and charges, net	**1,596,572**	1,903,893
Commission on transfer of vehicles ownership	**2,481,845**	952,675
Administration fee on additional services to customers, net	**98,614**	98,098
Income from margin deposit (note 6.2)	**30,878**	-
Additional other insurance income / (cost), net of collections	**4,976,311**	1,378,682
	14,881,049	11,055,413

* Vehicle servicing fees include miscellaneous fee income such as vehicles valuation fee, vehicle insurance fee and ownership transfer fee.

14 Other operating expenses

	Notes	For the six-month period ended June 30, 2025 Unaudited	For the six-month period ended June 30, 2024 Unaudited
Insurance cost, net		**3,442,585**	1,128,014
Repair and maintenance		**2,588,229**	2,864,445
Legal, VAT and consultancy fees, net		**4,499,513**	3,280,090
Audit fee		**578,498**	215,000
Telephone and postage		**1,999,778**	2,663,655
Professional expenses		**3,590,865**	3,555,667
Outsourcing - security & others		**902,867**	819,848
IT cost allocation		**6,000,000**	5,395,000
Rent expense		**638,201**	1,078,916
Advertising expenses		**2,774,748**	535,235
Stationery and printing		**140,728**	47,408
Donations		**1,140,768**	2,034,149
Other operating expenses*		**4,643,051**	1,135,643
		32,939,831	24,753,070

* Others include entertainment expenses and other miscellaneous expenses.

15 Contingency and commitments

Contingency

The Group has certain legal cases pending in courts against it. However, based on management's best estimate, the recorded provision of SR 0.42 million as at June 30, 2025 (December 31, 2024: SR 0.98 million) is sufficient to cover any future liabilities that might result for the legal cases.

Capital commitments

The Group has commitments for short term leases amounting to SR 2.7 million as at June 30, 2025 (December 31, 2024: SR 2 million). There are no significant capital commitments at the condensed interim consolidated statement of financial position date.

(All amounts in Saudi Riyals unless otherwise stated)

16 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or

- in the absence of a principal market, in the most advantageous market for the asset or liability the principal or the most advantageous market must be accessible to the Group.

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash at banks, investment in Islamic financing, due from related parties, investment in equity instruments, Due from related parties and other receivables. Financial liabilities consist of accounts payable, borrowings, due to related parties and other payables. Fair value of all financial assets and financial liabilities that are measured at amortised cost approximate their fair value .

For financial assets and financial liabilities that are recognised in the condensed interim consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Carrying	Fair value			
	value	Level 1	Level 2	Level 3	Total
June 30, 2025 - Unaudited					
Financial assets at amortised cost:					
Cash at banks	**48,834,743**	-	-	**48,834,743**	**48,834,743**
Other receivables	**85,715,032**	-	-	**85,715,032**	**85,715,032**
Due from related parties	**548,148,688**	-	-	**548,148,688**	**548,148,688**
Investment in Islamic financing, net	**1,791,294,913**	-	-	**1,791,294,913**	**1,791,294,913**
Financial assets at fair value:					
Investment in equity instruments carried at FVOCI (note 16.1)	**34,975,643**	-	-	**34,975,643**	**34,975,643**
	2,508,969,019	-	-	**2,508,969,019**	**2,508,969,019**
Financial liabilities at amortised cost:					
Accounts payable	**13,833,803**	-	-	**13,833,803**	**13,833,803**
Accruals and other liabilities	**13,700,518**	-	-	**13,700,518**	**13,700,518**
Due to related parties	**13,593,351**	-	-	**13,593,351**	**13,593,351**
Lease liabilities	**14,594,886**	-	-	**14,594,886**	**14,594,886**
Borrowings	**1,627,602,287**	-	-	**1,627,602,287**	**1,627,602,287**
	1,683,324,845	-	-	**1,683,324,845**	**1,683,324,845**

(All amounts in Saudi Riyals unless otherwise stated)

16 Fair value of financial instruments (continued)

Fair value hierarchy (continued)

	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
December 31, 2024 -Audited					
Financial assets at amortised cost:					
Cash at banks	48,161,424	-	-	48,161,424	48,161,424
Other receivables	111,829,976	-	-	111,829,976	111,829,976
Margin deposit – restricted	7,240,756	-	-	7,240,756	7,240,756
Due from related parties	568,100,138	-	-	568,100,138	568,100,138
Investment in Islamic financing, net	1,844,282,391	-	-	1,844,282,391	1,844,282,391
		-	-		
Financial assets at fair value:		-	-		
Investment in equity instruments carried at FVOCI (note 161.1)	34,975,643	-	-	34,975,643	34,975,643
	2,614,590,328	-	-	2,614,590,328	2,614,590,328
Financial liabilities at amortised cost:					
Accounts payable	16,869,179	-	-	16,869,179	16,869,179
Accruals and other liabilities	44,925,366	-	-	44,925,366	44,925,366
Due to related parties	1,689,183	-	-	1,689,183	1,689,183
Lease liabilities	14,676,510	-	-	14,676,510	14,676,510
Borrowings	1,726,807,958	-	-	1,726,807,958	1,726,807,958
	1,804,968,196	-	-	1,804,968,196	1,804,968,196

16.1 The Group measures certain equity investments at fair value. These investments are classified within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs in the valuation process.

Valuation technique and significant unobservable inputs
The fair value of Level 3 equity investments is determined using the following valuation techniques and significant unobservable inputs:

Discounted Cash Flow (DCF) Method: The DCF method involves projecting the expected future cash flows of the investee and discounting them to present value using a discount rate that reflects the risks associated with the investment.

Key Inputs in DCF Method:
Projected cash flows are estimated based on historical performance and management's expectations of market conditions, discount rate which reflects the cost of capital and specific risks related to the investee, and terminal growth rate which reflects long-term growth expectations beyond the forecast period.

Market Multiples Method: This method involves applying multiples derived from comparable market transactions to the investee's financial metrics.

Key Inputs in Market Multiple Method:
Comparable multiples: Companies are selected based on industry and market data.

Unobservable Inputs

The unobservable inputs used in the valuation of Level 3 equity investments include the discount rate, terminal growth rate, discounted cash flows and market multiples. These inputs are based on management's best estimates and are subject to change based on evolving market conditions and specific investee circumstances.

(All amounts in Saudi Riyals unless otherwise stated)

16 Fair value of financial instruments (continued)

16.2 Sensitivity analysis

Key assumptions	Change	Impact on fair value
Discount rate and terminal growth rate	**+1% and -0.5%**	**2,677,076**
	-1% and +0.5%	**3,492,660**

16.3 Reconciliation of level 3 fair values held as FVOCI

The following table provides a reconciliation of the opening and closing balances of level 3 equity investments:

	For the six-month period ended June 30, 2025	For the six-month period ended June 30, 2024
Opening balance - Audited	**34,975,643**	7,401,563
Purchases	**-**	21,616,350
Gain recognised in other comprehensive income	**-**	1,044,000
Closing balance - Unaudited	**34,975,643**	30,061,913