UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 AND INDEPENDENT AUDITOR'S REPORT

UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Independent auditor's report to the shareholders of United Electronics Company

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of United Electronics Company (the "Company") and its subsidiaries (together the "Group") as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025;
- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Our audit approach

Overview

Key Audit Matters	Expected credit loss allowance against investment in Islamic financing contracts

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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Independent auditor's report to the shareholders of United Electronics Company (continued)

Our audit approach (continued)

Overview (continued)

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and, we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Expected credit loss allowance against investment in Islamic financing contracts As at 31 December 2025, the Group's net investment in Islamic financing contracts was Saudi Riyals 3,173.3 million against which an expected credit loss ("ECL") allowance of Saudi Riyals 127.1 million was maintained. The determination of ECL involves significant management judgment. The key areas where estimates and judgment was used by management to calculate the ECL include: • Categorisation of receivables into stages 1, 2 or 3 based on the identification of: (i) exposures with a significant increase in credit risk ("SICR") since their origination; and (ii) individually impaired / defaulted exposures. • Determining assumptions used in the ECL model for probability of default ("PD"), loss given default ("LGD") and exposures at default ("EAD") including but not limited to the expected future cash flows, based on historic data as well as developing and incorporating forward looking information (such as macroeconomic factors, the associated scenarios and probability scenario weightings) in line with the requirements of International Financial Reporting Standard 9 'Financial Instruments' ("IFRS 9").	Our audit procedures included the following: • Assessed the accounting policies adopted and the underlying methodology and assumptions applied by management in the ECL model to determine the ECL allowance for investment in Islamic financing contracts and compared them against the requirements of IFRS 9. • Evaluated and tested the design, implementation and the operating effectiveness of key controls over the ECL model including: (i) governance and approval of key assumptions used; (ii) classification of exposures into stages 1, 2 or 3, criteria for identification of SICR and the determination of individually impaired / defaulted exposures; and (iii) integrity of data inputs into the ECL model. • We tested the completeness and accuracy of data supporting the ECL calculations as at 31 December 2025.

Independent auditor's report to the shareholders of United Electronics Company (continued)

Our audit approach (continued)

Overview (continued)

Key audit matter	How our audit addressed the Key audit matter
We considered ECL against investment in Islamic financing contracts as of 31 December 2025 as a key audit matter in view of the significant judgments and estimates involved around the ECL calculations. Refer to the material accounting policies in Note 2.24 for the impairment of financing contracts; Note 3 which contains the disclosure of critical accounting judgments, estimates and assumptions relating to impairment losses; and Note 15 and 31 which contain the disclosures of impairment losses, impairment allowance assessment methodology, credit quality analysis, key assumptions and factors considered in determination of ECL.	• Assessed, for a selected sample of Islamic financing contracts, the appropriateness of the staging classification and management's computation of the ECL allowance. • Involved our experts to assist us in reviewing model calculations, evaluating interrelated inputs and assessing the reasonableness of assumptions used in the ECL model, including those used to determine PD, LGD and EAD including but not limited to actual past performance, changes from assumptions used in the prior year, macroeconomic variables, associated scenarios and probability scenario weightings. • Assessed the adequacy of disclosures in the consolidated financial statements.

Other information

Management is responsible for the other information. The other information comprises information included in the Group's 2025 Annual Report, but does not include the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Group's 2025 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent auditor's report to the shareholders of United Electronics Company (continued)

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent auditor's report to the shareholders of United Electronics Company (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

Ali A. Alotaibi
License Number 379

15 February 2026

UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)
Consolidated statement of profit or loss and other comprehensive income
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Year ended 31 December 2025	2024
Sales and services		**6,675,993**	6,156,633
Income from Islamic financing contracts		**769,012**	624,567
Income from payroll advances		**1,110**	-
Total revenue	4	**7,446,115**	6,781,200
Cost of revenue		**(5,655,533)**	(5,222,227)
Gross profit		**1,790,582**	1,558,973
Selling and distribution expenses	5	**(726,038)**	(634,661)
General and administrative expenses	6	**(270,012)**	(221,892)
Net impairment losses on financial assets	14, 15	**(124,827)**	(93,180)
Other expenses		**(4,396)**	(2,992)
Other income	7	**5,813**	33,008
Finance cost	8	**(46,263)**	(60,024)
Profit before zakat and income tax		**624,859**	579,232
Zakat expense	26	**(44,986)**	(42,794)
Income tax expense	26	**(3,884)**	(1,998)
Net profit for the year		**575,989**	534,440
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of employee benefit obligations	24	**(3,314)**	3,145
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**(107)**	3,373
Other comprehensive (loss) income for the year		**(3,421)**	6,518
Total comprehensive income for the year		**572,568**	540,958
Net profit for the year is attributable to:			
Owners of United Electronics Company		**497,002**	527,895
Non-controlling interests	1, 20	**78,987**	6,545
		575,989	534,440
Total comprehensive income is attributable to:			
Owners of United Electronics Company		**493,906**	534,536
Non-controlling interests	1, 20	**78,662**	6,422
		572,568	540,958
Earnings per share (Saudi Riyals)			
Basic earnings per share	29	**6.57**	6.99
Diluted earnings per share	29	**6.21**	6.68

The accompanying notes are an integral part of these consolidated financial statements.

The consolidated financial statements including notes and other explanatory information were authorised for issue by the Board of Directors on 12 February 2026 and were signed on its behalf by:

Wael Mohammed Khalil	**Mohammed Galal Ali Fahmy**	**Yousef Ali Zaid Al Quraishi**
Chief Financial Officer	**Chief Executive Officer**	**Chairman of the Board of Directors**

UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)
Consolidated statement of financial position
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	As at 31 December	
		2025	**2024**
Assets			
Non-current assets			
Property and equipment	9	**496,589**	486,483
Right-of-use assets	10	**457,723**	462,693
Net investment in finance leases	11	**43,421**	43,902
Intangible assets	12	**78,588**	57,304
Goodwill	13	**529**	529
Trade and other receivables	14	**10,922**	9,611
Investment in Islamic financing contracts	15	**1,382,732**	1,212,167
Total non-current assets		**2,470,504**	2,272,689
Current assets			
Inventories	17	**1,365,936**	1,288,430
Net investment in finance leases	11	**3,061**	3,115
Trade and other receivables	14	**184,977**	166,843
Investment in payroll advances		**4,712**	-
Investment in Islamic financing contracts	15	**1,663,508**	1,194,976
Short-term deposit	16	**30,000**	-
Cash and cash equivalents	18	**201,394**	475,569
Total current assets		**3,453,588**	3,128,933
Total assets		**5,924,092**	5,401,622
Equity and liabilities			
Equity			
Share capital	19	**800,000**	800,000
Other reserves		**63,725**	48,159
Retained earnings		**1,051,731**	903,263
Treasury shares	30	**(279,714)**	(41,766)
Equity attributable to the Owners of United Electronics Company		**1,635,742**	1,709,656
Non-controlling interests	1, 20	**442,394**	333,794
Net equity		**2,078,136**	2,043,450
Liabilities			
Non-current liabilities			
Deferred revenue	22	**191,350**	162,121
Lease liabilities	23	**570,537**	596,864
Borrowings	21	**1,091,207**	849,056
Employee benefit obligations	24	**99,358**	88,604
Total non-current liabilities		**1,952,452**	1,696,645

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UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)
Consolidated statement of financial position (continued)
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	As at 31 December	
		2025	**2024**
Current liabilities			
Trade and other payables	25	**1,039,658**	987,059
Deferred revenue	22	**189,894**	165,663
Lease liabilities	23	**53,989**	32,378
Borrowings	21	**560,739**	426,613
Zakat and income tax payable	26	**49,224**	49,814
Total current liabilities		**1,893,504**	1,661,527
Total liabilities		**3,845,956**	3,358,172
Total equity and liabilities		**5,924,092**	5,401,622

The accompanying notes are an integral part of these consolidated financial statements.

The consolidated financial statements including notes and other explanatory information were authorised for issue by the Board of Directors on 12 February 2026 and were signed on its behalf by:

Wael Mohammed Khalil	**Mohammed Galal Ali Fahmy**	**Yousef Ali Zaid Al Quraishi**
Chief Financial Officer	**Chief Executive Officer**	**Chairman of the Board of Directors**

UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)
Consolidated statement of changes in equity
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Share capital	Share based payment reserve (Other reserves)	Foreign currency translation reserve (Other reserves)	Actuarial reserve (Other reserves)	Total other reserves (Other reserves)	Retained Earnings	Treasury shares	Equity attributable to the Owners of United Electronics Company	Non-controlling interests (See Note 1)	Net equity
At 1 January 2024		**800,000**	**24,278**	**(3,742)**	**(5,823)**	**14,713**	**515,113**	**(45,461)**	**1,284,365**	-	**1,284,365**
Profit for the year		-	-	-	-	-	527,895	-	527,895	6,545	534,440
Other comprehensive income for the year		-	-	3,373	3,268	6,641	-	-	6,641	(123)	6,518
Total comprehensive income for the year		-	-	3,373	3,268	6,641	527,895	-	534,536	6,422	540,958
Transactions with non-controlling interests		-	-	-	-	-	548,558	-	548,558	327,372	875,930
Dividends	33	-	-	-	-	-	(688,303)	-	(688,303)	-	(688,303)
Employee share schemes - value of employee services		-	30,500	-	-	30,500	-	-	30,500	-	30,500
Issue of treasury shares to employees		-	(3,695)	-	-	(3,695)	-	3,695	-	-	-
At 31 December 2024		**800,000**	**51,083**	**(369)**	**(2,555)**	**48,159**	**903,263**	**(41,766)**	**1,709,656**	**333,794**	**2,043,450**
At 1 January 2025		**800,000**	**51,083**	**(369)**	**(2,555)**	**48,159**	**903,263**	**(41,766)**	**1,709,656**	**333,794**	**2,043,450**
Profit for the year		-	-	-	-	-	497,002	-	497,002	78,987	575,989
Other comprehensive loss for the year		-	-	(204)	(2,892)	(3,096)	-	-	(3,096)	(325)	(3,421)
Total comprehensive income for the year		-	-	(204)	(2,892)	(3,096)	497,002	-	493,906	78,662	572,568
Transactions with non-controlling interests		-	8,245	-	-	8,245	32,436	-	40,681	29,938	70,619
Acquisition of treasury shares	1.4	-	-	-	-	-	-	(237,948)	(237,948)	-	(237,948)
Dividends	33	-	-	-	-	-	(380,970)	-	(380,970)	-	(380,970)
Employee share schemes - value of employee services		-	10,417	-	-	10,417	-	-	10,417	-	10,417
At 31 December 2025		**800,000**	**69,745**	**(573)**	**(5,447)**	**63,725**	**1,051,731**	**(279,714)**	**1,635,742**	**442,394**	**2,078,136**

The accompanying notes are an integral part of these consolidated financial statements.

The consolidated financial statements including notes and other explanatory information were authorised for issue by the Board of Directors on 12 February 2026 and were signed on its behalf by:

Wael Mohammed Khalil	**Mohammed Galal Ali Fahmy**	**Yousef Ali Zaid Al Quraishi**
Chief Financial Officer	**Chief Executive Officer**	**Chairman of the Board of Directors**

UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)
Consolidated statement of cash flows
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Year ended 31 December 2025	2024
Cash flows from operating activities			
Profit before zakat and income tax		**624,859**	579,232
Adjustments for:			
Depreciation of property and equipment	9	**46,890**	47,744
Property and equipment written-off	9	**1,924**	62
Loss on disposal of property and equipment		**145**	182
Depreciation of right-of-use assets	10	**60,727**	54,173
Amortisation of intangible assets	12	**16,690**	16,507
Intangibles written-off		**101**	-
Employee share schemes - value of employee services		**10,417**	30,500
Amortisation of deferred revenue	22	**(223,338)**	(203,278)
Net impairment losses on financial assets	14, 15	**124,827**	93,180
Gain on termination of a lease	7	**-**	(1,655)
Finance income from net investment in finance leases	7	**(2,736)**	(2,829)
Finance cost	21	**143,085**	139,913
Provision for employee benefit obligations	24	**14,771**	12,449
Changes in operating assets and liabilities:			
Decrease in trade and other receivables		**(19,445)**	11,668
Increase in investment in Islamic financing contracts		**(763,924)**	(632,938)
Increase in investment in payroll advances		**(4,712)**	-
Increase in inventories		**(77,506)**	(101,003)
Increase in trade and other payables		**52,492**	157,526
Increase in deferred revenue		**276,798**	251,113
Cash generated from operations		**282,065**	452,546
Finance income received		**3,271**	3,270
Employee benefit obligations paid	24	**(7,331)**	(5,625)
Finance cost paid		**(136,315)**	(138,728)
Zakat and income tax paid	26	**(49,460)**	(33,483)
Net cash inflow from operating activities		**92,230**	277,980
Cash flows from investing activities			
Payments for purchases of property and equipment	9	**(59,228)**	(48,800)
Payments for additions to intangible assets	12	**(18,753)**	(13,062)
Placement in short-term deposits		**(70,000)**	-
Redemption of short-term deposits		**40,000**	-
Proceeds from disposal of property and equipment		**163**	260
Net cash outflow from investing activities		**(107,818)**	(61,602)
Cash flows from financing activities			
Proceeds from long-term borrowings		**1,220,000**	923,101
Repayment of long-term borrowings		**(850,493)**	(595,188)
Proceeds from short-term borrowings		**632,000**	1,776,218
Repayment of short-term borrowings		**(632,000)**	(2,183,006)
Transactions with non-controlling interests	1	**51,297**	990,000
Transaction cost relating to initial public offering		**-**	(62,793)
Treasury share acquisition		**(237,948)**	-
Dividends paid	33	**(380,970)**	(688,303)
Principal elements of lease payments		**(60,473)**	(53,442)
Net cash (outflow) inflow from financing activities		**(258,587)**	106,587

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UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)
Consolidated statement of cash flows (continued)
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Year ended 31 December 2025	2024
Net (decrease) increase in cash and cash equivalents		**(274,175)**	322,965
Cash and cash equivalents at beginning of year		**475,569**	152,604
Cash and cash equivalents at end of year	18	**201,394**	475,569
Non-cash investing and financing activities:			
Right-of-use assets recorded against lease liabilities	10, 23	**55,757**	66,991
Transfer from NCI to intangible assets	12	**19,322**	-
Reversal of lease liabilities on termination of a lease	23	-	3,086
Reversal of right-of-use assets on termination of a lease	10	-	1,431

The accompanying notes are an integral part of these consolidated financial statements.

The consolidated financial statements including notes and other explanatory information were authorised for issue by the Board of Directors on 12 February 2026 and were signed on its behalf by:

Wael Mohammed Khalil	**Mohammed Galal Ali Fahmy**	**Yousef Ali Zaid Al Quraishi**
Chief Financial Officer	**Chief Executive Officer**	**Chairman of the Board of Directors**

(All amounts in Saudi Riyals thousands unless otherwise stated)

1 General information

United Electronics Company (the "Company") is a Saudi Joint Stock Company registered in Al Khobar under Commercial Registration ("CR") number 7018066717 dated 10 Jumada II 1425H (corresponding to 27 July 2004). The shares of the Company were listed on the Saudi Stock Exchange on 24 December 2011.

The registered address of the Company is P.O. Box 76688, Al Khobar 31952, Kingdom of Saudi Arabia ("KSA").

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") include the wholesale and retail trade in electric appliances, electronic gadgets, computers and their spare parts and accessories, furniture, office equipment and tools, maintenance and repair services, third-party marketing and consumer financing services.

The accompanying consolidated financial statements include accounts of the Company and its following direct and indirect subsidiaries:

Subsidiaries	**Country of incorporation**	**Effective ownership percentage**	
		2025	**2024**
United Company for Maintenance Services ("UCMS")	Kingdom of Saudi Arabia	**100%**	100%
United Electronics Company Extra W.L.L. ("eXtra Bahrain")	Kingdom of Bahrain	**100%**	100%
United Electronics Company Extra L.L.C. ("eXtra Oman")	Sultanate of Oman	**100%**	100%
Extra Electronics Company ("eXtra Egypt")	Arab Republic of Egypt	**100%**	100%
Extra for Import ("eXtra Import")	Arab Republic of Egypt	**100%**	100%
United International Holding Company ("UIHC") – Note 1.1	Kingdom of Saudi Arabia	**68.75%**	70%
United Company for Financial Services ("UCFS") – Note 1.1	Kingdom of Saudi Arabia	**68.75%**	70%
Procco Financial Services W.L.L. ("Procco") – Note 1.1	Kingdom of Bahrain	**68.75%**	70%
Now Access Company ("Now Access) – Note 1.2	Kingdom of Saudi Arabia	**51.56%**	-

As at 31 December 2025, the Group had a total of 57 branches (31 December 2024: 55 branches) out of which 51 branches are in the Kingdom of Saudi Arabia (31 December 2024: 50 branches in the Kingdom of Saudi Arabia).

1.1 Disposal of 1.25% shareholding in UIHC

During the year ended 31 December 2025, the Group disposed 1.25% of its shareholding in UIHC by means of sale of shares of UIHC on the Saudi Stock Exchange ("Tadawul") against a total consideration of Saudi Riyals 51.3 million. As the Group continues to control UIHC, the carrying amount of the non-controlling interest has been adjusted to reflect the change in the ownership interest in UIHC. The difference between the amount by which non-controlling interest has been adjusted and the fair value of the consideration received, amounting to Saudi Riyals 32.4 million, has been recognised in equity under "Retained earnings".

1 General information (continued)

1.2 Now Access

During the year ended 31 December 2025, UIHC has incorporated a new subsidiary, NowAccess, with a total paid-up share capital of Saudi Riyals 10.0 million. UIHC holds 75% equity interest in NowAccess, whereas the remaining 25% equity interest is held by Nowpay Corp Fintech Company ("NowPay"), a company incorporated in Cayman Islands. NowAccess will be engaged in the providing payroll administration and related processing services in the Kingdom of Saudi Arabia.

Under the terms of the shareholders' agreement between the Company and NowPay, the total share capital of NowAccess shall be upto Saudi Riyals 75.0 million, to be injected based on business requirements, which will entirely be contributed by the Company. This is in consideration for the transfer of NowPay's existing intellectual property rights and technical know-how to NowAccess, pursuant to an Intellectual Property Transfer and License Agreement.

During 2025, NowPay completed the transfer of intellectual property rights and technical know-how to NowAccess, which has commenced commercial operations. Also, refer to Note 12.

1.3 Procco

Procco is a limited liability company registered and incorporated in the Kingdom of Bahrain on 12 September 2006 under Commercial Registration (CR) number 62406. Procco's registered head office is situated at Flat 401, Building 2504, Road 2832, Block 428, Al-Seef, Kingdom of Bahrain.

Procco was granted an ancillary services license under volume 5 by the Central Bank of Bahrain ("CBB"), authorising it to provide remote processing and support services, data backup services, credit card payment services, and technical services to financial institutions and other companies. During the year ended 31 December 2025, Procco submitted a formal request to the CBB for the cessation of the license in relation to these regulated activities. The legal formalities for the cessation of the license were completed during the year.

Procco is currently engaged in providing call centre services, application processing and information technology support services to UCFS.

1.4 Acquisition of treasury shares

During the year ended 31 December 2025, the Company executed a buy-back of 2,635,508 of its own shares from the open market. The total consideration paid for the buy-back of shares amounted to Saudi Riyals 237.9 million, representing approximately 9.86% of the Company's net assets as of 31 December 2025. The purchase was executed in accordance with the approval of the shareholders in their Extraordinary General Assembly Meeting held on 26 May 2025, and in compliance with the relevant provisions of the regulations issued by Capital Market Authority ('CMA').

The repurchased shares are held as treasury shares and are presented as a deduction from equity in accordance with the applicable accounting standards. Also see Note 19.

The accompanying consolidated financial statements were authorised for issue by the Group's Board of Directors on 12 February 2026**.**

2 Material accounting policies

Material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Statement of compliance

These consolidated financial statements of the Group have been prepared in compliance with International Financial Reporting Standards ("IFRS"), that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

(ii) Historical cost convention

These consolidated financial statements are prepared under the historical cost convention except as otherwise disclosed in the relevant accounting policies below.

(iii) New standards and amendment to standards and interpretations

There were no new standards or amendments to standards and interpretations that become applicable for the current reporting period, except for the amendment to IAS 21 'Foreign currencies". The transactions in foreign currencies entered into by the Group in the normal course of its operations are not exposed to lack of exchangeability and consequently, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting this amendment.

(iv) Standards issued but not yet effective

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group.

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 'Financial instruments' ("IFRS 9") and IFRS 7 'Financial Instruments: Disclosures' ("IFRS 7"), effective for annual periods beginning on or after 1 January 2026;
- Annual improvements to International Financial Reporting Standards - Volume 11, effective for annual periods beginning on or after 1 January 2026;
- Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency, effective for annual periods beginning on or after 1 January 2027;
- IFRS 18 'Presentation and Disclosure in Financial Statements' ("IFRS 18"), effective for annual periods beginning on or after 1 January 2027; and
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures' ("IFRS 19"), effective for annual periods beginning on or after 1 January 2027.

Management is in the process of assessing the impact of such new standards and interpretations on its consolidated financial statements.

2 Material accounting policies (continued)

2.2 Foreign currencies

(a) Functional and presentation currency

The accompanying consolidated financial statements are presented in Saudi Riyals which is the functional currency and presentation currency of the Company. Each subsidiary in the Group determines its own functional currency (which is the currency of the primary economic environment in which the subsidiary operates), and as a result, items included in the financial statements of each subsidiary are measured using that functional currency.

(b) Transaction and balances

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies other than Saudi Riyals are recognised in the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(c) Group entities

The results and financial position of foreign subsidiaries having reporting currencies other than Saudi Riyals are translated into Saudi Riyals as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing exchange rate at the date of that statement of financial position;
(ii) income and expenses for each profit or loss are translated at average exchange rates; and
(iii) components of the equity accounts are translated at the exchange rates in effect at the dates the related items originated.

Cumulative adjustments resulting from the translations of the financial statements of the foreign subsidiaries and foreign branches into Saudi Riyals are recognised in other comprehensive income.

When investment in foreign subsidiaries is disposed-off or sold, currency translation differences that were recorded in other comprehensive income are recognised in profit or loss as part of gain or loss on disposal or sale.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

2 Material accounting policies (continued)

2.3 Basis of consolidation (continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Company's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interests;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Property and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses, if any, except capital work-in-progress which are carried at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

2 Material accounting policies (continued)

2.4 Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses, if any, except capital work-in-progress which are carried at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land is not depreciated as it is deemed to have an indefinite life.

Depreciation is calculated on property and equipment (except freehold land) so as to allocate its cost, less estimated residual value, on a straight-line basis over the estimated useful lives of the assets. Depreciation is charged to the profit or loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each annual reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Assets in the course of construction or development are capitalised in the capital work-in-progress account. The asset under construction or development is transferred to the appropriate category in property and equipment, once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of capital work-in- progress comprises its purchase price, construction / development costs and any other directly attributable costs to the construction or acquisition of an item of capital work-in-progress intended by management. Capital work-in-progress is not depreciated.

2.5 Leases

The Group assesses at inception of a contract whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has leases for stores, lands, warehouses and office buildings where the rental contracts are typically for fixed periods ranging from 1 to 20 years but may have extension options.

(i) The Group as a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, for which the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease liabilities

The lease liability is initially measured at the net present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2 Material accounting policies (continued)

2.5 Leases (continued)

(i) The Group as a lessee (continued)

Lease liabilities *(continued)*

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the individual lessee, which does not have recent third-party financing; and
- makes adjustments specific to the lease, for example term, country, currency and security.

Lease liabilities include the net present value of the following lease payments:

- fixed lease payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

2 Material accounting policies (continued)

2.5 Leases (continued)

(i) The Group as a lessee (continued)

Right-of-use assets

The right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred and future restoration costs, if any. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated over the shorter period of the lease term or the economic useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 "Impairment of Assets" to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss. Also see Note 2.18.

(ii) The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. In such case the lease is a finance lease, otherwise it is an operating lease. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract. The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in finance lease.

Lease payments received under operating leases are recognised as income on a straight-line basis over the lease term as part of revenues.

2.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets under development are stated at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Following initial recognition, intangible assets with finite useful lives are carried at cost less any accumulated amortisation and any accumulated impairment losses, if any. Intangible assets with infinite useful lives are carried at cost less any accumulated impairment losses, if any. Subsequent expenditures are capitalised only if future economic benefits that are attributable to the asset are expected to flow to the entity and the costs can be measured reliably.

2 Material accounting policies (continued)

2.6 Intangibles (continued)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Cost comprises purchase cost and, where applicable, direct costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value comprises estimated selling prices and such markdowns are adjusted against the carrying value of the inventories.

Provision is made, where necessary for slow moving and damaged inventories. Cost of inventories is recognised as an expense and included in cost of revenue.

2.8 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

2.9 Cash and cash equivalents

For the purpose of consolidated statement of financial position, cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

2.10 Short-term deposits (Islamic)

Short-term deposits include placements with banks and other short-term highly liquid investments, with original maturities of more than three months but not more than one year from the placement date.

2.11 Employee benefit obligations

The Group provides end-of-service benefits to its employees based on the terms and conditions of the labor laws applicable to the Company and its subsidiaries, on termination of their employment contracts.

The employment benefits plans are not funded. Accordingly, valuations of the obligations under the plans are carried out by an independent actuary based on the projected unit credit method. The costs relating to such plans primarily consists of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to employment benefits are recognised immediately in profit or loss while unwinding of the liability at discount rates used are recorded in profit or loss. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as remeasurement in the other comprehensive income.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income in the period in which they occur.

Changes in the present value of defined benefit obligations resulting from the plan amendments or curtailments are recognised immediately in profit or loss as past service costs. The Group has no further payment obligations once the contributions have been paid.

2.12 Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and airfare allowance etc., that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

2.13 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer excluding amounts collected on behalf of third parties, if any.

The following is a description of principal activities, from which the Group generates its revenue:

(i) In-store retail

The Group operates a chain of retail outlets. Revenue from the sale of goods is recognised when the Group sells a product to the customer. Payment of the transaction price is due immediately when the customer purchases the product. The Group's return policy grants customers the right of return within 7-14 days depending on the type of product with certain requirements and certain exceptions.

Accumulated experience is used to estimate such returns at the time of sale using the expected value method. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. The Group's revenue from retail operations also includes revenue recognised from provision of certain services incidental to the sale of some of its products, including but not limited to, delivery and installation etc. Revenue from such services is recognised at a point in time since the associated performance obligation is satisfied either instantly or within a short span of time.

(ii) Wholesale

The Group also sells its products to other resellers. Revenue is recognised when control of the products is transferred, being when the products are delivered to the reseller and there is no unfulfilled obligation that could affect the reseller's acceptance of the products. This type of sale involves credit terms of 30-90 days and corresponding trade receivables are recognised.

2 Material accounting policies (continued)

2.13 Revenue recognition (continued)

(iii) E-commerce

Sales are also conducted online in the territories where the Group operates through their website and mobile application. Revenue is recognised upon transfer of control i.e., when the products are delivered to the customers, typically within 3-5 days. Payment of the transaction price is normally received upon placing online orders and recognised as a liability until the recognition of revenue.

(iv) Provision of extended warranty services

The Group provides customers with an option to purchase extended warranty beyond that covered by the manufacturer for certain products. The contract is separately priced as a distinct service. The Group accounts for such arrangement as a separate performance obligation service on the basis of the nature and period of warranty coverage. The Group recognises the consideration received as a liability, which is later amortised over the period of warranty.

(v) Customer loyalty program

The Group provides customers with an option to opt into customer loyalty program. The contract is separately priced as a distinct service. The Group accounts for such arrangement as a separate performance obligation service on the basis of the nature and period of loyalty program. The Group recognises the consideration received as a liability, which is later amortised over the period of the loyalty program.

(vi) Gift cards

The Group sells gift cards to customers which can be redeemed for goods. The consideration received from such sales are recognised as a contract liability being a performance obligation and recognised as revenue when the gift cards are redeemed by the customers. The validity of such gift cards is typically one year and in case of unredeemed gift cards, revenue is recognised in full upon their expiry.

(vii) Income from Islamic financing activities

Income from Islamic financing contracts including installment sales, Murabaha, Tawarruq and credit card financing is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Income from Islamic financing contracts is recognised in profit or loss using the effective yield method, by applying the Effective Profit Rate ("EPR"), on the outstanding balance over the term of the contract. The effective profit rate is the rate that exactly discounts estimated future cash receipts through the expected life of the investment in Islamic financing contracts to their gross carrying amounts. The calculation of EPR includes transaction costs and processing fees income received that represent an integral part of the EPR. Transaction costs include incremental costs that are directly attributable to the acquisition of the financial assets, such as costs pertaining to evaluation of customers' credit worthiness, sales commission etc. Processing fees is charged in respect of processing of Islamic financing contracts.

2.14 Cost of revenues

Cost of revenues include actual product cost and the cost of transportation to the Group's distribution facilities and stores from suppliers. Cost of revenues is reduced by supplier payments that are not reimbursements of specific, incremental and identifiable costs. Cost of revenues also include the finance costs associated with Islamic financing contracts.

2 Material accounting policies (continued)

2.15 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

Diluted EPS is determined by dividing the profit or loss attributable to ordinary shareholders and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.16 Borrowings

Borrowings are initially recognised at fair value (being proceeds received), net of eligible transaction costs incurred, if any. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective profit rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective profit rate method.

Borrowings are derecognised from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

2.17 Zakat and taxes

Zakat is provided for in accordance with the Zakat, Tax and Customs Authority ("ZATCA") regulations applicable in the Kingdom of Saudi Arabia. Income tax for foreign entities is provided for in accordance with the relevant income tax regulations of the countries where the entities operate and generate taxable income.

The Group is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Additional amounts, if any, are accounted for when determined to be required for payment.

2.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

2.19 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

2 Material accounting policies (continued)

2.19 Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.20 Treasury shares

Own equity instruments that are reacquired ("treasury shares"), are recognised at cost and presented as a deduction from equity and are adjusted for any transaction costs and gains or losses on sale of such shares. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. Any difference between the carrying amount and the consideration, if reissued, is recognised in retained earnings.

2.21 Share-based payment - Employee option plan

Certain employees of the Group receive remuneration in the form of equity settled share-based payments under the Employee Stock Option Programme ("ESOP"), whereby employees render services as consideration for the option to purchase fixed number of Company's shares ("Option") at a predetermined price.

The cost of ESOP is recognised as an expense in profit or loss, together with a corresponding increase in other reserves, in equity, over the period during which the vesting service conditions are fulfilled. The total amount to be expensed is determined by reference to the fair value of the options granted including any market performance conditions (e.g., the entity's share price), excluding the impact of any service and non-market performance vesting conditions and including the impact of any non-vesting conditions.

The Group has set up an economic hedge by purchasing treasury shares. Accordingly, the share based payment reserve (representing the cumulative expense arising from ESOP) is transferred into retained earnings upon expiry of the ESOP, whether or not the options vest to the employees.

The cumulative expense recognised for ESOP at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest.

When the terms of the ESOP are modified the minimum expense recognised is the expense as if the terms had not been modified if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of the modification.

When the ESOP is terminated, it is treated as if the options vested on the date of termination, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting service conditions within the control of either the entity or the employees are not met. However, if a new ESOP is substituted for the terminated ESOP and designated as a replacement award on the date that it is granted, the terminated and new ESOPs are treated as if they were a modification of the original ESOP.

2 Material accounting policies (continued)

2.22 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/ non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- whose settlement the entity does not have the right at the end of the reporting period to defer for at least 12 months after the reporting period

All other liabilities are classified as non-current.

2.23 Dividends

Dividends are recorded in the consolidated financial statements in the period in which they are approved by shareholders of the Company. Interim dividends are recorded when approved by the Board of Directors in accordance with the authorisation obtained from the shareholders of the Company.

2.24 Financial instruments

2.24.1 Financial assets

(a) Classification

Classification and subsequent measurement of debt instruments depend on:

- The Group's business model for managing the asset; and
- The contractual cash flow characteristics of the asset.

Business model: The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at Fair Value Through Profit or Loss (“FVTPL”).

SPPP: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payment of principal and profit (the "SPPP" test). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e., profit includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement, including the impact of prepayment and early termination features of the contract. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

2 Material accounting policies (continued)

2.24 Financial instruments (continued)

2.24.1 Financial assets (continued)

(a) Classification (continued)

This classification is based on the business model of the Group for managing the financial assets, and contractual cash flow characteristics.

The Group's financial assets are classified and measured at amortised cost as such assets are held for collection of contractual cash flows where those cash flows represent SPPP.

(b) Recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement of Group's financial assets are at amortised cost. Finance income from these financial assets is included in finance income using the effective profit rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Instances of modifications to the terms of the Company's financial assets are rare, considering that the acceptance of modification request from the customers is at the discretion of the Company except for cases as mandated by Saudi Central Bank ("SAMA") regulations. Modifications to the investment in Islamic financing contracts have an immaterial impact on the accompanying consolidated financial statements. Also see Note 31.

(c) De-recognition of financial assets

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognised directly in the profit or loss.

(d) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For investments in Islamic financing contracts, the Group applies the three-stage model ('general model') for impairment based on changes in credit quality since initial recognition.

Stage 1 ("Performing") includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognised and finance income is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the ECL that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12 months.

2 Material accounting policies (continued)

2.24 Financial instruments (continued)

2.24.1 Financial assets (continued)

(d) *Impairment* (continued)

Stage 2 (“Under-performing”) includes financial instruments that have had a significant increase in credit risk since initial recognition, unless they have low credit risk at the reporting date, but that do not have objective evidence of impairment. A significant increase in credit risk is presumed if a receivable is 30 or more days past due. For these assets, lifetime ECL are recognised, but finance income is still calculated on the gross carrying amount of the asset. Lifetime ECL are the ECL that result from all possible default events over the maximum contractual period during which the Group is exposed to credit risk. ECL are the weighted average credit losses, with the respective risks of a default occurring as the weights.

Stage 3 (“Non-performing”) includes financial assets that have objective evidence of impairment at the reporting date. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due, which is fully aligned with the definition of credit-impaired under IFRS 9. For these assets, lifetime ECL are recognised and finance income is calculated on the net carrying amount (that is, net of credit allowance).

The Group, when determining whether the credit risk on a financial instrument has increased significantly, since the initial recognition of the financial asset, considers the ‘days past due’ analysis of each exposure and certain other qualitative factors such as monitoring the forward looking information about financial difficulties faced by private sector employers of the customers and nationalisation targets for specific industry groups etc. Management considers such analysis to be an effective and efficient measure of monitoring significant increase in credit risk, without undue cost and effort, as it enters into Islamic Financing Contracts with individual customers only.

For trade and other receivables and net investment in finance lease, the Group applies the simplified approach which requires lifetime expected credit losses to be recognised from initial recognition of the receivables. Financial assets are written-off only when there is no reasonable expectation of recovery. Where financial assets are written-off, the Group continues to engage enforcement activities to attempt to recover the receivable due. Where recoveries are made, after write-off, are recognised in the profit or loss. Impairment losses on financial assets are presented separately on the consolidated statement of profit or loss and other comprehensive income. For details regarding credit risk management, refer Note 31.

Financial assets are written-off only when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include amongst others, customers’ failure to make contractual payments for a period of greater than 365 days past default and or engage with the Group’s collection team. Furthermore, all outstanding exposures from deceased customers are written off immediately.

Where financial assets are written-off, the Group continues to engage enforcement activities to attempt to recover the receivable due, except for balances written off for deceased customers, which are immaterial. Recoveries made, after write-off, are recognised in ‘Net impairment losses on financial assets’ in profit or loss.

Impairment losses on financial assets are presented separately on the consolidated statement of profit or loss and other comprehensive income. For details regarding credit risk management, refer Note 31.

2 Material accounting policies (continued)

2.24 Financial instruments (continued)

2.24.2 Financial liabilities

All financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

2.24.3 Offsetting financial assets and liabilities

Financial assets and liabilities are offset and net amounts reported in the consolidated financial statements, when the Group has a legally enforceable right, which is not contingent on anything, to set off the recognised amounts and intends either to settle on a net basis, or to realise the assets and liabilities simultaneously.

2.25 Investment in Islamic financing contracts

2.25.1 Tawarruq financing contracts

Tawarruq is an agreement wherein the Group sells a product to its customer which the Group has purchased and subsequently to such sale, arranges to sell the underlying asset and pay out the sale proceeds to the customer. The selling price comprises the cost plus an agreed profit margin. Gross amounts due under the Tawarruq sale contracts include the total sale payments on the Tawarruq agreement (Tawarruq financing contracts). The difference between the Tawarruq financing contracts and the cost of the product sold, is recorded as unearned Tawarruq profit and for presentation purposes, is deducted from the gross amounts due under the Tawarruq financing contracts.

2.25.2 Murabaha financing contracts

Murabaha is an Islamic form of financing wherein, the Group based on request from its customers, purchases specific commodities and sells them to the customers at a price equal to the Group's cost plus profit, payable on deferred basis in installments. The difference between the Murabaha sale contracts receivable and the cost of the sold asset, is recorded as unearned Murabaha profit and for presentation purposes, is deducted from the gross amounts due under the reconciliation of gross and net investment amount under the Murabaha financing contracts.

2.25.3 Installment sales receivables

Products sold under installment arrangement, which transfer the control of the goods to the customer, are reflected as sales upon delivery of the products to the customer. Amounts due from customers related to such installment sales are included in investment in Islamic financing contracts. The difference between the installment sales contracts receivable and the cost of the sold asset, is recorded as unearned installment sales profit and for presentation purposes, is deducted from the gross amounts due under the reconciliation of gross and net investment amount under the installment sales financing contracts.

2.25.4 Islamic credit card receivables

Islamic credit card receivables are initially measured at the fair value-which is the cash consideration to originate the receivable including transaction costs. Following initial recognition, the receivables are stated at amortised cost.

3 Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by SOCPA, requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Critical accounting estimates

(i) Measurement of ECL allowance on investment in Islamic financing contracts

Measurement of ECL allowance on investment in Islamic financing contracts is an estimate that has a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year. There are no significant changes in critical accounting estimates and judgments used by management in the preparation of the consolidated financial statements from those that were applied and disclosed in the annual consolidated financial statements for the year ended 31 December 2024, except for certain changes made, during the year ended 31 December 2025, to the underlying dataset of collection/recovery patterns and default trends used for computation of such ECL allowance on investment in Islamic financing contracts. A detailed analysis of the assumptions used in computation of ECL allowance, including updates made during the year has been included in Note 31. Also see Note 15.

(ii) Markdown and provision for slow moving inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old, obsolete or subject to technological changes, an estimate is made of their net realisable value. Factors considered in the determination of mark downs include current and anticipated demand, customer preferences and seasonal trends. For individually significant amounts this estimation is performed on an individual basis. Items which are not individually significant, but which are old or obsolete, are assessed collectively and a mark down is applied according to the inventory type and the degree of aging or obsolescence, based on historical selling prices. Furthermore, management maintains provision for slow moving and damaged inventories.

At year-end, if the inventories' markdown and provision amount increased or decreased by 10% with all other variables held constant, net profit for the year would have been higher or lower by Saudi Riyals 4.6 million (31 December 2024: Saudi Riyals 4.6 million).

(b) Critical accounting judgments

(i) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. Management has exercised judgment in determining that its lease agreements for office space and other kiosks etc. are short-term in nature considering expected expansion of workforce, insignificant leasehold improvements, analysis of utility of the kiosks and expectation of no significant business disruption. Accordingly, all rental expenses for such short-term leases have been charged to statement of profit or loss and other comprehensive income.

(All amounts in Saudi Riyals thousands unless otherwise stated)

3 Critical accounting estimates and judgments (continued)

(b) Critical accounting judgments (continued)

(i) Lease term (continued)

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(ii) SPPP Test

Management has assessed the prepayment and early termination features of the Islamic financing contract which require the customers to pay certain compensation in addition to the outstanding principal and accrued profit. However, management believes that such additional amounts represent 'reasonable compensation' for the reinvestment costs.

Furthermore, the contractual provisions also stipulate that in the event of default of payment of two consecutive installments by the customer, the entire contract amount becomes payable upon demand by the Group at its discretion. However, the Group pursues legal action to recover its outstanding dues only upon meeting certain additional requirements as set out in the applicable SAMA regulations and the amounts to be recovered from the customer, representing the outstanding principal and profit is determined by the outcome of the legal action. Accordingly, management believes that the contractual cashflows of investment in Islamic financing contracts meet the SPPP test.

4 Revenue

	2025	**2024**
Recognised at a point in time		
Retail	**4,933,023**	4,480,543
E-commerce	**1,476,093**	1,429,264
Wholesale	**40,944**	41,244
	6,450,060	5,951,051
Recognised over time		
Extended warranty program	**192,574**	172,528
Others	**33,359**	33,054
	225,933	205,582
Total sales and services	**6,675,993**	6,156,633
Income from Islamic financing contracts	**770,122**	624,567
	7,446,115	6,781,200

5 Selling and distribution expenses

	Note	**2025**	**2024**
Salaries and benefits		**311,539**	274,161
Advertising		**101,698**	78,331
Depreciation	9,10	**98,828**	95,630
Bank charges on electronic receipts		**68,781**	50,377
Utilities, printing and stationery		**36,085**	29,568
Delivery charges		**30,974**	32,988
Fees and subscription		**25,302**	27,890
Repairs and maintenance		**13,583**	12,675
Security services		**10,502**	9,776
Amortisation	12	**829**	2,722
Others		**27,917**	20,543
		726,038	634,661

(All amounts in Saudi Riyals thousands unless otherwise stated)

6 General and administrative expenses

	Note	2025	2024
Salaries and benefits		**167,382**	140,288
Information technology support		**29,091**	19,236
Repairs and maintenance		**16,885**	11,792
Amortisation	12	**15,861**	13,785
Depreciation	9,10	**8,789**	6,287
Professional fees		**8,608**	9,192
Utilities		**3,084**	4,131
Travel and accommodation		**2,817**	1,590
Rent		**751**	1,143
Others		**16,744**	14,448
		270,012	221,892

Auditor’s remuneration for the statutory audits and review services for the year ended 31 December 2025 amounted to Saudi Riyals 1.9 million (2024: Saudi Riyals 1.5 million). Auditor's fee for other statutory services amounting to Saudi Riyals 0.6 million (2024: Saudi Riyals 4.6 million) which principally represents special purpose audits, interim reviews and other services related to the Company's zakat and tax compliance and certain other services.

7 Other income

	2025	2024
Income from net investment in finance leases	**2,736**	2,829
Finance income	**1,339**	-
Value added tax (“VAT”) refund	**-**	16,300
Reversal of ECL on installment sales receivable	**-**	8,635
Breakage income	**-**	1,292
Others	**1,738**	3,952
	5,813	33,008

8 Finance cost

	Note	2025	2024
Finance costs on lease liabilities	23	**43,619**	43,803
Finance costs on borrowings		**2,644**	16,221
		46,263	60,024

Finance cost amounting to Saudi Riyals 96.8 million (31 December 2024: Saudi Riyals 79.9 million) related to the consumer financing activities have been presented under ‘Cost of revenue’.

(All amounts in Saudi Riyals thousands unless otherwise stated)

9 Property and equipment

	Land	Buildings and leasehold improvements	Furniture, fixtures and office equipment	Vehicles	Capital work-in-progress	Total
2025						
Cost						
1 January	110,889	503,658	397,050	17,088	22,423	**1,051,108**
Additions	-	31,643	20,238	332	7,015	**59,228**
Disposals	-	(34)	(600)	(1,244)	-	**(1,878)**
Transfers	-	7,675	1,878	-	(9,553)	**-**
Written off	-	(3,453)	(3,036)	-	-	**(6,489)**
31 December	110,889	539,489	415,530	16,176	19,885	**1,101,969**
Accumulated depreciation						
1 January	-	(226,075)	(324,262)	(14,288)	-	**(564,625)**
Additions	-	(22,330)	(24,262)	(298)	-	**(46,890)**
Disposals	-	12	490	1,068	-	**1,570**
Written off	-	1,535	3,030	-	-	**4,565**
31 December	-	(246,858)	(345,004)	(13,518)	-	**(605,380)**
Net book value	**110,889**	**292,631**	**70,526**	**2,658**	**19,885**	**496,589**

	Land	Buildings and leasehold improvements	Furniture, fixtures and office equipment	Vehicles	Capital work-in-progress	Total
2024						
Cost						
1 January	110,889	470,850	377,297	17,178	35,166	**1,011,380**
Additions	-	7,440	23,078	835	17,447	**48,800**
Disposals	-	(2,520)	(612)	(925)	-	**(4,057)**
Transfers	-	27,916	2,274	-	(30,190)	**-**
Written off	-	(28)	(4,987)	-	-	**(5,015)**
31 December	110,889	503,658	397,050	17,088	22,423	**1,051,108**
Accumulated depreciation						
1 January	-	(206,407)	(304,231)	(14,811)	-	**(525,449)**
Additions	-	(21,913)	(25,571)	(260)	-	**(47,744)**
Disposals	-	2,226	606	783	-	**3,615**
Written off	-	19	4,934	-	-	**4,953**
31 December	-	(226,075)	(324,262)	(14,288)	-	**(564,625)**
Net book value	**110,889**	**277,583**	**72,788**	**2,800**	**22,423**	**486,483**

The buildings and leasehold improvements of the Group are constructed on land parcels leased under renewable lease agreements for durations ranging from 1 to 20 Hijra years.

(All amounts in Saudi Riyals thousands unless otherwise stated)

9 Property and equipment (continued)

The Group's capital-work-in-progress as at 31 December 2025 principally comprises the costs incurred related to leasehold improvements on new store in Riyadh which is expected to be completed by September 2026 with total estimated costs of Saudi Riyals 24.0 million.

The estimated useful lives of assets are as follows:

	Number of years
• Buildings and leasehold improvements	10 - 33
• Furniture, fixtures and office equipment	4 - 10
• Vehicles	5

Depreciation for the years ended 31 December has been allocated as follows:

	Note	**2025**	**2024**
Selling and distribution expenses	5	**38,984**	42,358
General and administrative expenses	6	**7,906**	5,386
		46,890	47,744

10 Right-of-use assets

	Land	**Stores**	**Warehouses**	**Office building**	**Total**
2025					
Cost					
1 January	393,757	300,987	42,084	5,261	**742,089**
Additions	55,757	-	-	-	**55,757**
31 December	449,514	300,987	42,084	5,261	**797,846**
Accumulated depreciation					
1 January	(126,371)	(129,097)	(20,323)	(3,605)	**(279,396)**
Additions	(24,270)	(24,673)	(10,854)	(930)	**(60,727)**
31 December	(150,641)	(153,770)	(31,177)	(4,535)	**(340,123)**
Net book value	**298,873**	**147,217**	**10,907**	**726**	**457,723**

	Land	**Stores**	**Warehouses**	**Office building**	**Total**
2024					
Cost					
1 January	393,757	240,445	42,084	3,104	**679,390**
Additions	-	64,834	-	2,157	**66,991**
Termination	-	(4,292)	-	-	**(4,292)**
31 December	393,757	300,987	42,084	5,261	**742,089**
Accumulated depreciation					
1 January	(104,032)	(108,589)	(12,373)	(3,090)	**(228,084)**
Additions	(22,339)	(23,369)	(7,950)	(515)	**(54,173)**
Termination	-	2,861	-	-	**2,861**
31 December	(126,371)	(129,097)	(20,323)	(3,605)	**(279,396)**
Net book value	**267,386**	**171,890**	**21,761**	**1,656**	**462,693**

(All amounts in Saudi Riyals thousands unless otherwise stated)

10 Right-of-use assets (continued)

Depreciation for the years ended 31 December has been allocated as follows:

	Note	2025	2024
Selling and distribution expenses	5	**59,844**	53,272
General and administrative expenses	6	**883**	901
		60,727	54,173

11 Net investment in finance lease

11.1 Reconciliation between gross and net investment in finance leases is as follows:

	2025	2024
Gross investment in finance leases	**70,567**	73,833
Unearned finance income	**(24,085)**	(26,816)
Net investment in finance leases	**46,482**	47,017
Non-current portion	**(43,421)**	(43,902)
Current portion	**3,061**	3,115

11.2 Maturity profile of gross investment in finance leases and present value of minimum lease payments receivables is as follows:

	2025	2024
Gross investment in finance leases		
Within one year	**4,326**	4,076
From one to two years	**4,326**	4,326
From two to three years	**4,326**	4,326
From three to four years	**4,326**	4,326
From four to five years	**4,326**	4,326
Five years and above	**48,937**	52,453
	70,567	73,833

	2025	2024
Present value of minimum lease payments receivable		
Within one year	**3,061**	3,115
From one to two years	**2,879**	3,061
From two to three years	**2,707**	2,879
From three to four years	**2,546**	2,707
From four to five years	**2,394**	2,546
Five years and above	**32,895**	32,709
	46,482	47,017

Also see Note 31.

(All amounts in Saudi Riyals thousands unless otherwise stated)

12 Intangible assets

	Computer software	Intellectual property rights	Capital work-in-progress	Total
2025				
Cost				
1 January	177,843	-	972	**178,815**
Additions	14,181	-	4,572	**18,753**
Transfer of intellectual property rights (Note 12.1)	-	19,322	-	**19,322**
Write off	(181)	-	-	**(181)**
31 December	191,843	19,322	5,544	**216,709**
Accumulated amortisation				
1 January	(121,511)	-	-	**(121,511)**
Additions	(16,690)	-	-	**(16,690)**
Write off	80	-	-	**80**
31 December	(138,121)	-	-	**(138,121)**
Net book value	**53,722**	**19,322**	**5,544**	**78,588**

	Computer software	Capital work-in-progress	Total
2024			
Cost			
1 January	162,640	3,113	**165,753**
Additions	9,842	3,220	**13,062**
Transfers	5,361	(5,361)	**-**
31 December	177,843	972	**178,815**
Accumulated amortisation			
1 January	(105,004)	-	**(105,004)**
Additions	(16,507)	-	**(16,507)**
31 December	(121,511)	-	**(121,511)**
Net book value	**56,332**	**972**	**57,304**

Intangible assets, with finite useful lives, are amortised on a straight-line basis over their estimated useful lives of 5 - 10 years. The remaining useful lives of such intangible assets range from 1 - 10 years.

The Group's assets under development as at 31 December 2025 principally comprises the costs incurred related to computer software which is expected to be completed by March 2026 with a total additional estimated cost of Saudi Riyals 0.20 million.

12.1 As mentioned in Note 1.2, NowPay holds 25% shareholding, in consideration of transfer of NowPay's existing intellectual property and technical know-how to NowAccess under an Intellectual Property Transfer and License Agreement. In accordance with the applicable financial reporting framework, an intangible asset was recognised at the fair value of the intellectual property and technical know-how transferred, with a corresponding entry to the share-based payment reserve.

The fair value was determined by management's independent valuation experts using two valuation approaches:

(All amounts in Saudi Riyals thousands unless otherwise stated)

12 Intangible assets (continued)

12.1 (continued)

- **Multi-Period Excess Earnings Method (MEEM):** MEEM has been applied as the primary valuation approach, as the transferred software platform represents the principal value-generating asset of NowAccess. The platform is fully developed, operational, and integral to delivering payroll advance services and payroll-linked fintech services. The fair value under MEEM is calculated as the present value of the incremental after-tax cash flows (excess earnings) attributable solely to this intangible asset over its remaining useful life, from a market participant's perspective.

  The key assumptions used under the MEEM are as follows:

Key assumptions	Notes	Value
Discount rate	Reflective of the risk profile of the intangible asset	25.4%
Contributory asset charge - Workforce (as a percentage of revenue)	Cost attributed to workforce considered in the valuation	10.5%
Obsolescence factor	Reflecting expected technological and market obsolescence	16.7%
Compounded annual revenue growth rate	Forecasted growth rate from commencement of operations, over the valuation horizon	106%

- **Post Money Valuation ("PMV") method:** This method provides a direct, market-based indication of the fair value of NowPay's intellectual property, based on the post-money capitalization of NowAccess at Saudi Riyals 75.0 million (being the maximum initial committed share capital), of which 25% equity was issued to NowPay as consideration. This implies a value of Saudi Riyals 18.75 million attributable to NowPay's intellectual property.

Equal weights were assigned to the values derived from MEEM and the PMV method to determine the final fair value of the intangible asset.

The Group assesses the useful life of the intangible asset based on the expected period over which the asset will generate economic benefits. The intangible asset is amortized on a straight-line basis over its estimated useful life of 10 years, commencing from the date on which the asset is available for use.

13 Goodwill

During 2019, the Group acquired Procco against a cash consideration of Saudi Riyals 5.0 million Goodwill arising from such acquisition has been recorded in the consolidated statement of financial position after the Group completed the purchase price allocation, within 12 months of the acquisition.

(All amounts in Saudi Riyals thousands unless otherwise stated)

14 Trade and other receivables

	Note	2025	2024
Trade receivables		**95,006**	80,433
Less: allowance for expected credit losses (ECL)	31	**(12,507)**	(12,507)
Net trade receivables		**82,499**	67,926
Prepaid expenses		**48,781**	43,280
Advances to suppliers		**25,389**	24,454
Advances to employees		**15,730**	14,002
Claim receivable and refundable deposits		**6,836**	8,420
Due from related parties	28	**1,724**	2,415
Other assets		**14,940**	15,957
		195,899	176,454
Non-current portion			
Prepaid expenses and advances to employees		**(10,922)**	(9,611)
Current portion		**184,977**	166,843

There was no movement in the ECL during the years ended 31 December 2025 and 2024.

15 Investment in Islamic financing contracts

	2025	2024
Investment in Tawarruq financing contracts, net	**2,329,828**	1,883,590
Investment in Murabaha financing contracts, net	**10,781**	65,871
Investment in Islamic credit cards, net	**705,631**	457,682
	3,046,240	2,407,143
Non-current portion	**(1,382,732)**	(1,212,167)
Current portion	**1,663,508**	1,194,976

(All amounts in Saudi Riyals thousands unless otherwise stated)

15 Investment in Islamic financing contracts (continued)

15.1 Reconciliation between gross and net investment in Islamic financing contracts is as follows:

	Installment sales		Tawarruq finance		Murabaha finance		Islamic credit card		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Gross investment in Islamic financing contracts	**26,977**	29,912	**3,514,670**	2,863,543	**12,513**	80,771	**820,259**	551,924	**4,374,419**	3,526,150
Unearned finance and processing fee income	**(3,279)**	(6,214)	**(1,109,492)**	(924,498)	**(1,055)**	(12,173)	**(87,232)**	(79,843)	**(1,201,058)**	(1,022,728)
Present value of investment in Islamic financing contracts (“P.V of I.F.C.”)	**23,698**	23,698	**2,405,178**	1,939,045	**11,458**	68,598	**733,027**	472,081	**3,173,361**	2,503,422
Allowance for ECL	**(23,698)**	(23,698)	**(75,350)**	(55,455)	**(677)**	(2,727)	**(27,396)**	(14,399)	**(127,121)**	(96,279)
Net investment in Islamic financing contracts (“Net investment in I.F.C.”)	-	-	**2,329,828**	1,883,590	**10,781**	65,871	**705,631**	457,682	**3,046,240**	2,407,143
Net investment in I.F.C. - Non-current portion	-	-	**(1,382,458)**	(1,202,280)	**(274)**	(9,887)	-	-	**(1,382,732)**	(1,212,167)
Net investment in I.F.C. - Current portion	-	-	**947,370**	681,310	**10,507**	55,984	**705,631**	457,682	**1,663,508**	1,194,976

15.2 The movement in allowance for ECL/impairment on Islamic financing contracts is as follows:

	Installment sales		Tawarruq finance		Murabaha finance		Islamic credit card		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Opening balance	**23,698**	25,425	**55,455**	49,363	**2,727**	11,650	**14,399**	2,530	**96,279**	88,968
Charge for the year	**-**	(1,727)	**132,296**	85,784	**4,146**	17,536	**37,663**	17,350	**174,105**	118,943
Amounts written-off	**-**	-	**(112,401)**	(79,692)	**(6,196)**	(26,459)	**(24,666)**	(5,481)	**(143,263)**	(111,632)
Closing balance	**23,698**	23,698	**75,350**	55,455	**677**	2,727	**27,396**	14,399	**127,121**	96,279

(All amounts in Saudi Riyals thousands unless otherwise stated)

15 Investment in Islamic financing contracts (continued)

15.2 The movement in allowance for ECL/impairment on Islamic financing contracts (continued)

15.2.1 Net impairment losses on financial assets:

	Installment sales		Tawarruq finance		Murabaha finance		Islamic credit card		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Charge for the year	**-**	(1,727)	**132,296**	85,784	**4,146**	17,536	**37,663**	17,350	**174,105**	118,943
Recoveries of amounts previously written off	**-**	-	**(38,156)**	(18,797)	**(8,375)**	(6,816)	**(2,747)**	(150)	**(49,278)**	(25,763)
Net impairment losses on financial assets	**-**	(1,727)	**94,140**	66,987	**(4,229)**	10,720	**34,916**	17,200	**124,827**	93,180

15.3 Stage-wise analysis of Islamic financing contracts and the respective allowance for ECL/impairment are as follows:

31 December 2025	Instalment sales P.V of I.F.C.	Instalment sales Allowance for ECL	Instalment sales Net investment in I.F.C.	Tawarruq finance P.V of I.F.C.	Tawarruq finance Allowanc e for ECL	Tawarruq finance Net investmen t in I.F.C.	Murabaha finance P.V of I.F.C.	Murabaha finance Allowance for ECL	Murabaha finance Net investment in I.F.C.	Islamic credit card P.V of I.F.C.	Islamic credit card Allowanc e for ECL	Islamic credit card Net investmen t in I.F.C.	Total P.V of I.F.C.	Total Allowance for ECL	Total Net investmen t in I.F.C.
Performing (Stage 1)	**-**	**-**	**-**	**2,087,012**	**(16,082)**	**2,070,930**	**7,747**	**(37)**	**7,710**	**623,494**	**(4,061)**	**619,433**	**2,718,253**	**(20,180)**	**2,698,073**
Under-performing (Stage 2)	**-**	**-**	**-**	**93,555**	**(14,236)**	**79,319**	**786**	**(53)**	**733**	**25,908**	**(4,093)**	**21,815**	**120,249**	**(18,382)**	**101,867**
Non-performing (Stage 3)	**23,698**	**(23,698)**	**-**	**224,611**	**(45,032)**	**179,579**	**2,925**	**(587)**	**2,338**	**83,625**	**(19,242)**	**64,383**	**334,859**	**(88,559)**	**246,300**
	23,698	**(23,698)**	**-**	**2,405,178**	**(75,350)**	**2,329,828**	**11,458**	**(677)**	**10,781**	**733,027**	**(27,396)**	**705,631**	**3,173,361**	**(127,121)**	**3,046,240**

31 December 2024	Instalment sales P.V of I.F.C.	Instalment sales Allowance for ECL	Instalment sales Net investment in I.F.C.	Tawarruq finance P.V of I.F.C.	Tawarruq finance Allowanc e for ECL	Tawarruq finance Net investmen t in I.F.C.	Murabaha finance P.V of I.F.C.	Murabaha finance Allowanc e for ECL	Murabaha finance Net investment in I.F.C.	Islamic credit card P.V of I.F.C.	Islamic credit card Allowance for ECL	Islamic credit card Net investmen t in I.F.C.	Total P.V of I.F.C.	Total Allowance for ECL	Total Net investmen t in I.F.C.
Performing (Stage 1)	-	-	-	1,723,985	(14,387)	1,709,598	54,789	(200)	54,589	431,110	(4,578)	426,532	2,209,884	(19,165)	2,190,719
Under-performing (Stage 2)	-	-	-	59,231	(9,115)	50,116	2,902	(249)	2,653	13,256	(2,947)	10,309	75,389	(12,311)	63,078
Non-performing (Stage 3)	23,698	(23,698)	-	155,829	(31,953)	123,876	10,907	(2,278)	8,629	27,715	(6,874)	20,841	218,149	(64,803)	153,346
	23,698	(23,698)	-	1,939,045	(55,455)	1,883,590	68,598	(2,727)	65,871	472,081	(14,399)	457,682	2,503,422	(96,279)	2,407,143

(All amounts in Saudi Riyals thousands unless otherwise stated)

15 Investment in Islamic financing contracts (continued)

15.4 Stage-wise movement in ECL allowance/impairment on investment in Islamic financing contracts is as follows:

	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Total
2025				
1 January 2025	**19,165**	**12,311**	**64,803**	**96,279**
Individual financial assets transferred to under-performing (lifetime expected credit losses)	**(10,915)**	**17,987**	**(516)**	**6,556**
Individual financial assets transferred to non -performing (credit-impaired financial assets)	**(21,499)**	**(5,396)**	**62,307**	**35,412**
Individual financial assets transferred to performing (12-month expected credit losses)	**190**	**(1,641)**	**(1,446)**	**(2,897)**
New financial assets originated	**39,340**	**-**	**-**	**39,340**
Amounts written-off	**-**	**-**	**(143,264)**	**(143,264)**
Other changes	**(6,101)**	**(4,879)**	**106,675**	**95,695**
31 December 2025	**20,180**	**18,382**	**88,559**	**127,121**

	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Total
2024				
1 January 2024	14,677	8,395	65,896	88,968
Individual financial assets transferred to under-performing (lifetime expected credit losses)	(4,677)	11,236	(3,574)	2,985
Individual financial assets transferred to non -performing (credit-impaired financial assets)	(8,971)	(3,374)	34,345	22,000
Individual financial assets transferred to performing (12-month expected credit losses)	648	(2,615)	(1,922)	(3,889)
New financial assets originated	24,878	-	-	24,878
Amounts written-off	-	-	(111,632)	(111,632)
Other changes	(7,390)	(1,331)	81,690	72,969
31 December 2024	19,165	12,311	64,803	96,279

(All amounts in Saudi Riyals thousands unless otherwise stated)

15 Investment in Islamic financing contracts (continued)

15.5 Category-wise movement in stage-wise ECL allowance/impairment is as follows:

	Instalment sales			**Tawarruq finance**			**Murabaha finance**			**Islamic credit card**			**Total**		
2025	**Performing (Stage 1)**	**Under-performing (Stage 2)**	**Non-performing (Stage 3)**	**Performing (Stage 1)**	**Under-performing (Stage 2)**	**Non-performin g (Stage 3)**	**Performing (Stage 1)**	**Under-performing (Stage 2)**	**Non-performing (Stage 3)**	**Performing (Stage 1)**	**Under-performin g (Stage 2)**	**Non-performing (Stage 3)**	**Performin g (Stage 1)**	**Under-performing (Stage 2)**	**Non-performin g (Stage 3)**
At 1 January	**-**	**-**	**23,698**	**14,387**	**9,115**	**31,953**	**200**	**249**	**2,278**	**4,578**	**2,947**	**6,874**	**19,165**	**12,311**	**64,803**
Individual financial assets transferred to															
- Stage 1	-	-	-	164	(1,225)	(1,114)	-	(13)	(25)	26	(404)	(307)	190	(1,642)	(1,446)
- Stage 2	-	-	-	(8,379)	13,876	(414)	(14)	51	(11)	(2,521)	4,060	(91)	(10,914)	17,987	(516)
- Stage 3	-	-	-	(13,604)	(4,272)	42,744	(35)	(92)	485	(7,859)	(1,031)	19,078	(21,498)	(5,395)	62,307
New financial assets originated	-	-	-	27,773	-	-	-	-	-	11,565	-	-	39,338	-	-
Amounts written-off	-	-	-	-	-	(111,650)	-	-	(6,196)	-	-	(25,417)	-	-	(143,263)
Other changes	-	-	-	(4,259)	(3,258)	83,513	(114)	(142)	4,056	(1,728)	(1,479)	19,105	(6,101)	(4,879)	106,674
At 31 December	**-**	**-**	**23,698**	**16,082**	**14,236**	**45,032**	**37**	**53**	**587**	**4,061**	**4,093**	**19,242**	**20,180**	**18,382**	**88,559**

	Instalment sales			**Tawarruq finance**			**Murabaha finance**			**Islamic credit card**			**Total**		
2024	**Performing (Stage 1)**	**Under-performing (Stage 2)**	**Non-performing (Stage 3)**	**Performing (Stage 1)**	**Under-performing (Stage 2)**	**Non-performin g (Stage 3)**	**Performing (Stage 1)**	**Under-performing (Stage 2)**	**Non-performing (Stage 3)**	**Performing (Stage 1)**	**Under-performin g (Stage 2)**	**Non-performing (Stage 3)**	**Performin g (Stage 1)**	**Under-performing (Stage 2)**	**Non-performin g (Stage 3)**
At 1 January	**-**	**-**	**25,425**	**12,796**	**7,282**	**29,285**	**1,146**	**813**	**9,691**	**735**	**300**	**1,495**	**14,677**	**8,395**	**65,896**
Individual financial assets transferred to															
- Stage 1	-	-	-	625	(2,375)	(1,778)	14	(187)	(124)	9	(53)	(20)	648	(2,615)	(1,922)
- Stage 2	-	-	-	(4,625)	7,866	(619)	(37)	217	(49)	(15)	3,154	(2,905)	(4,677)	11,237	(3,573)
- Stage 3	-	-	-	(8,345)	(2,985)	29,758	(80)	(300)	1,897	(546)	(89)	2,690	(8,971)	(3,374)	34,345
New financial assets originated	-	-	-	20,167	-	-	79	-	-	4,632	-	-	24,878	-	-
Amounts written-off	-	-	-	-	-	(79,692)	-	-	(26,458)	-	-	(5,481)	-	-	(111,631)
Other changes	-	-	(1,727)	(6,231)	(673)	54,999	(922)	(294)	17,321	(237)	(365)	11,095	(7,390)	(1,332)	81,688
At 31 December	**-**	**-**	**23,698**	**14,387**	**9,115**	**31,953**	**200**	**249**	**2,278**	**4,578**	**2,947**	**6,874**	**19,165**	**12,311**	**64,803**

15 Investment in Islamic financing contracts (continued)

15.5 Category-wise movement in stage-wise ECL allowance/impairment is as follows: (continued)

Following factors contributed to the change in the ECL allowance during the year ended 31 December 2025:

- Transfers between Stage 1, 2 and 3, due to balances experiencing significant increases (or decreases on account of impact of enhanced collection strategies and efforts) in credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and lifetime ECL;

- During the year ended 31 December 2025, as part of an annual exercise, management has updated the underlying dataset of collection patterns, default trends, macroeconomic factors and expected probability scenario weightings for computation of such ECL allowance. A detailed analysis of the assumptions used in computation of ECL allowance, including updates made during the year has been included in Note 31;

- Additional allowances for new financial assets recognised during the year;

- Financial assets written off; and

- ‘Other changes’ in Stage 3 principally represent net impact of additional allowance for ECL recognised upon write-offs.

(All amounts in Saudi Riyals thousands unless otherwise stated)

15 Investment in Islamic financing contracts (continued)

15.6 Category-wise movement in stage-wise gross investment in Islamic financing contracts is as follows:

	Instalment sales			**Tawarruq finance**			**Murabaha finance**			**Islamic credit card**			**Total**		
	Performing (Stage 1)	**Under-performing (Stage 2)**	**Non-performing (Stage 3)**	**Performing (Stage 1)**	**Under-performing (Stage 2)**	**Non-performing (Stage 3)**	**Performing (Stage 1)**	**Under-performing (Stage 2)**	**Non-performing (Stage 3)**	**Performing (Stage 1)**	**Under-performing (Stage 2)**	**Non-performing (Stage 3)**	**Performing (Stage 1)**	**Under-performing (Stage 2)**	**Non-performing (Stage 3)**
2025															
At 1 January	-	-	23,698	1,723,985	59,231	155,829	54,789	2,902	10,907	431,110	13,256	27,715	2,209,884	75,389	218,149
Individual financial assets transferred to															
-Stage 1	-	-	-	165,643	(27,275)	(138,367)	11,519	(1,727)	(9,791)	34,413	(7,925)	(26,488)	211,575	(36,927)	(174,646)
-Stage 2	-	-	-	(97,628)	99,615	(1,987)	(1,459)	1,512	(53)	(25,619)	25,964	(345)	(124,706)	127,091	(2,385)
-Stage 3	-	-	-	(179,022)	(27,148)	206,170	(2,542)	(943)	3,486	(73,275)	(4,991)	78,266	(254,839)	(33,082)	287,922
New financial assets originated	-	-	-	1,341,214	-	-	45	-	-	398,712	-	-	1,739,971	-	-
Amounts written-off	-	-	-	-	-	(111,649)	-	-	(6,197)	-	-	(25,418)	-	-	(143,264)
Collections and other changes	-	-	-	(867,180)	(10,868)	114,615	(54,605)	(958)	4,573	(141,847)	(396)	29,895	(1,063,632)	(12,222)	149,083
At 31 December	**-**	**-**	**23,698**	**2,087,012**	**93,555**	**224,611**	**7,747**	**786**	**2,925**	**623,494**	**25,908**	**83,625**	**2,718,253**	**120,249**	**334,859**

(All amounts in Saudi Riyals thousands unless otherwise stated)

15 Investment in Islamic financing contracts (continued)

15.6 Category-wise movement in stage-wise gross investment in Islamic financing contracts is as follows: (continued)

	Instalment sales			Tawarruq finance			Murabaha finance			Islamic credit card			Total		
	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)
2024															
At 1 January	-	-	25,425	1,363,519	94,489	122,671	231,559	13,124	39,840	56,654	3,111	5,961	1,651,732	110,724	193,897
Individual financial assets transferred to															
-Stage 1	-	-	-	37,965	(30,278)	(7,687)	15,046	(2,983)	(12,062)	5,407	(754)	(4,653)	58,418	(34,015)	(24,402)
-Stage 2	-	-	-	(52,288)	54,942	(2,654)	(3,859)	4,068	(209)	(12,909)	12,940	(31)	(69,056)	71,950	(2,894)
-Stage 3	-	-	-	(100,805)	(39,336)	140,141	(5,826)	(4,639)	10,464	(20,594)	(1,867)	22,461	(127,225)	(45,842)	173,066
New financial assets originated	-	-	-	1,085,187	-	-	5,157	-	-	412,644	-	-	1,502,988	-	-
Amounts written-off	-	-	-	-	-	(79,692)	-	-	(26,458)	-	-	(5,481)	-	-	(111,631)
Collections and other changes	-	-	(1,727)	(609,593)	(20,586)	(16,950)	(187,288)	(6,668)	(668)	(10,092)	(174)	9,458	(806,973)	(27,428)	(9,887)
At 31 December	**-**	**-**	**23,698**	**1,723,985**	**59,231**	**155,829**	**54,789**	**2,902**	**10,907**	**431,110**	**13,256**	**27,715**	**2,209,884**	**75,389**	**218,149**

(All amounts in Saudi Riyals thousands unless otherwise stated)

15 Investment in Islamic financing contracts (continued)

15.7 Maturity profile of gross investment in Islamic financing contracts and present value of investment in Islamic financing contracts is as follows:

	2025	2024
Gross investment in Islamic financing contracts		
Within one year	**2,220,818**	1,507,452
From one to two years	**952,999**	922,557
From two to three years	**634,735**	557,563
From three to four years	**406,846**	376,033
Four to five years	**159,041**	162,545
	4,374,439	3,526,150
Present value of investment in Islamic financing contracts		
Within one year	**1,747,326**	1,263,995
From one to two years	**662,203**	588,174
From two to three years	**414,320**	353,346
From three to four years	**254,337**	213,495
Four to five years	**95,175**	84,412
	3,173,361	2,503,422

16 Short-term deposit

Short-term deposit (Islamic), amounting to Saudi Riyals 30.0 million (31 December 2024: Saudi Riyals Nil), is placed with a local bank with an original maturity of more than three months but less than or equal to twelve months from the date of placement. The deposits during the year yielded finance income at 5.95% per annum.

17 Inventories

	2025	2024
Inventories	**1,336,250**	1,255,345
Goods-in-transit	**35,460**	36,591
	1,371,710	1,291,936
Provision for slow moving inventories	**(5,774)**	(3,506)
	1,365,936	1,288,430

Movement in the provision for slow moving inventories is as follows:

	2025	2024
At 1 January	**3,506**	1,709
Additions	**10,679**	9,653
Write-offs	**(8,411)**	(7,856)
At 31 December	**5,774**	3,506

At 31 December 2025, inventories amounting to Saudi Riyals 74.5 million (31 December 2024: Saudi Riyals 98.6 million) were carried at their net realisable value. The cost of inventories recognised as expense amounted to Saudi Riyals 5,403.8 million (31 December 2024: Saudi Riyals 5,142.3 million) including inventory markdowns amounting to Saudi Riyals 25.3 million (31 December 2024: Saudi Riyals 25.1 million). During the year ended 31 December 2025, transportation costs required to bring inventories to their present location and condition amounting to Saudi Riyals 34.1 million (31 December 2024: Saudi Riyals 28.8 million) have been charged to cost of revenue.

As at 31 December 2025, inventories amounting to Saudi Riyals 189.0 million (2024: Saudi Riyals 105.7 million) were held by Panda Retail Company.

(All amounts in Saudi Riyals thousands unless otherwise stated)

18 Cash and cash equivalents

	2025	**2024**
Cash at banks	**187,700**	146,460
Cash in hand	**9,694**	9,665
Time deposits	**4,000**	319,444
	201,394	475,569

As at 31 December 2025, time deposit (Islamic) was placed with a local bank with original maturity of less than three months from the date of placement. The deposits during the year yielded finance income ranging from 5.75% to 5.80% per annum.

19 Share capital

The share capital of the Company as of 31 December 2025 consisted of 80.0 million shares (2024: 80.0 million shares) stated at Saudi Riyals 10 per share.

Reconciliation of number of shares outstanding as at 31 December:

	2025	**2024**
At 1 January	**76,478,225**	76,205,885
Net movement in treasury shares	**(2,630,779)**	272,340
At 31 December	**73,847,446**	76,478,225

Also see Note 1, 29 and 30.

20 Subsidiaries with Non-Controlling Interest ("NCI")

Summarised financial information of UIHC, which is a material subsidiary with NCI, before intercompany eliminations, is as follows:

	2025
As at 31 December	
Current assets	**1,744,790**
Current liabilities	**(1,209,062)**
Net current liabilities	**535,728**
Non-current assets	**1,453,095**
Non-current liabilities	**(586,027)**
Net non-current assets	**867,068**
Net assets	**1,402,796**
Accumulated NCI	**(442,394)**
Asset attributable to the equity holders	**960,402**

	2025
For the year ended 31 December	
Revenue	**769,471**
Profit for the year	**272,156**
Other comprehensive income	**(1,331)**
Total comprehensive income for the year	**270,825**
Profit for the year allocated to NCI	**78,987**
Other comprehensive income allocated to NCI	**(325)**

(All amounts in Saudi Riyals thousands unless otherwise stated)

20 Subsidiaries with Non-Controlling Interest ("NCI") (continued)

As at 31 December	**2024**
Current assets	1,220,175
Current liabilities	(519,174)
Net current liabilities	701,001
Non-current assets	1,272,374
Non-current liabilities	(860,727)
Net non-current assets	411,647
Net assets	1,112,648
Accumulated NCI	(333,794)
Asset attributable to the equity holders	778,854

For the year ended 31 December	**2024**
Revenue	623,672
Profit for the year	222,384
Other comprehensive income	(426)
Total comprehensive income for the year	221,958
Profit for the year allocated to NCI	6,545
Other comprehensive income allocated to NCI	(123)

20.1 Also see Notes 1.2 and 12.1. The total share capital of NowAccess amounting to Saudi Riyals 10.0 million was contributed by the Group, and NowPay transferred intellectual property rights as an in-kind contribution. In accordance with the applicable financial reporting framework, these shareholder contributions were allocated proportionately based on their respective ownership interests. This allocation resulted in the recognition of an NCI with a corresponding adjustment to retained earnings of the Group.

21 Borrowings

	2025	**2024**
Long-term borrowings		
Murabaha facilities	**1,636,957**	1,267,450
Accrued finance costs	**14,989**	8,219
	1,651,946	1,275,669

Classification of borrowings is presented below:

	2025	**2024**
Current portion	**560,739**	426,613
Non-current portion	**1,091,207**	849,056
	1,651,946	1,275,669

21.1 The movement in the Group's borrowings is as follows:

	2025	**2024**
As at 1 January	**1,275,669**	1,353,359
Proceeds from long-term borrowings	**1,220,000**	923,101
Proceeds from short-term borrowings	**632,000**	1,776,218
Repayment of long-term borrowings	**(850,493)**	(595,188)
Repayment of short-term borrowings	**(632,000)**	(2,183,006)
Finance costs accrued	**98,467**	139,913
Finance costs paid	**(91,697)**	(138,728)
As at 31 December	**1,651,946**	1,275,669

(All amounts in Saudi Riyals thousands unless otherwise stated)

21 Borrowings (continued)

21.2 The maturities of the Group's borrowings are as follows:

	2025	2024
Less than 6 months	**297,666**	209,198
Between 6 to 12 months	**248,084**	209,197
Between 1 and 2 years	**465,474**	368,394
Between 2 and 5 years	**625,733**	480,661
	1,636,957	1,267,450

Maturity profile of borrowings, including finance costs component, is disclosed in Note 31.

21.3 The Group has obtained borrowings under Islamic financing arrangements with commercial banks in the Kingdom of Saudi Arabia. All loan facilities above are denominated in Saudi Riyals and bear financial charges based on Saudi Arabian Interbank Offered Rate ("SAIBOR") plus certain margins. The Group's borrowings are carried at amortised cost and are periodically contractually repriced after every three months, in line with the terms of the borrowing arrangements.

The facility-wise breakdown of the outstanding loan balance is as follows:

	Note	2025	2024
Long-term borrowings			
Murabaha I	21.3.1	**700,000**	350,000
Murabaha II	21.3.2	**270,000**	234,575
Murabaha III	21.3.3	**418,688**	487,250
Murabaha IV	21.3.4	**238,269**	195,625
Murabaha V	21.3.5	**10,000**	-
		1,636,957	1,267,450
Accrued finance costs		**14,989**	8,219
		1,651,946	1,275,669

The financial charges incurred during the period increased on account of increase in amount of borrowings. Certain credit facility agreements contain financial covenants requiring maintenance of certain financial ratios and other matters, of which the Group was in compliance with at 31 December 2025.

Details of the type of borrowings facilities availed by the Group are as follows:

21.3.1 Murabaha I

Total amount available to the Group under such facility is Saudi Riyals 925.0 million. Each tranche of facility utilisation is repayable in 16 quarterly installments commencing 9 months after receipt of the borrowed amount. As at 31 December 2025, the Group has an outstanding loan balance of Saudi Riyals 700.0 million against this facility (31 December 2024: Saudi Riyals 350.0 million).

21.3.2 Murabaha II

Total amount available to the Group under such facility is Saudi Riyals 800.0 million. Each tranche of facility utilisation is repayable in 20 quarterly installments commencing 3 months after receipt of the borrowed amount. As at 31 December 2025, the Group has an outstanding loan balance of Saudi Riyals 270.0 million against this facility (31 December 2024: Saudi Riyals 234.6 million).

(All amounts in Saudi Riyals thousands unless otherwise stated)

21 Borrowings (continued)

21.3.3 Murabaha III

Total amount available to the Group under such facility is Saudi Riyals 700.0 million. Each tranche of facility utilisation is repayable in 20 quarterly installments commencing 3 months after receipt of the borrowed amount. As at 31 December 2025, the Group has an outstanding loan balance of Saudi Riyals 418.7 million against this facility (31 December 2024: Saudi Riyals 487.3 million).

21.3.4 Murabaha IV

Total amount available to the Group under such facility is Saudi Riyals 300.0 million. Each tranche of facility utilisation is repayable in 48 monthly installments commencing one month after receipt of the borrowed amount. As at 31 December 2025, the Group has an outstanding loan balance of Saudi Riyals 238.3 million against this facility (31 December 2024: Saudi Riyals 195.6 million).

21.3.5 Murabaha V

Total amount available to the Group under such facility is Saudi Riyals 150.0 million. Each tranche of facility utilisation is repayable in 17 quarterly installments commencing 3 months after receipt of the borrowed amount. As at 31 December 2025, the Group has an outstanding loan balance of Saudi Riyals 10.0 million against this facility (31 December 2024: Saudi Riyals Nil).

22 Deferred revenue

As at 31 December, deferred revenue represents the following:

	Note	2025	2024
Extended warranty program	22.1	**353,743**	307,895
Others		**27,501**	19,889
		381,244	327,784

The breakup of current and non-current portion of the deferred revenue is as follows:

	2025	2024
Non-current portion	**191,350**	162,121
Current portion	**189,894**	165,663
	381,244	327,784

22.1 Extended warranty program:

Revenue from the Group's extended warranty program is deferred upon consideration received from the customers and amortised over the period of contract.

Movement of deferred revenue from extended warranty program is as follows:

	2025	2024
At 1 January	**307,895**	269,591
Contracts issued	**237,876**	210,832
Revenue recognised	**(192,028)**	(172,528)
At 31 December	**353,743**	307,895

The carrying value of deferred revenue from extended warranty program on the consolidated statement of financial position represents unsatisfied performance obligations at the end of the reporting period.

(All amounts in Saudi Riyals thousands unless otherwise stated)

22 Deferred revenue (continued)

22.1 Extended warranty program (continued)

Revenue recognised that was included in the contract liability balance at the beginning of the period amounted to Saudi Riyals 185.5 million (31 December 2024: Saudi Riyals 130.1 million).

23 Lease liabilities

	Note	2025	2024
At 1 January		**629,242**	618,779
Additions		**55,757**	66,991
Finance costs	8	**43,619**	43,803
Repayments		**(104,092)**	(97,245)
Termination		**-**	(3,086)
At 31 December		**624,526**	629,242

Lease liabilities on the consolidated statement of financial position are presented as follows:

	2025	2024
Non-current portion	**570,537**	596,864
Current portion	**53,989**	32,378
	624,526	629,242

Maturity profile of lease liabilities is disclosed in Note 31.

(i) Other amounts recognised in profit and loss

	2025	2024
Expense relating to short-term leases (included in selling and marketing and general and administrative expenses)	**246**	1,698

The total cash outflow for leases in 2025 was Saudi Riyals 104.3 million (2024: Saudi Riyals 98.9 million).

(ii) Additional information about the Group's leasing activities

The Group has leases for lands, stores, warehouses and office buildings. Rental contracts are typically for fixed periods ranging from 1 to 20 years but generally have extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

Extension and termination options are included to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension options held are exercisable only by mutual agreement of the Group and the respective lessor.

(All amounts in Saudi Riyals thousands unless otherwise stated)

24 Employee benefit obligations

24.1 General description of the plan

The Group operates defined benefit plans in line with the labor law requirements in the Kingdom of Saudi Arabia ("KSA"), the Kingdom of Bahrain ("Bahrain") and the Sultanate of Oman ("Oman"). The end of service benefit payments under the plans are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the labor laws of KSA, Bahrain and Oman. Employees' end of service benefit plans are unfunded plans and the benefit payment obligations are met when they fall due upon employee's termination of employment. The latest valuation of employee benefit obligations under the projected unit credit method was carried out by an independent actuary as at 31 December 2025.

24.2 Movement in net liability recognised in the consolidated statement of financial position

	2025	2024
1 January	**88,604**	84,925
Current service cost	**10,535**	9,032
Interest expense	**4,236**	3,417
Remeasurements	**3,314**	(3,145)
Payments	**(7,331)**	(5,625)
31 December	**99,358**	88,604

24.3 Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

	2025	2024
Current service cost	**10,535**	9,032
Interest expense	**4,236**	3,417
Total amount recognised in profit or loss	**14,771**	12,449
Remeasurements		
Loss (gain) due to change in financial assumptions	**2,742**	(6,542)
Loss due to change in experience adjustments	**572**	3,058
Loss due to change in demographic assumptions	**-**	339
Total amount recognised in other comprehensive income	**3,314**	(3,145)

24.4 Key actuarial assumptions

	2025	2024
Discount rate	**4.25% - 4.55%**	3.50% - 6.50%
Salary growth rate	**2.00%**	2.00%
Retirement age	**60 years**	60 years
Withdrawal rate	**16.8% to 47.3%**	22.4% to 47.3%

24.5 Sensitivity analysis for significant actuarial assumptions

	Change in assumption		**Impact on employee benefit obligations**	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
2025				
Discount rate	**0.50%**	**0.50%**	**(1,487)**	**1,482**
Salary growth rate	**0.50%**	**0.50%**	**1,630**	**(1,644)**

(All amounts in Saudi Riyals thousands unless otherwise stated)

24 Employee benefit obligations (continued)

24.5 Sensitivity analysis for significant actuarial assumptions (continued)

	Change in assumption		Impact on employee benefit obligations	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
2024				
Discount rate	0.50%	0.50%	(916)	1,840
Salary growth rate	0.50%	0.50%	1,993	(976)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the employee benefit obligations.

The methods and assumptions used in preparing the sensitivity analysis for 2025 and 2024 presented above are consistent.

24.6 Expected maturity analysis

The weighted average duration of the defined benefit obligation is 3.75 (2024: 3.3 years). The expected maturity analysis of employee benefit obligations is as follows:

	Less than a year	1 - 2 years	2 - 5 years	5 -10 years	Total
31 December 2025	**27,317**	**26,821**	**52,651**	**44,760**	**151,549**
31 December 2024	26,381	24,548	50,561	40,641	142,131

25 Trade and other payables

	Note	2025	2024
Trade payables		**752,278**	735,397
Accrued expenses		**82,321**	79,475
Salaries and benefits		**68,674**	48,023
Advance from customers		**57,055**	49,261
VAT payable		**28,094**	28,399
Gift cards		**19,901**	20,451
Due to related parties	28	**3,964**	5,522
Others		**27,371**	20,531
		1,039,658	987,059

The carrying value of deferred revenue from gift cards and advances from customers on the consolidated statement of financial position represents unsatisfied performance obligations at the end of the reporting period. Advances from customers principally represent orders awaiting shipment and the amounts are recognised as revenue upon satisfaction of related performance obligation.

(All amounts in Saudi Riyals thousands unless otherwise stated)

26 Zakat and income tax matters

The Group is subject to zakat and income tax. In accordance with the regulations of the ZATCA, zakat is payable at 2.578% on all components of the zakat base. The Group, along with its wholly owned subsidiaries files a consolidated zakat return. UIHC will file a consolidated zakat return along with Procco and Now Access whereas UCFS files its separate zakat return on a stand-alone basis since zakat is payable at 2.578% of zakat base subject to a minimum and maximum capping / threshold of 4 times or 8 times, respectively of profit before zakat, in accordance with the ZATCA regulations. The income tax provision is related to eXtra Oman where the income tax is calculated at a tax rate of 15% as per Omani income tax regulations. Furthermore, as disclosed in Note 1.1, the Group's subsidiary, NowAccess (owned 25% by NowPay,), is subject to income tax. However, due to its adjusted net loss position, no income tax provision has been recognised for the year ended 31 December 2025.

26.1 Components of approximate zakat base

The significant components of the zakat base under the applicable zakat regulations principally comprise shareholders' equity, provisions, non-current liabilities and difference between the net profit and adjusted net profit, less deduction for the net book value of property and equipment, investments and certain other items.

26.2 Provision for zakat and income tax

The movement in the zakat and tax provision for the year was as follows:

	Zakat	**Income tax**	**Total**
2025			
1 January 2025	**48,666**	**1,148**	**49,814**
Provision	**44,986**	**3,884**	**48,870**
Payments	**(46,906)**	**(2,554)**	**(49,460)**
31 December 2025	**46,746**	**2,478**	**49,224**
2024			
1 January 2024	37,286	1,219	38,505
Provision	42,794	1,998	44,792
Payments	(31,414)	(2,069)	(33,483)
31 December 2024	48,666	1,148	49,814

26.3 Status of final assessments

The Group has obtained zakat certificates from the ZATCA for the years through 2024.

During 2021, UEC received assessments from ZATCA for the years 2019 and 2020, which included additional zakat liabilities amounting to Saudi Riyal 9.1 million. Subsequently, during the year ended 31 December 2022, the Group filed an appeal against these assessments with the General Secretariat of Zakat, Tax, and Customs Committees. During 2024, the Company reached an agreement with the Dispute Resolution Committee ("DRC") on the final assessments and settled the agreed additional zakat liability of Saudi Riyals 0.7 million. Accordingly, the assessments for both 2019 and 2020 were finalised.

During 2025, UEC received and accepted the additional assessments of the financial years 2021, 2022 and 2023 and settled the amount of Saudi Riyals 0.6 million. The zakat assessment for the financial year 2024 is currently under review by the ZATCA.

During 2025, UIHC finalised the assessment for the year 2024, and settled the amount of Saudi Riyals 0.2 million.

During 2025, eXtra Oman received assessment from Oman Tax Authority for the year 2021, which included additional tax liability of Saudi Riyals 0.2 million. Subsequently, the Company submitted an objection to Oman Tax Authority against this assessment and is currently awaiting the final outcome.

Assessments for UCFS for years since inception are currently under review by the relevant tax authorities.

(All amounts in Saudi Riyals thousands unless otherwise stated)

27 Segmental information

(a) Operating segments

The Group is organised into business units based on factors including distribution method, targeted customers, products and geographic location.

The Group has two major operating segments namely, 'Sales and services' and 'Consumer finance'. The Board of Directors of the Group, considered as Chief Operating Decision Maker, review the internal management reports of each segment at least quarterly for the purpose of resources allocation and assessment of performance. All other operating segments that are not reportable are combined under "Others".

The following summary describes the operations of each reportable segment.

Reportable segment	**Operation**
Sales and services	Retail, wholesale, e-commerce, installation and repair services of electronic products, computers, smartphones and accessories, extended warranties, gift cards and installment sales.
Consumer finance	Consumer financing under Murabaha, Tawarruq, Islamic credit card financing arrangements (Tas'heel).

The segmental information was as follows:

As at and for the year ended 31 December 2025

	Sales and services	**Consumer finance**	**Others**	**Intersegment eliminations**	**Total from external customers**
Revenue					
- Point in time	**6,450,060**	**-**	**-**	**-**	**6,450,060**
- Over time	**230,678**	**768,361**	**31,072**	**(34,056)**	**996,055**
	6,680,738	**768,361**	**31,072**	**(34,056)**	**7,446,115**
Cost of revenue	**(5,558,711)**	**(96,822)**	**-**	**-**	**(5,655,533)**
Gross Profit	**1,122,027**	**671,539**	**31,072**	**(34,056)**	**1,790,582**
Net profit	**303,831**	**281,111**	**(8,953)**	**-**	**575,989**
Total assets	**2,985,697**	**3,115,487**	**71,419**	**(248,511)**	**5,924,092**
Total liabilities	**2,109,235**	**1,775,885**	**228,669**	**(267,833)**	**3,845,956**

(All amounts in Saudi Riyals thousands unless otherwise stated)

27 Segmental information (continued)

(a) Operating segments (continued)

As at and for the year ended 31 December 2024

	Sales and services	Consumer finance	Others	Intersegment eliminations	Total from external customers
Revenue					
- Point in time	5,981,801	-	-	-	5,981,801
- Over time	179,753	623,672	23,342	(27,368)	799,399
	6,161,554	623,672	23,342	(27,368)	6,781,200
Cost of revenue	(5,142,338)	(79,889)	-	-	(5,222,227)
Gross Profit	1,019,216	543,783	23,342	(27,368)	1,558,973
Net profit	314,283	223,088	(708)	(2,223)	534,440
Total assets	3,123,711	2,484,995	13,948	(221,032)	5,401,622
Total liabilities	1,991,894	1,375,157	212,153	(221,032)	3,358,172

The Group management uses segment revenue and net profit to measure performance being the most relevant in evaluating the results of segments.

(b) Geographical segments

The geographical information below analyses the Group's revenue, net profit, total assets and total liabilities as follows:

As at and for the year ended 31 December 2025

	Kingdom of Saudi Arabia	Others	Intersegment eliminations	Total
Revenue				
- Point in time	**6,007,564**	**442,496**	**-**	**6,450,060**
- Over time	**987,470**	**42,641**	**(34,056)**	**996,055**
Cost of revenue	**(5,269,958)**	**(385,575)**	**-**	**(5,655,533)**
Gross Profit	**1,725,076**	**99,562**	**(34,056)**	**1,790,582**
Net profit	**558,664**	**17,325**	**-**	**575,989**
Total assets	**5,861,250**	**311,353**	**(248,511)**	**5,924,092**
Total liabilities	**3,844,565**	**269,224**	**(267,833)**	**3,845,956**

As at and for the year ended 31 December 2024

	Kingdom of Saudi Arabia	Others	Intersegment eliminations	Total
Revenue				
- Point in time	5,536,945	444,856	-	5,981,801
- Over time	793,866	32,901	(27,368)	799,399
	6,330,811	477,757	(27,368)	6,781,200
Cost of revenue	(4,833,279)	(388,948)	-	(5,222,227)
Gross Profit	1,497,532	88,809	(27,368)	1,558,973
Net profit	518,789	17,874	(2,223)	534,440
Total assets	5,369,619	253,035	(221,032)	5,401,622
Total liabilities	3,342,742	236,462	(221,032)	3,358,172

(All amounts in Saudi Riyals thousands unless otherwise stated)

28 Related party transactions and balances

Related party comprises the shareholders that have control or significant influence over the Group, affiliated companies (representing entities which are directly or indirectly controlled by or under significant influence of the Group's shareholders) and key management personnel (including directors) and business over which they exercise control or significant influence. Related parties also include business entities in which certain directors or senior management have control or joint control.

(a) Following are the significant transactions entered into by the Group with its related parties:

Nature of transactions	Relationship	2025	2024
Sales	Major shareholder	**311**	223
	Affiliated companies	**18**	9
Purchases	Affiliated companies	**5,599**	4,684
Rental income	Affiliated companies	**1,519**	1,566
Rent expense	Affiliated companies	**5,251**	2,059
Other expenses charged by the Company	Affiliated companies	**314**	122
Other expenses charged to the Company	Affiliated companies	**379**	398
Shared services provided	Affiliated companies	**1,508**	1,506

The transactions are based on terms agreed as per signed agreements between the Company and the related parties.

(b) Key management personnel compensation

	2025	2024
Salaries and other employee benefits	**22,060**	35,644
Board of Directors' fees	**3,475**	3,367
	25,535	39,011

Salaries and other employee benefits for the year ended 31 December 2024 included special bonuses, amounting to Saudi Riyals 14.5 million.

As at 31 December 2025, advances to employees includes outstanding loans and advances to key management personnel amounting to Saudi Riyals 0.4 million (31 December 2024: Saudi Riyals 0.7 million). Also see Note 14.

(All amounts in Saudi Riyals thousands unless otherwise stated)

28 Related party transactions and balances (continued)

(c) Due from related parties - affiliated companies and major shareholder

	2025	**2024**
United Homeware Company	**1,715**	2,407
Al Fozan Holding Company	**6**	-
Retal Urban Development Company	**3**	8
	1,724	2,415

(d) Due to related parties - affiliated companies

	2025	**2024**
Reliable Trading Company	**3,106**	125
Abdullatif And Mohammed Al Fozan Holding Company	**240**	496
Madar Hardware Company	**618**	888
Distributing and Marketing Company Limited	**-**	3,982
Al Yassra Trading Company	**-**	31
	3,964	5,522

The above balances are receivable/payable based on the terms as per the signed agreements between the Group and the respective related parties and do not bear any financial charges.

29 Earnings per share

	2025	**2024**
Profit for the year attributable to the shareholders of the Company	**497,002**	534,440

The weighted average number of shares used as the denominator are as follows:

	2025	**2024**
Weighted average number of ordinary shares used in calculating basic earnings per share	**75,676,557**	76,478,225
Adjustment for treasury shares	**4,323,443**	3,521,775
Weighted average number of ordinary shares used in calculating diluted earnings per share	**80,000,000**	80,000,000
Earnings per share (Saudi Riyals)		
Basic earnings per share	**6.57**	6.99
Diluted earnings per share	**6.21**	6.68

30 Employees' Stock Option Program

The Group has offered certain employees (the "Eligible Employees") the Option for equity ownership opportunities to attract and retain Eligible Employees and reward them for their role in achieving the Group's long-term goals. The program focuses on both current and future performance and enables participants to contribute towards the Group's success.

The program is entirely based on in-kind settlement where the Eligible Employees will receive the Company's shares upon completing the vesting period and achieving the performance measures set under the plan. The eligibility criteria includes a minimum number of years of service in the Group and maintaining excellent performance rating in addition to certain other factors. The vesting of the Option is dependent on meeting performance targets set by the Group along with the required period of stay in service by the Eligible Employees.

Under the terms of the plan, the Options will vest by the end of years from 2021 through 2028. Only employees that remain in service until the vesting dates of their respective Options, will become entitled to exercise the Options.

The ESOP is under the supervision of the Nomination and Remuneration Committee ("NRC") of the Board of Directors.

Under the ESOP, Options were granted on 19 September 2018 ("ESOP 2018), 1 January 2020 ("ESOP 2020), 1 January 2021 ("ESOP 2021"), 1 January 2023 ("ESOP 2023"), 1 January 2024 ("ESOP 2024") and 1 January 2024 ("ESOP 2025").

The total expense related to the program for the year ended 31 December 2025 amounting to Saudi Riyals 10.4 million (2024: Saudi Riyals 30.5 million) was charged to the employees' benefit expenses with a corresponding increase in the consolidated statement of changes in equity.

The following table sets out the movements in share options (number of shares in thousands) during the year:

	Average exercise price per share option	**2025**	**Average exercise price per share option**	**2024**
At 1 January	**86.7**	**5,328**	66.39	5,469
Granted during the year	**90.2**	**76**	86.70	135
Forfeited during the year	**71.5**	**(114)**	-	-
Exercised during the year	**-**	**-**	10.20	(276)
At 31 December		**5,290**		5,328

	Average exercise price per share option	**2025**	**Average exercise price per share option**	**2024**
Exercisable at the end of the year	**69.8**	**3,589**	-	-

(All amounts in Saudi Riyals thousands unless otherwise stated)

30 Employees' Stock Option Program (continued)

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	Share options 2025	Share options 2024
1 January 2023	December 2032	69.8	**5,079**	5,193
1 January 2024	December 2033	89.7	**135**	135
1 January 2025	December 2034	90.2	**76**	-
Total			**5,290**	5,328

The fair value per Option is estimated at the grant date using the Black Scholes Merton pricing model, taking into account the terms and conditions upon which the share options were granted.

Certain amounts in the comparative column of the above disclosures have been adjusted to conform to 2025 presentation.

	ESOP 2025	ESOP 2024	ESOP 2023
Inputs to the model:			
Dividend Yield (%)	**5**	5	5
Expected Volatility (%)	**27.3**	27.3	27.3
Risk Free Interest Rate (%)	**4.2**	4.2	4.2
Contractual Life of Share Options (Years)	**5.0**	5.0	5.0
Share Price (Saudi Riyals) at Grant Date	**90.2**	89.7	69.4
Share Price (Saudi Riyals) at Grant Date (Adjusted for Capital increase during 2020)	**N/A**	N/A	N/A
Share Price (Saudi Riyals) at Grant Date (Adjusted for Capital increase during 2022)	**N/A**	N/A	N/A
Exercise Price (Saudi Riyals) at Grant Date	**90.2**	89.7	69.0
Exercise Price (Saudi Riyals) at Grant Date (Adjusted for Capital increase during 2020)	**N/A**	N/A	N/A
Exercise Price (Saudi Riyals) at Grant Date (Adjusted for Capital increase during 2022)	**N/A**	N/A	N/A
Exercise Price (Saudi Riyals) at Grant Date (if additional performance target met)	**N/A**	N/A	N/A
Fair Value per Option	**11.5**	11.5	11.5
Fair Value per Option (Adjusted for Capital increase)	**N/A**	N/A	N/A
Fair Value per Option (Adjusted for Capital increase and modified grant terms)	**N/A**	N/A	N/A
Maximum remaining Contractual Life (Years)	**8.0**	7.0	6.0

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

(All amounts in Saudi Riyals thousands unless otherwise stated)

31 Financial risk management

31.1 Financial risk factors

The Group's activities expose it to a variety of financial risks including the effects of changes in market risk (including currency risk, profit risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the management under policies approved by the Board of Directors.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks - currency risk, profit rate risk and price risk.

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's transactions are principally in Saudi Riyals, United States Dollars (USD), United Arab Emirates Dirhams (AED), Omani Riyal (RO), Bahraini Dinar (BD), Canadian Dollars (CAD), Egyptian Pounds (EGP) and Euros (EUR). Since Saudi Riyal, AED, RO and BD are directly or indirectly pegged, management of the Group believes that the currency risk for the financial instruments related to AED, USD, RO and BD is not significant.

The fluctuation in exchange rates against Euro, AED, EGP and CAD are monitored on a continuous basis. Quantitative data regarding the Group's exposure to currency risk, expressed in Saudi Riyals, arising from currencies that are not pegged to USD was as follows:

	AED	EUR
31 December 2025		
Trade and other payables	**225**	**545**
	AED	**EUR**
31 December 2024		
Trade and other payables	225	545

The impact of reasonably possible change in the exchange rates on the Group's net profit before zakat and tax is not considered to be material.

31 Financial risk management (continued)

31.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Profit rate risk

Profit rate risk is the uncertainty of future earnings and expenses resulting from fluctuations in profit rates. The risk arises when there is a mismatch in the assets and liabilities which are subject to profit rate adjustment within a specified period. The most important source of such risk is the Group's financing activities and long-term borrowings. As at the consolidated statement of financial position date, the Group has profit bearing financial assets of Saudi Riyals 3,046.2 million (31 December 2024: Saudi Riyals 2,407.1 million). However, the profit rates have been agreed with the respective customers upon inception of the Islamic financing contracts. Further, the Group also has variable profit bearing financial liabilities of Saudi Riyals 1,651.9 million (31 December 2024: Saudi Riyals 1,275.7 million) and had the profit rate varied by 1% with all the other variables held constant, total comprehensive income /loss for the year would have been approximately Saudi Riyals 26.5 million (31 December 2024: Saudi Riyals 25.6 million) higher / lower, as a result of lower / higher finance costs on variable rate borrowings.

The Group’s trade receivables and payables carried at amortised cost are not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(iii) Price risk

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group’s financial assets and liabilities are not exposed to price risk.

(b) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from investment in Islamic financing contracts, trade and other receivables and cash and cash equivalents.

Credit risk on related parties is considered minimal as management monitors and reconciles amounts due from related parties on a regular basis and recoverability is not considered to be doubtful.

The Group has established credit policies and procedures that are considered appropriate and commensurate with the nature and size of the respective financial assets. The management analyses credit risk into the following categories of financial assets:

(i) Investment in Islamic financing contracts

Investment in Tawarruq, Murabaha and credit card finance contracts is generally exposed to significant credit risk. Therefore, the Group has established procedures to manage credit exposure including evaluation of customers' credit worthiness, formal credit approvals and assigning credit limits.

The overall decision to lend to a particular customer is based on the following key parameters:
- Dual credit score i.e. SIMAH and internal application scoring system;
- Minimum income level and maximum debt burden of the borrower; and
- Loan repayment history with other financial institutions sourced from SIMAH.

(All amounts in Saudi Riyals thousands unless otherwise stated)

31 Financial risk management (continued)

31.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Investment in Islamic financing contracts (continued)

The Group does not have any significant concentration of credit risk for Investment in Islamic Financing Contracts since it enters into contracts with individual customers only. At the inception of the contract, internal credit risk ratings are allocated to each exposure. These credit risk grades are defined using a variety of qualitative and quantitative factors including income levels, employment segment, nationality etc.

A significant number of customers are Government sector employees. The Group generally receives repayments through variable channels such as SADAD and bank transfers. The Group has approved collection policies and procedures establishing a collection strategy to follow up with the delinquent customers. In order to monitor exposure to credit risk, reports are reviewed on a quarterly basis. Furthermore, the Group has also strengthened its legal department in order to be actively involved in the collection process of delinquent customers. An allowance for ECL is maintained at a level which, in the judgment of management, is adequate to provide for potential losses that can be reasonably anticipated.

The following tables sets out information about the credit quality of investment in Islamic financing contracts.

(a) Stage-wise analysis of gross carrying amounts as at 31 December, in comparison with internal credit risk rating assigned at the inception of the respective contracts. The amounts in the table represent gross carrying amounts.

	Performing (Stage 1)	**Under-performing (Stage 2)**	**Non-performing (Stage 3)**	**Total**
31 December 2025				
Internal credit risk ratings				
Low risk	1,378,593	36,249	85,123	**1,499,965**
Medium risk	1,232,462	58,619	139,905	**1,430,986**
High risk	1,174,961	69,803	198,704	**1,443,468**
	3,786,016	**164,671**	**423,732**	**4,374,419**

	Performing (Stage 1)	**Under-performing (Stage 2)**	**Non-performing (Stage 3)**	**Total**
31 December 2024				
Internal credit risk ratings				
Low risk	1,147,540	22,553	50,738	1,220,831
Medium risk	995,000	35,240	84,700	1,114,940
High risk	993,157	45,740	151,482	1,190,379
	3,135,697	103,533	286,920	3,526,150

Subsequent to initial recognition, the Group monitors the credit quality of its exposures based on staging criteria and past due ageing of the exposures.

(All amounts in Saudi Riyals thousands unless otherwise stated)

31 Financial risk management (continued)

31.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Investment in Islamic financing contracts (continued)

(b) Ageing analysis of net investment in Islamic financing contracts based on due balances according to the respective contractual repayment schedules:

	Installment sales receivable		Tawarruq finance		Murabaha finance		Islamic Credit Card		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Not past due	**-**	-	**1,994,172**	1,645,459	**6,759**	52,293	**604,441**	419,860	**2,605,372**	2,117,612
Past due 1-30 days	**-**	-	**92,839**	78,526	**988**	2,496	**19,053**	11,250	**112,880**	92,272
Past due 31-90 days	**-**	-	**93,555**	59,231	**786**	2,902	**25,909**	13,256	**120,250**	75,389
Past due 91-180 days	**-**	-	**59,307**	38,846	**623**	1,907	**21,101**	10,417	**81,031**	51,170
Past due 181-364 days	**-**	-	**135,438**	96,896	**1,697**	6,787	**51,893**	14,014	**189,028**	117,697
Over 365 days	**23,698**	23,698	**29,867**	20,087	**605**	2,213	**10,630**	3,284	**64,800**	49,282
	23,698	23,698	**2,405,178**	1,939,045	**11,458**	68,598	**733,027**	472,081	**3,173,361**	2,503,422
Less: Impairment for Islamic financing contracts	**(23,698)**	(23,698)	**(75,350)**	(55,455)	**(677)**	(2,727)	**(27,396)**	(14,399)	**(127,121)**	(96,279)
Net investment in Islamic financing contracts	**-**	-	**2,329,828**	1,883,590	**10,781**	65,871	**705,631**	457,682	**3,046,240**	2,407,143

31 Financial risk management (continued)

31.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Investment in Islamic financing contracts (continued)

Measurement of ECL

The Group applies three-stage model for impairment of Investment in Islamic financing contracts, in line with the requirements of IFRS 9 'Financial Instruments', based on changes in credit quality since initial recognition. The assessment of credit risk in the net investment in Islamic financing receivables requires further estimations of credit risk using ECL which is derived by Probability of default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD") and discount rates.

The Group measures an ECL at a contract level considering the EAD, PD, LGD and discount rates. PD estimates are estimates at a certain date, based on the term structures as provided below. For LGD estimates, the Group uses present value of recoveries for loss accounts adjusted by the forward-looking information. EAD represents the exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract i.e. contractual repayments. Such financing contracts are not collateralised. For discounting, the Group has used each contract's effective profit rate.

The Group's management believes that adequate ECL allowance has been made, where required to address the credit risk. Also see Note 15.

(a) Generating the term structure of PD

PD measures the estimated likelihood of default over a time period. PD has been calculated as a probability that an exposure will move to more than 90 days past due in the next 12 months or over the remaining lifetime of the obligation. Refer Section (d) below for further details regarding the methodology used.

(b) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, management considers the 'days past due' analysis of each exposure and certain other qualitative factors such as monitoring the forward-looking information about financial difficulties faced by private sector employers of the customers and nationalisation targets for specific industry groups etc. Management considers such analysis to be an effective and efficient measure of monitoring significant increase in credit risk, without undue cost and effort, as it enters into Islamic Financing Contracts with individual customers only.

(c) 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. Refer Section (d) below for further details regarding the methodology used.

31 Financial risk management (continued)

31.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Investment in Islamic financing contracts (continued)

Measurement of ECL (continued)

(d) Changes in estimates and underlying judgments, including forward-looking information

During the year ended 31 December 2025, there have been no significant changes to the underlying methodology used for determination of ECL from those that were used for the purpose of determining the ECL allowance as at the year ended 31 December 2024, however, management, as part of an annual exercise has updated the underlying dataset of collection/recovery patterns and default trends, during the year ended 31 December 2025, for computation of such ECL allowance.

The summary of key changes made, along with their impact as at 31 December 2025, is as follows:

- *Probability of default (PD):*

PD has been calculated as a probability that an exposure will move to more than 90 days past due in the next 12 months or over the remaining lifetime of the obligation. 'Through-the-Cycle' estimates were calculated based on collection and default trends.

During the year ended 31 December 2025, 'Through-the-Cycle' estimates were recalculated based on the updated collection and default trends for contracts entered from 1 September 2019 to 30 June 2024 (31 December 2024: 1 September 2019 to 30 June 2023), for which the performance is observed until 30 June 2025.

Such "Through-the-Cycle" PD rates are later converted to 'Point-in-time' PD rates by incorporating the forward-looking information (see below) using the Vasicek framework

- *Loss given default (LGD):*

LGD inputs have been calculated using the 'Through-the-Cycle' estimates based on historical collection and default trends of both Murabaha, Tawarruq and credit card portfolios, which are later converted to 'Point-in-time' LGD rates using the Jacob-Frye methodology.

During the year ended 31 December 2025, the cure rates forming part of the LGD calculation have been recalculated based on historical collection and default trends for contracts entered from 1 September 2019 to 30 June 2024 (31 December 2024: 1 September 2019 to 30 June 2023), for which the performance is observed until 30 June 2025.

Furthermore, the recovery rate, also forming part of the LGD calculation, is calculated based on historical recovery patterns for contracts entered from 1 September 2019 to 30 June 2023, for which the performance was observed until 30 June 2025 considering the historical recovery windows observed (previously referenced to the Basel guidelines on account of insufficient historical information).

Based on the above, the updated overall LGD rate was determined to be 22.35%, for both Murabaha and Tawarruq financing contracts which share similar customer characteristics (31 December 2024: LGD rate: 22.78%).

Management believes the historical information is insufficient to compute credit card specific cure rates. Accordingly, the recovery rate used to compute the LGD for investment in credit cards continues to be in accordance with the Basel guidelines and was determined to be 24.86%. (31 December 2024: LGD rate 25.31%).

(All amounts in Saudi Riyals thousands unless otherwise stated)

31 Financial risk management (continued)

31.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Investment in Islamic financing contracts (continued)

- Macroeconomic factors:

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. During the year ended 31 December 2025, macroeconomic data containing 300 macroeconomic variables (including previously used 'Real gross domestic product' and 'Government consumption) were analysed from Economic Intelligence Unit (EIU) and weighted average default rates were calculated from the historical data to determine appropriate predictive variables.

Based on such analysis carried out by the management and as a result of more experience with the portfolio, the following were identified as the most appropriate macroeconomic factors with the highest correlation to the historical collection and default trends (consistent with the year ended 31 December 2024).

- Exports of goods and services (% change per annum): Annual percentage change in a country's exports of goods and services, adjusted for inflation;
- Crude petroleum (% change per annum): Annual percentage change in production, export, and global price of unrefined oil.
- Foreign-exchange reserves (% change per annum): Annual percentage change in a country's reserves of foreign currencies.

A drop in the aforementioned macroeconomic factors can lead to financial stress, thereby leading to increase in default rates.

The Group measures the ECL as either a probability-weighted 12-month ECL (Stage 1) or a probability-weighted lifetime ECL (Stage 2 and 3). These probability weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weightings of 15%, 70% and 15% for "upturn", "baseline" and "downturn" scenarios respectively (consistent with the year ended 31 December 2024) which are computed through statistical methodologies.

As at 31 December 2025, the afore-mentioned macroeconomic factors incorporated in the upturn, baseline and downturn scenarios were as follows:

	Upturn (15% weightage)	**Baseline (70% weightage)**	**Downturn (15% weightage)**
Exports of Goods and Services (% change per annum)	11.9%	2.7%	(6.5%)
Crude petroleum (% change per annum)	55.7%	48.8%	41.8%
Foreign-exchange reserves (% change per annum)	0.019%	0.001%	(0.016%)

The resultant impact, of the afore-mentioned updates, on ECL allowance was determined to be immaterial as at 31 December 2025.

As at 31 December 2024, the afore-mentioned macroeconomic factors incorporated in the upturn, baseline and downturn scenarios have been consistent with those reported as at 31 December 2025.

31 Financial risk management (continued)

31.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Investment in Islamic financing contracts (continued)

(e) *Sensitivity analysis:*

The table below illustrates the sensitivity of ECL to key factors, with all other variables held constant, noting that the macroeconomic factors present dynamic relationships between them:

	Impact on statement of profit or loss and other comprehensive income for the year ended 31 December 2025 (in millions)	**Impact on statement of profit or loss and other comprehensive income for the year ended 31 December 2024** (in millions)
Key assumptions		
Macroeconomic factors (Exports of Goods and Services, Crude petroleum and Foreign-exchange reserves)		
Increase by 10%	**2.1**	(1.8)
Decrease by 10%	**(2.2)**	1.8
PD and LGD		
Increase by 10%	**(15.0)**	(11.0)
Decrease by 10%	**10.3**	9.9
Scenario weightings		
100% weightage assigned to base scenarios	**1.9**	1.4
100% weightage assigned to downside scenarios	**(31.1)**	(26.1)

(ii) Trade and other receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

The aging analysis for trade receivables is as follows:

	2025	**2024**
Current	**80,272**	46,254
0-90 days past due	**17,175**	21,314
91-180 days past due	**1,023**	832
181-365 days past due	**34**	65
Above 365 days past due	**1,765**	11,968
	100,269	80,433

31 Financial risk management (continued)

31.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Trade and other receivables (continued)

The average credit period on sales of goods is 30-90 days. No interest is charged on trade receivables. Before accepting any new customer, the Group has a credit policy set in place to assess the potential customer's credit quality and defines the credit limits. These procedures are reviewed and updated on an ongoing basis. At 31 December 2025, 48% of trade receivables were due from 2 customers (2024: 77% from 2 customer). Management believes that this concentration of credit risk is mitigated as the customer has established track record of regular and timely payments.

The expected loss rates are based on the payment profiles of sales over a period of 18 months before 31 December 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the inflation rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The Group does not hold any collateral as security.

The Group considers any trade receivables overdue for more than a year to be in default and are accordingly fully provided for. The loss rates for the other ageing buckets are not significant. The identified ECL on trade and other receivables is trivial and accordingly, the Group has not recognised any ECL provision during the year ended 31 December 2025.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the profit or loss.

The other classes within trade and other receivables do not contain impaired assets and are also not exposed to significant credit risk. The maximum exposure to credit risk at reporting date is the carrying amount of each receivable.

(iii) Net investment in finance lease

Net investment in finance lease is stated at amortised cost. The Company uses simplified approach under IFRS 9 to calculate the ECL allowance. At 31 December 2025 and 2024, the ECL allowance on net investment in finance lease was immaterial.

31 Financial risk management (continued)

31.1 Financial risk factors (continued)

(iv) Cash and cash equivalents

The Group uses "lower credit risk" practical expedient for the cash and cash equivalents with the assumption that the credit risk on such financial instruments has not increased significantly since initial recognition, and therefore the ECL is estimated at an amount equal to the expected credit losses for a period of 12 months. Cash and cash equivalents are placed with banks having minimum credit ratings of A3 or better, and therefore are not subject to significant credit risk. The stated rating is as per the global bank ratings by Moody's Investors Service. Management does not expect any losses from non-performance by these counterparties. At 31 December 2025 and 31 December 2024, the ECL allowance on cash at bank was immaterial.

These are placed with banks having minimum credit ratings of BBB or better, and therefore are not subject to significant credit risk. The stated rating is as per the global bank ratings by Moody's Investors Service. Management does not expect any losses from non-performance by these counterparties. At 31 December 2025 and 2024, the ECL allowance on cash at bank was immaterial.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. In addition, the Group has access to credit facilities as made available.

Total unused credit facilities available to the Group as at 31 December 2025 were approximately Saudi Riyals 2,990.0 million (31 December 2024: Saudi Riyals 2,714.6 million).

Cash flow forecasting is performed by the management which monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits on any of its borrowing facilities. Such cash flow forecasts consider, among other items, that the Group has pre-agreed fixed profit rates from its customers under Murabaha and Tawarruq financing contracts, whereas, its borrowings from commercial banks are based on SAIBOR based variable finance costs. The maturity profile of financial assets and financial liabilities are set out in the table below which demonstrates a significant head room of financial assets over financial liabilities. Management also believes that any change in the variable finance costs of their borrowings would not result in the entity facing any liquidity issues. The cash flows of the Group, during the year ended 31 December 2025, have been principally consistent with the underlying budgeted forecasts and there are no developments which might indicate towards any potential liquidity concerns in the near future.

The table below summarises the Group's financial liabilities into the relevant maturity groupings based on the remaining contractual maturity period at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying amounts, as the ultimate amounts to be realised is not significantly different from the carrying amounts.

(All amounts in Saudi Riyals thousands unless otherwise stated)

31 Financial risk management (continued)

31.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

	Less than one year	1-2 Years	3-5 years	Above 5 years	Total
31 December 2025					
Trade and other payables	1,039,658	-	-	-	**1,039,658**
Borrowings	984,991	418,688	238,687	-	**1,642,366**
Lease liabilities	84,776	82,925	240,738	509,212	**917,651**
Total	**2,109,425**	**501,613**	**479,425**	**509,212**	**3,599,675**
31 December 2024					
Trade and other payables	987,059	-	-	-	987,059
Borrowings	426,614	368,394	480,661	-	1,275,669
Lease liabilities	83,456	81,206	236,761	547,783	949,206
Total	1,497,129	449,600	717,422	547,783	3,211,934

(d) Capital risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as borrowings divided by total capital. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus borrowings, which is analysed as follows:

	2025	2024
Total equity	**2,078,136**	2,043,450
Borrowings	**1,651,946**	1,275,669
Total	**3,730,082**	3,319,119
Gearing ratio	**44.29%**	38.43%

The management and Board of Directors do not consider lease liabilities for the purpose of calculating its gearing ratio.

(All amounts in Saudi Riyals thousands unless otherwise stated)

31 Financial risk management (continued)

31.1 Financial risk factors (continued)

(e) Fair value estimation

As at 31 December 2025 and 2024, all financial assets and financial liabilities of the Group are categorised as held at amortised cost. Management believes that the fair values of the Group's financial assets and liabilities, except for investment in Islamic financing contracts, as at 31 December 2025 are not materially different from their carrying values since the financial instruments are short-term in nature, carry profit rates which are based on prevailing market profit rates and are expected to be realised at their current carrying values within twelve months from the date of the consolidated statement of financial position. The fair values of the non-current financial instruments are estimated to approximate their carrying values as these carry profit rates which are based on prevailing market profit rates.

The fair value of investment in Islamic financing contracts was determined to be approximately Saudi Riyals 3,210.5 million as at 31 December 2025 (against the present value of investment in Islamic financing contracts of Saudi Riyals 3,149.7 million), based on discounted cash flows using the current market rates.

(f) Net debt reconciliation

The net debt of the Group at 31 December is as follows:

	2025	**2024**
Cash and cash equivalents	**(201,394)**	(475,569)
Lease liabilities	**624,526**	629,242
Borrowings	**1,651,946**	1,275,669
Total	**2,075,078**	1,429,342

The Group’s net debt reconciliation is as follows:

	1 January	**Cash flows**	**Others**	**31 December**
2025				
Cash and cash equivalents	(475,569)	274,175	-	**(201,394)**
Lease liabilities	629,242	(104,092)	99,376	**624,526**
Borrowings	1,275,669	369,507	6,770	**1,651,946**
Net debt	1,429,342	**539,590**	**106,146**	**2,075,078**

	1 January	**Cash flows**	**Others**	**31 December**
2024				
Cash and cash equivalents	(151,272)	(324,297)	-	(475,569)
Lease liabilities	618,779	(97,245)	107,708	629,242
Borrowings	1,353,359	(78,912)	1,222	1,275,669
Net debt	1,820,866	(500,454)	108,930	1,429,342

(All amounts in Saudi Riyals thousands unless otherwise stated)

32 Financial instruments

As at 31 December 2025 and 2024, all financial assets and financial liabilities of the Group are categorised as held at amortised cost.

The breakdown of these financial assets and liabilities is as follows:

	2025	**2024**
Assets carried at amortised cost as per statement of financial position		
Investment in Islamic financing contracts	**3,046,240**	2,407,143
Trade and other receivables	**112,052**	97,313
Cash and cash equivalents	**201,394**	475,569
Total	**3,359,686**	2,980,025

	2025	**2024**
Liabilities carried at amortised cost as per statement of financial position		
Trade and other payables	**909,377**	898,457
Borrowings	**1,651,946**	1,275,669
Lease liabilities	**624,526**	629,242
Total	**3,185,849**	2,803,368

For the purpose of the financial instruments disclosure, non-financial assets and non-financial liabilities amounting to Saudi Riyals 88.2 million and Saudi Riyals 88.6 million, respectively (2024: Saudi Riyals 79.1 million and Saudi Riyals 88.6 million, respectively) have been excluded from trade and other receivables and trade and other payables, respectively.

33 Dividends

The Company's Board of Directors, in their meeting held on 4 March 2025, resolved to distribute cash dividends of Saudi Riyal 3.0 per share, amounting to Saudi Riyal 240.0 million, for the second half of the year ended 31 December 2024 (2024: Saudi Riyals 160.0 million for the second half of the year ended 31 December 2023) which was fully paid during the year ended 31 December 2025.

The Company's Board of Directors, in their meeting held on 30 July 2025, resolved to distribute cash dividends of Saudi Riyal 2.0 per share, amounting to Saudi Riyal 160.0 million, for the first half of the year ended 31 December 2025 (2024: Saudi Riyals 160.0 million for the first half of the year ended 31 December 2024) which was fully paid during the year ended 31 December 2025.

Dividends presented in the consolidated statement of changes in equity are net of dividends on treasury shares.

34 Contingencies and commitments

(i) At 31 December 2025, the Group was contingently liable for bank guarantees and letters of credit issued in the normal course of business amounting to Saudi Riyals 807.8 million (2024: Saudi Riyals 683.3 million).

(ii) As at 31 December 2025 and 2024, there were no significant capital expenditure or other commitments.

35 Events after the reporting period

No such events have arisen subsequent to 31 December 2025 and before the date of authorisation of issue of these consolidated financial statements which may have a material impact on these consolidated financial statements as at 31 December 2025.