UNITED ELECTRONICS COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 AND REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim financial information (Unaudited)
For the three-month period ended 31 March 2025

Report on review of Condensed Consolidated Interim Financial Information

To the shareholders of United Electronics Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of United Electronics Company (the "Company") and its subsidiaries (the "Group") as of 31 March 2025 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Ali A. Alotaibi
License Number 379

6 May 2025

برايس وترهاوس كوبرز
محاسبون قانونيون
ترخيص ٣٢٣/١١/٢٥/١
س.ت ٤٠٣٠٢٨٩٠٠٢
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UNITED ELECTRONICS COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of profit or loss and other comprehensive income
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the three-month period ended 31 March 2025 (Unaudited)	2024 (Unaudited)
Sales and services		**1,566,012**	1,441,768
Income from Islamic financing contracts		**174,656**	139,652
Total revenue	5	**1,740,668**	1,581,420
Cost of revenues		**(1,339,547)**	(1,235,758)
Gross profit		**401,121**	345,662
Selling and distribution expenses		**(180,667)**	(154,893)
General and administrative expenses		**(66,273)**	(54,346)
Net impairment losses on financial assets	6	**(30,634)**	(17,819)
Other expenses		**(126)**	(340)
Other income		**1,753**	773
Finance charges		**(11,168)**	(15,896)
Profit before zakat and income tax		**114,006**	103,141
Zakat expense		**(9,810)**	(9,171)
Income tax expense		**(752)**	(107)
Net profit for the period		**103,444**	93,863
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**(422)**	(212)
Total comprehensive income for the period		**103,022**	93,651
Net profit for the year is attributable to:			
Owners of United Electronics Company		**86,102**	93,863
Non-controlling interests		**17,342**	-
		103,444	93,863
Total comprehensive income is attributable to:			
Owners of United Electronics Company		**85,701**	93,651
Non-controlling interests		**17,321**	-
		103,022	93,651
Earnings per share			
Basic earnings per share	12	**1.35**	1.23
Diluted earnings per share	12	**1.29**	1.17

The accompanying notes are an integral part of this condensed consolidated interim financial information.

The condensed consolidated interim financial information was approved by the Board of Directors on 5 May 2025 and was signed on its behalf by:

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

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

	Note	As at 31 March 2025	As at 31 December 2024
		(Unaudited)	(Audited)
Assets			
Non-current assets			
Property and equipment		**491,832**	486,483
Right-of-use assets		**467,278**	462,693
Net investment in finance leases		**43,427**	43,902
Intangible assets		**56,396**	57,304
Goodwill		**529**	529
Trade and other receivables		**9,608**	9,611
Investment in Islamic financing contracts	6	**1,273,900**	1,212,167
Total non-current assets		**2,342,970**	2,272,689
Current assets			
Inventories		**1,376,615**	1,288,430
Net investment in finance lease		**4,275**	3,115
Trade and other receivables		**256,451**	166,843
Investment in Islamic financing contracts	6	**1,279,957**	1,194,976
Cash and cash equivalents	7	**526,117**	475,569
Total current assets		**3,443,415**	3,128,933
Total assets		**5,786,385**	5,401,622
Equity and liabilities			
Equity			
Share capital		**800,000**	800,000
Other reserves		**50,883**	48,159
Retained earnings		**759,928**	903,263
Treasury shares		**(41,766)**	(41,766)
Equity attributable to the Owners of United Electronics Company		**1,569,045**	1,709,656
Non-controlling interests		**351,115**	333,794
Net equity		**1,920,160**	2,043,450
Liabilities			
Non-current liabilities			
Deferred revenue		**170,382**	162,121
Lease liabilities		**587,059**	596,864
Borrowings	8	**981,274**	849,056
Employee benefit obligations		**90,633**	88,604
Total non-current liabilities		**1,829,348**	1,696,645

(Continued)

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

	Note	As at 31 March 2025	As at 31 December 2024
		(Unaudited)	**(Audited)**
Current liabilities			
Trade and other payables	9	**1,325,050**	987,059
Deferred revenue		**173,177**	165,663
Lease liabilities		**42,267**	32,378
Borrowings	8	**436,195**	426,613
Zakat and income tax payable		**60,188**	49,814
Total current liabilities		**2,036,877**	1,661,527
Total liabilities		**3,866,225**	3,358,172
Total equity and liabilities		**5,786,385**	5,401,622

The accompanying notes are an integral part of this condensed consolidated interim financial information.

The condensed consolidated interim financial information was approved by the Board of Directors on 5 May 2025 and was signed on its behalf by:

Wael Mohammed 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)
Condensed consolidated interim 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	Retained earnings	Treasury shares	Equity attributable to the Owners of United Electronics Company	Non-controlling interests	Total equity
At 1 January 2024 (Audited)		800,000	24,278	(3,742)	(5,823)	14,713	515,113	(45,461)	1,284,365	-	1,284,365
Profit for the period		-	-	-	-	-	93,863	-	93,863	-	93,863
Other comprehensive loss for the period		-	-	(212)	-	(212)	-	-	(212)	-	(212)
Total comprehensive income for the period		-	-	(212)	-	(212)	93,863	-	93,651	-	93,651
Dividends	15	-	-	-	-	-	(152,956)	-	(152,956)	-	(152,956)
Employee share schemes - value of employee services		-	4,500	-	-	4,500	-	-	4,500	-	4,500
At 31 March 2024 (Unaudited)		800,000	28,778	(3,954)	(5,823)	19,001	456,020	(45,461)	1,229,560	-	1,229,560
At 1 January 2025 (Audited)		**800,000**	**51,083**	**(369)**	**(2,555)**	**48,159**	**903,263**	**(41,766)**	**1,709,656**	**333,794**	**2,043,450**
Profit for the period		-	-	-	-	-	86,102	-	**86,102**	**17,342**	**103,444**
Other comprehensive loss for the period		-	-	(401)	-	(401)	-	-	**(401)**	**(21)**	**(422)**
Total comprehensive income for the period		-	-	(401)	-	(401)	86,102	-	**85,701**	**17,321**	**103,022**
Dividends	15	-	-	-	-	-	(229,437)	-	**(229,437)**	-	**(229,437)**
Employee share schemes - value of employee services		-	3,125	-	-	3,125	-	-	**3,125**	-	**3,125**
At 31 March 2025 (Unaudited)		**800,000**	**54,208**	**(770)**	**(2,555)**	**50,883**	**759,928**	**(41,766)**	**1,569,045**	**351,115**	**1,920,160**

The accompanying notes are an integral part of this condensed consolidated interim financial information.

The condensed consolidated interim financial information was approved by the Board of Directors on 5 May 2025 and was signed on its behalf by:

Wael Mohammed Mohammed Khalil
Chief Financial Officer

Mohammed Galal Ali Fahmy
Chief Executive Officer

Yousef Ali Zaid Al Quraishi

Chairman of the board of directors

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

	Note	For the three-month period ended 31 March 2025 (Unaudited)	2024 (Unaudited)
Cash flows from operating activities			
Profit before zakat and income tax		**114,006**	103,141
Adjustments for:			
Depreciation of property and equipment		**11,437**	12,537
Write-off of property and equipment		**-**	344
Depreciation of right-of-use assets		**14,858**	12,738
Amortisation of intangible assets		**3,975**	4,255
Employee share schemes - value of employee services		**3,125**	4,500
Net impairment losses on financial assets	6	**30,634**	17,819
Amorisation of deferred revenue		**(49,525)**	(46,985)
Finance income from net investment in finance lease		**(685)**	(710)
Finance charges		**32,255**	34,289
Provision for employee benefit obligations		**4,005**	7,984
Changes in operating assets and liabilities:			
(Increase) decrease in trade and other receivables		**(89,605)**	5,700
Decrease in investment in Islamic financing contracts		**(177,348)**	(130,868)
Decrease in inventories		**(88,185)**	(37,956)
Increase in trade and other payables		**108,132**	384,542
Increase in deferred revenue from extended warranty program		**65,300**	58,808
Cash (used in) generated from operations		**(17,621)**	430,138
Employee benefit obligations paid		**(1,976)**	(1,011)
Finance cost paid		**(33,455)**	(35,037)
Zakat and income tax paid		**(188)**	-
Net cash (outflow) inflow from operating activities		**(53,240)**	394,090
Cash flows from investing activities			
Payments for purchases of property and equipment		**(16,786)**	(19,514)
Payments for purchases of intangible assets		**(3,067)**	(1,864)
Net cash outflow from investing activities		**(19,853)**	(21,378)
Cash flows from financing activities			
Proceeds from long-term borrowings		**478,000**	545,748
Repayment of long-term borrowings		**(335,000)**	(222,162)
Proceeds from short-term borrowings		**125,000**	304,100
Repayment of short-term borrowings		**(125,000)**	(762,772)
Dividends paid		**-**	(152,956)
Principal elements of lease payments		**(19,359)**	(30,117)
Net cash inflow (outflow) from financing activities		**123,641**	(318,159)

(Continued)

Condensed consolidated interim statement of cash flows (continued)
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the three-month period ended 31 March	
		2025 (Unaudited)	**2024 (Unaudited)**
Net increase in cash and cash equivalents		**50,548**	54,553
Cash and cash equivalents at beginning of period		**475,569**	152,604
Cash and cash equivalents at end of period	7	**526,117**	207,157
Non-cash investing and financing activities:			
Right-of-use assets recorded against lease liabilities		**19,443**	2,526
Dividend declared, not paid		**(229,437)**	-

The accompanying notes are an integral part of this condensed consolidated interim financial information.

The condensed consolidated interim financial information was approved by the Board of Directors on 5 May 2025 and was signed on its behalf by:

Wael Mohammed Mohammed Khalil Chief Financial Officer	Mohammed Galal Ali Fahmy Chief Executive Officer	Yousef Ali Zaid Al Quraishi Chairman of the board of directors

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(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 2051029841 dated 10 Jumada II 1425H (corresponding to 27 July 2004). The shares of the Company were listed on the Saudi Stock Exchange ("Saudi Exchange") on 24 December 2011.

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

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 condensed consolidated interim financial information include the activities of the Company and its following wholly owned 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")	Kingdom of Saudi Arabia	**70%**	100%
United Company for Financial Services ("UCFS")	Kingdom of Saudi Arabia	**70%**	100%
Procco Financial Services W.L.L. ("Procco")	Kingdom of Bahrain	**70%**	100%

As at 31 March 2025, the Group had a total of 56 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 Proposed incorporation of a new subsidiary

During the three-month period ended 31 March 2025, UIHC signed a memorandum of understanding with Nowpay Corp Fintech Company, a company incorporated in Cayman Islands, to establish a new entity in the Kingdom of Saudi Arabia with an initial investment up to Saudi Riyals 75.0 million, after obtaining the required regulatory approvals. As of the date of approval of this condensed consolidated interim financial information, UIHC has obtained approvals from the Ministry of Investment in the Kingdom of Saudi Arabia, and the remaining legal and regulatory formalities are in progress.

Such entity will be engaged in the provision of payroll administration and processing services in the Kingdom of Saudi Arabia. UIHC will hold a 75% equity interest in the new entity, with the remaining 25% to be held by Nowpay Corp Fintech Company.

The accompanying condensed consolidated interim financial information was approved by the Company's Board of Directors on 5 May 2025.

2 Accounting policies

The principal accounting policies applied in the preparation of the condensed consolidated interim financial information of the Group are consistent with those of the previous financial year and corresponding interim reporting periods.

2.1 Basis of preparation

(a) Statement of compliance

This condensed consolidated interim financial information of the Group as of 31 March 2025 and for the three-month period then ended has been prepared in compliance with IAS 34 “Interim Financial Reporting” (“IAS 34”), as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

The condensed consolidated interim financial information do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024 (“Last Annual Financial Statements”). However, changes in accounting policies, if any and selected explanatory notes are included to explain events and transactions that are significant for understanding the changes in the Group’s consolidated financial position and performance since the Last Annual Financial Statements.

An interim period is considered as an integral part of the whole fiscal year. However, the results of operations for the interim periods may not be a fair indication of the results of the full year operations.

(b) New standards, amendments 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 Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting this amendment.

(c) 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 March 2025 reporting period and have not been early adopted by the Group.

- Classification and measurement of financial instruments - (Amendments to IFRS 9 and IFRS 7);
- Subsidiaries without Public Accountability: Disclosures (IFRS 19); and
- Presentation and Disclosure in Financial Statements (IFRS 18).

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

3 Fair value of assets and liabilities

As at 31 March 2025 and 31 December 2024, all financial assets and financial liabilities of the Group are categorised as held at amortized cost. Management believes that the fair values of the Group's financial assets and liabilities as at 31 March 2025 and 31 December 2024 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 realized at their current carrying values within twelve months from the date of the 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. During the three-month period ended 31 March 2025, there have been no significant market developments which might indicate towards a potential change in fair value of the Group's financial instruments.

4 Critical accounting estimates and judgements

The preparation of condensed consolidated interim financial information 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 judgements 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 judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no significant changes in critical accounting estimates and judgements used by management in the preparation of the condensed consolidated interim financial information from those that were applied and disclosed in the annual consolidated financial statements for the year ended 31 December 2024. Also see Notes 6 and 14.

(All amounts in Saudi Riyals thousands unless otherwise stated)

5 Revenue

	For the three-month period ended 31 March	
	2025 (Unaudited)	**2024 (Unaudited)**
Recognised at a point in time		
Retail	**1,182,143**	1,038,978
E-commerce	**319,348**	342,697
Wholesale	**11,663**	12,537
	1,513,154	1,394,212
Recognised over time		
Extended warranty program	**45,848**	40,851
Others	**7,010**	6,705
	52,858	47,556
Total sales and services	**1,566,012**	1,441,768
Income from Islamic financing contracts	**174,656**	139,652
	1,740,668	1,581,420

6 Investment in Islamic financing contracts

	31 March 2025	**31 December 2024**
	(Unaudited)	**(Audited)**
Investment in Tawarruq financing contracts, net	**1,975,163**	1,883,590
Investment in Murabaha financing contracts, net	**43,179**	65,871
Investment in Islamic credit cards, net	**535,515**	457,682
	2,553,857	2,407,143
Less: non- current portion	**(1,273,900)**	(1,212,167)
Current portion	**1,279,957**	1,194,976

(All amounts in Saudi Riyals thousands unless otherwise stated)

6 Investment in Islamic financing contracts (continued)

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

	Installment sales		Tawarruq finance		Murabaha finance		Islamic credit card		Total	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Gross investment in Islamic financing contracts	**28,820**	29,912	**3,014,522**	2,863,543	**52,157**	80,771	**645,544**	551,924	**3,741,043**	3,526,150
Unearned finance and processing fee income	**(5,122)**	(6,214)	**(977,052)**	(924,498)	**(7,095)**	(12,173)	**(90,892)**	(79,843)	**(1,080,161)**	(1,022,728)
Present value of investment in Islamic financing contracts ("P.V of I.F.C.")	**23,698**	23,698	**2,037,470**	1,939,045	**45,062**	68,598	**554,652**	472,081	**2,660,882**	2,503,422
Allowance for ECL	**(23,698)**	(23,698)	**(62,307)**	(55,455)	**(1,883)**	(2,727)	**(19,137)**	(14,399)	**(107,025)**	(96,279)
Net investment in Islamic financing contracts ("Net investment in I.F.C.")	**-**	-	**1,975,163**	1,883,590	**43,179**	65,871	**535,515**	457,682	**2,553,857**	2,407,143
Net investment in I.F.C. - non-current portion	**-**	-	**(1,268,478)**	(1,202,280)	**(5,422)**	(9,887)	**-**	-	**(1,273,900)**	(1,212,167)
Net investment in I.F.C. - current portion	**-**	-	**706,685**	681,310	**37,757**	55,984	**535,515**	457,682	**1,279,957**	1,194,976

(All amounts in Saudi Riyals thousands unless otherwise stated)

6 Investment in Islamic financing contracts (continued)

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

	Installment sales		Tawarruq finance		Murabaha finance		Islamic credit card		Total	
	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2025 (Unaudited)	31 December 2024 (Audited)
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 period / year	**-**	(1,727)	**31,572**	85,784	**1,652**	17,536	**7,649**	17,350	**40,873**	118,943
Amounts written-off	**-**	-	**(24,720)**	(79,692)	**(2,496)**	(26,459)	**(2,911)**	(5,481)	**(30,127)**	(111,632)
Closing balance	**23,698**	23,698	**62,307**	55,455	**1,883**	2,727	**19,137**	14,399	**107,025**	96,279

6.2.1 Net impairment losses on financial assets:

	Installment sales		Tawarruq finance		Murabaha finance		Islamic credit card		Total	
	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Charge for the period / year	**-**	(1,727)	**31,572**	85,784	**1,652**	17,536	**7,649**	17,350	**40,873**	118,943
Recoveries of amounts previously written off	**-**	-	**(7,858)**	(18,797)	**(2,032)**	(6,816)	**(349)**	(150)	**(10,239)**	(25,763)
Net impairment losses on financial assets	**-**	(1,727)	**23,714**	66,987	**(380)**	10,720	**7,300**	17,200	**30,634**	93,180

(All amounts in Saudi Riyals thousands unless otherwise stated)

6 Investment in Islamic financing contracts (continued)

6.3 Stage-wise analysis of Islamic financing contracts and the respective ECL are as follows:

	Instalment sales			**Tawarruq finance**			**Murabaha finance**			**Islamic credit card**			**Total**		
31 March 2025 (Unaudited)	**P.V of I.F.C**	**Allowance for ECL**	**Net investment in I.F.C**	**P.V of I.F.C**	**Allowance for ECL**	**Net investment in I.F.C**	**P.V of I.F.C**	**Allowance for ECL**	**Net investment in I.F.C**	**P.V of I.F.C.**	**Allowance for ECL**	**Net investment in I.F.C**	**P.V of I.F.C**	**Allowance for ECL**	**Net investment in I.F.C**
Performing (Stage 1)	-	-	-	**1,807,867**	**(18,116)**	**1,789,751**	**35,119**	**(137)**	**34,982**	**494,161**	**(4,695)**	**489,466**	**2,337,147**	**(22,948)**	**2,314,199**
Under-performing (Stage 2)	-	-	-	**62,570**	**(9,757)**	**52,813**	**1,949**	**(169)**	**1,780**	**18,135**	**(3,952)**	**14,183**	**82,654**	**(13,878)**	**68,776**
Non-performing (Stage 3)	**23,698**	**(23,698)**	-	**167,033**	**(34,434)**	**132,599**	**7,994**	**(1,577)**	**6,417**	**42,356**	**(10,490)**	**31,866**	**241,081**	**(70,199)**	**170,882**
	23,698	**(23,698)**	-	**2,037,470**	**(62,307)**	**1,975,163**	**45,062**	**(1,883)**	**43,179**	**554,652**	**(19,137)**	**535,515**	**2,660,882**	**(107,025)**	**2,553,857**

	Instalment sales			**Tawarruq finance**			**Murabaha finance**			**Islamic credit card**			**Total**		
31 December 2024 (Audited)	**P.V of I.F.C.**	**Allowance for ECL**	**Net investment in I.F.C.**	**P.V of I.F.C.**	**Allowance for ECL**	**Net investment in I.F.C.**	**P.V of I.F.C.**	**Allowance for ECL**	**Net investment in I.F.C.**	**P.V of I.F.C.**	**Allowance for ECL**	**Net investment in I.F.C.**	**P.V of I.F.C.**	**Allowance for ECL**	**Net investment 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)

6 Investment in Islamic financing contracts (continued)

6.4 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)	**(1,779)**	**12,295**	**(380)**	**10,136**
Individual financial assets transferred to non -performing (credit-impaired financial assets)	**(1,742)**	**(8,584)**	**15,753**	**5,427**
Individual financial assets transferred to performing (12-month expected credit losses)	**782**	**(1,678)**	**(1,396)**	**(2,292)**
New financial assets originated	**3,848**	**-**	**-**	**3,848**
Amounts written-off	**-**	**-**	**(30,127)**	**(30,127)**
Other changes	**2,674**	**(466)**	**21,546**	**23,754**
31 March 2025	**22,948**	**13,878**	**70,199**	**107,025**

	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)

6 Investment in Islamic financing contracts (continued)

6.5 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-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)**
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	-	-	-	736	(1,348)	(1,020)	7	(37)	(56)	39	(293)	(320)	782	(1,678)	(1,396)
- Stage 2	-	-	-	(1,591)	8,233	(357)	(23)	125	(17)	(165)	3,936	(6)	(1,779)	12,294	(380)
- Stage 3	-	-	-	(985)	(5,914)	10,510	(13)	(141)	362	(745)	(2,529)	4,881	(1,743)	(8,584)	15,753
New financial assets originated	-	-	-	2,805	-	-	-	-	-	1,042	-	-	3,847	-	-
Amounts written-off	-	-	-	-	-	(24,720)	-	-	(2,497)	-	-	(2,912)	-	-	(30,129)
Other changes	-	-	-	2,764	(329)	18,068	(34)	(27)	1,507	(54)	(109)	1,973	2,676	(465)	21,548
At 31 March	-	-	23,698	18,116	9,757	34,434	137	169	1,577	4,695	3,952	10,490	22,948	13,878	70,199

(All amounts in Saudi Riyals thousands unless otherwise stated)

6 Investment in Islamic financing contracts (continued)

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

	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-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)**
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

6 Investment in Islamic financing contracts (continued)

6.5 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 three-month period ended 31 March 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.
- Additional allowances for new financial assets recognised during the period;
- 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)

6 Investment in Islamic financing contracts (continued)

6.6 Category-wise movement in stage-wise gross carrying amounts of net 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	-	-	-	49,510	(10,593)	(38,917)	5,033	(635)	(4,398)	6,742	(1,711)	(5,031)	61,285	(12,939)	(48,346)
- Stage 2	-	-	-	(49,513)	51,251	(1,738)	(1,376)	1,457	(82)	(17,393)	17,418	(24)	(68,282)	70,126	(1,844)
- Stage 3	-	-	-	(48,321)	(36,331)	84,652	(347)	(1,475)	1,822	(7,460)	(11,454)	18,914	(56,128)	(49,260)	105,388
New financial assets originated	-	-	-	347,808	-	-	86	-	-	131,832	-	-	479,726	-	-
Amounts written-off	-	-	-	-	-	(24,720)	-	-	(2,497)	-	-	(2,912)	-	-	(30,129)
Collections and other changes	-	-	-	(215,602)	(988)	(8,073)	(23,066)	(300)	2,242	(50,670)	626	3,694	(289,338)	(662)	(2,137)
At 31 March	-	-	23,698	1,807,867	62,570	167,033	35,119	1,949	7,994	494,161	18,135	42,356	2,337,147	82,654	241,081

(All amounts in Saudi Riyals thousands unless otherwise stated)

6 Investment in Islamic financing contracts (continued)

6.6 Category-wise movement in stage-wise gross carrying amounts of net 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)

6 Investment in Islamic financing contracts (continued)

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

	31 March 2025	31 December 2024
Gross investment in Islamic financing contracts		
Within one year	**1,675,570**	1,507,452
From one to two years	**936,161**	922,557
From two to three years	**564,724**	557,563
From three to four years	**381,942**	376,033
Four to five years	**182,646**	162,545
	3,741,043	3,526,150
Present value of investment in Islamic financing contracts		
Within one year	**1,343,209**	1,263,995
From one to two years	**607,418**	588,174
From two to three years	**382,416**	353,346
From three to four years	**230,752**	213,495
Four to five years	**97,087**	84,412
	2,660,882	2,503,422

7 Cash and cash equivalents

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Cash at bank	**510,701**	146,460
Cash in hand	**15,416**	9,665
Time deposits	**-**	319,444
	526,117	475,569

8 Borrowings

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Long-term borrowings		
Murabaha facilities	**1,410,449**	1,267,450
Accrued finance costs	**7,020**	8,219
	1,417,469	1,275,669
Classification of borrowings is presented below:		
Current portion (including short-term borrowings)	**436,195**	426,613
Non-current portion	**981,274**	849,056
	1,417,469	1,275,669

(All amounts in Saudi Riyals thousands unless otherwise stated)

8 Borrowings (continued)

8.1 The movement in the Groups borrowings is as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
As at 1 January	**1,275,669**	1,353,359
Proceeds from long-term borrowings	**478,000**	923,101
Proceeds from short-term borrowings	**125,000**	1,776,218
Repayment of long-term borrowings	**(335,000)**	(595,188)
Repayment of short-term borrowings	**(125,000)**	(2,183,006)
Finance cost accrued	**21,315**	139,913
Finance cost paid	**(22,515)**	(138,728)
As at 31 December	**1,417,469**	1,275,669

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

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Less than 6 months	**206,682**	209,198
Between 6 to 12 months	**222,494**	209,197
Between 1 and 2 years	**401,613**	368,394
Between 2 and 5 years	**579,660**	480,661
	1,410,449	1,267,450

Maturity profile of borrowings, including finance cost component, is disclosed in Note 14.

8.3 UCFS 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 Company'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	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Long-term borrowings			
Murabaha IV	8.3.1	**565,499**	350,000
Murabaha VI	8.3.2	**189,450**	234,575
Murabaha VII	8.3.3	**472,375**	487,250
Murabaha VIII	8.3.4	**183,125**	195,625
		1,410,449	1,267,450
Accrued finance cost		**7,020**	8,219
		1,417,469	1,275,669

8 Borrowings (continued)

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 UCFS was in compliance with at 31 March 2025.

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

8.3.1 Murabaha IV

Total amount available to UCFS under such facility is Saudi Riyals 875.0 million. Each tranche of facility utilization is repayable in 16 quarterly installments commencing 6 months after receipt of the borrowed amount. As at 31 March 2025, UCFS had an outstanding loan balance of Saudi Riyals 565.5 million against this facility (31 December 2024: Saudi Riyals 350.0 million).

Under the terms of this borrowing facility, UCFS is required to maintain a minimum ratio of 1.2 to 1 of earnings before interest, tax, depreciation and amortization ("EBITDA") to Debt Service. As at 31 March 2025, the ratio of EBITDA to debt service was 4.2 (31 December 2024: 4.2), in compliance with the requirements of the minimum ratio as set out in such facility agreement. UCFS is also required to monitor the aggregate amount of financing offered by UCFS in line with the regulatory requirements of SAMA, which requires companies engaged in financing other than real estate, not to exceed aggregate financing to capital ratio of three times, which is calculated by dividing net investment in Islamic financing contracts by total equity. As at 31 March 2025, such ratio of investment in Islamic financing contracts to net equity was 2.2 (31 December 2024: 2.2), in compliance with the requirements of SAMA.

8.3.2 Murabaha VI

Total amount available to UCFS under such facility is Saudi Riyals 800.0 million. Each tranche of facility utilization is repayable in 20 quarterly installments commencing 3 months after receipt of the borrowed amount. As at 31 March 2025, UCFS has an outstanding loan balance of Saudi Riyals 189.5 million against this facility (31 December 2024: Saudi Riyals 234.6 million).

Under the terms of this borrowing facility, UCFS is required to maintain a minimum current ratio of 1.05. As at 31 March 2025, the current ratio was 2.6 (31 December 2024: 2.4), in compliance with the requirements of the minimum ratio as set out in such facility agreement.

8.3.3 Murabaha VII

Total amount available to UCFS under such facility is Saudi Riyals 500.0 million. Each tranche of facility utilization is repayable in 20 quarterly installments commencing 3 months after receipt of the borrowed amount. As at 31 March 2025, UCFS has an outstanding loan balance of Saudi Riyals 472.4 million against this facility (31 December 2024: Saudi Riyals 487.3 million).

Under the terms of this borrowing facility, UCFS is required to maintain a minimum current ratio of 1.1. As at 31 March 2025, the current ratio was 2.6 (31 December 2024: 2.4), in compliance with the requirements of the minimum ratio as set out in such facility agreement. UCFS is also required to maintain a minimum net equity balance of Saudi Riyals 480.0 million. As at 31 March 2025, the net equity for UCFS was Saudi Riyals 1,169.1 million (31 December 2024: Saudi Riyals 1,110.0 million), in compliance with the requirements of the minimum balance as set out in such facility agreement.

8.3.4 Murabaha VIII

Total amount available to UCFS under such facility is Saudi Riyals 200.0 million. Each tranche of facility utilization is repayable in 48 monthly installments commencing one month after receipt of the borrowed amount. As at 31 March 2025, UCFS has an outstanding loan balance of Saudi Riyals 183.1 million against this facility (31 December 2024: Saudi Riyals 195.6 million).

(All amounts in Saudi Riyals thousands unless otherwise stated)

8 Borrowings (continued)

8.3.4 Murabaha VIII (continued)

Under the terms of this borrowing facility, UCFS is required to comply with certain financial covenants which are as follows:

- UCFS' borrowings to total equity ratio is required to not exceed the ratio of 3 to 1. As at 31 March 2025, the ratio of borrowings to total equity was 1.2 (31 December 2024: 1.2);
- UCFS' borrowings to not exceed 80% of net investment in Islamic financing contracts for both stage 1 and stage 2. As at 31 March 2025, such ratio of borrowings to Islamic financing contracts for both stage 1 and stage 2 was 59.5% (31 December 2024: 56.6%);
- UCFS' non-performing (stage 3) balance of net investment in Islamic financing contracts to not exceed 10% of the net investment in Islamic financing contracts. As at 31 March 2025, the ratio of non-performing balance to Islamic financing contracts was 6.7% (31 December 2024: 6.4%); and
- the Company's shareholding (direct or indirect) in UCFS to not go below 51%. As at 31 March 2025, the Company's shareholding indirectly held was 70% (31 December 2024: 70%).

UCFS is in compliance with the afore-mentioned requirements as set out in such facility agreement.

8.3.5 Murabaha IX

Total amount available to UCFS under such facility is Saudi Riyals 150.0 million, which is unutilized as at 31 March 2025.

9 Trade and other payables

	Note	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Trade payables		**829,239**	735,397
Dividends payable		**226,671**	-
Advances from customers		**94,012**	49,261
Accrued expenses		**72,721**	79,475
Salaries and benefits		**31,451**	48,023
Gift cards		**20,262**	20,451
Value added tax payable		**11,037**	28,399
Due to related parties	11	**2,941**	5,522
Others		**36,716**	20,531
		1,325,050	987,059

10 Segmental information

a) Operating segments

The Group is organized 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".

(All amounts in Saudi Riyals thousands unless otherwise stated)

10 Segmental information

a) Operating segments (continued)

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 and Islamic credit card financing arrangements (Tas'heel).

The segmental information was as follows:

As at and for the three-month period ended 31 March 2025 (Unaudited)

	Sales and services	**Consumer finance**	**Others**	**Intersegment eliminations**	**Total**
Revenue					
- At a point in time	**1,513,154**	**-**	**-**	**-**	**1,513,154**
- Over time	**53,876**	**174,656**	**7,550**	**(8,568)**	**227,514**
	1,567,030	**174,656**	**7,550**	**(8,568)**	**1,740,668**
Net profit	**45,640**	**59,239**	**(1,435)**	**-**	**103,444**
Total assets	**3,298,579**	**2,697,982**	**14,581**	**(224,757)**	**5,786,385**
Total liabilities	**2,347,508**	**1,528,906**	**214,568**	**(224,757)**	**3,866,225**

For the three-month period ended 31 March 2024 (Unaudited)
(As conformed to 2025 presentation)

	Sales and services	**Consumer finance**	**Others**	**Intersegment eliminations**	**Total**
Revenue					
- At a point in time	1,396,841	-	-	-	1,396,841
- Over time	46,137	139,435	6,436	(7,429)	184,579
	1,442,978	139,435	6,436	(7,429)	1,581,420
Net profit	41,516	52,810	(463)	-	93,863

As at 31 December 2024 (Audited)

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.

(All amounts in Saudi Riyals thousands unless otherwise stated)

10 Segmental information (continued)

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 three-month period ended 31 March 2025 (Unaudited)

	Kingdom of Saudi Arabia	**Others**	**Intersegment eliminations**	**Total**
Revenue				
- At a point in time	**1,416,881**	**96,273**	**-**	**1,513,154**
- Over time	**225,771**	**10,311**	**(8,568)**	**227,514**
	1,642,652	**106,584**	**(8,568)**	**1,740,668**
Net profit	**102,192**	**1,252**	**-**	**103,444**
Total assets	**5,735,069**	**276,073**	**(224,757)**	**5,786,385**
Total liabilities	**3,833,014**	**257,968**	**(224,757)**	**3,866,225**

For the three-month period ended 31 March 2024 (Unaudited)
(As conformed to 2025 presentation)

	Kingdom of Saudi Arabia	**Others**	**Intersegment eliminations**	**Total**
Revenue				
- At a point in time	1,290,661	106,180	-	1,396,841
- Over time	183,349	8,659	(7,429)	184,579
	1,474,010	114,839	(7,429)	1,581,420
Net profit	92,308	1,555	-	93,863

As at 31 December 2024 (Audited)

	Kingdom of Saudi Arabia	**Others**	**Intersegment eliminations**	**Total**
Total assets	5,369,619	253,035	(221,032)	5,401,622
Total liabilities	3,342,742	236,462	(221,032)	3,358,172

11 Related party transactions and balances

Related party comprise the shareholders, affiliated companies 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.

(All amounts in Saudi Riyals thousands unless otherwise stated)

11 Related party transactions and balances (continued)

(a) The following significant transactions were entered into by the Group with its related parties:

Nature of transaction	Relationship	For the three-month period ended 31 March 2025 (Unaudited)	2024 (Unaudited)
Sales	Major shareholder	**22**	46
	Affiliated companies	**-**	1
Purchases	Associated Companies	**74**	237
Rental income	Associated companies	**389**	392
Rent expense	Associated companies	**1,313**	512
Other expenses charged by the company	Associated companies	**50**	44
Other expenses charged to the company	Associated companies	**-**	345
Shared service cost	Associated companies	**-**	1,694

The transactions are based on terms agreed as per the underlying agreements between the Group and the respective related parties.

(b) Key management personnel compensation

	For the three-month period ended 31 March 2025 (Unaudited)	2024 (Unaudited)
Salaries and other employee benefits	**2,982**	2,677
Board of Directors' fees	**45**	12
	3,027	2,689

(c) Due from related parties - associated companies

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
United Homeware Company	**2,366**	2,407
Retal Urban Development Company	**8**	8
	2,374	2,415

(All amounts in Saudi Riyals thousands unless otherwise stated)

11 Related party transactions and balances (continued)

(d) Due to related parties - associated companies

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Distributing and Marketing Company Limited	**2,075**	3,982
Madar Hardware Company	**672**	888
Abdullatif And Mohammed Al Fozan Holding Company	**120**	496
Al Quraishi Marketing Company Limited	**68**	125
United homeware Company	**6**	-
Al Yassra Trading Co.	**-**	31
	2,941	5,522

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

12 Earnings per share

	For the three-month period ended 31 March 2025	2024
Profit for the period attributable to the shareholders of the Company	**103,444**	93,863

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

	For the three-month period ended 31 March 2025	2024
Weighted average number of ordinary shares used in calculating basic earnings per share	**76,478,225**	76,478,225
Adjustment for treasury shares	**3,521,775**	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	**1.35**	1.23
Diluted earnings per share	**1.29**	1.17

13 Contingencies and capital commitments

(i) At 31 March 2025, the Group was contingently liable for bank guarantees and letters of credit issued in the normal course of business amounting to Saudi Riyals 719.1 million (31 December 2024: Saudi Riyals 683.3 million).

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

14 Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, profit rate risk and liquidity risk. The Group's overall risk management program, which is carried out by senior management under policies reviewed by the Risk and Credit Management Committee of UCFS ("Risk and Credit Management Committee ") and approved by the Group's Board of Directors, focuses on having cost effective funding as well as managing financial risks to minimize earning volatility and provide maximum return to the shareholders.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management and the Board of Directors are 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.

The risks faced by the Group and their respective mitigating strategies are summarized below:

14.1 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation and cause a financial loss to the Group. The maximum exposure to credit risk is equal to the carrying amount of financial assets. As at 31 March 2025, the Group has maintained an ECL allowance of Saudi Riyals 107.0 million (31 December 2024: Saudi Riyals 96.3 million), which is considered adequate to provide for any losses which may be sustained on realization of financial assets.

The management analyses credit risk into the following categories:

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.

The Group does not have any significant concentration of credit risk since it enters into Islamic Financing 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, regular and virtual 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 by the Risk and Credit Management Committee and the Board of Directors 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.

(All amounts in Saudi Riyals thousands unless otherwise stated)

14 Financial risk management (continued)

14.1 Credit risk (continued)

Investment in Islamic financing contracts (continued)

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 March 2025				
Internal credit risk ratings				
Low risk	**1,181,479**	**27,825**	**61,606**	**1,270,910**
Medium risk	**1,055,267**	**40,752**	**101,782**	**1,197,801**
High risk	**1,073,052**	**45,571**	**153,709**	**1,272,332**
	3,309,798	**114,148**	**317,097**	**3,741,043**

	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)

14 Financial risk management (continued)

14.1 Credit risk (continued)

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	
	31 March 2025	**31 December 2024**	**31 March 2025**	**31 December 2024**	**31 March 2025**	**31 December 2024**	**31 March 2025**	**31 December 2024**	**31 March 2025**	**31 December 2024**
Not past due	**-**	-	**1,736,598**	1,645,459	**33,067**	52,293	**480,515**	419,860	**2,250,180**	2,117,612
Past due 1-30 days	**-**	-	**71,269**	78,526	**2,053**	2,496	**13,647**	11,250	**86,969**	92,272
Past due 31-90 days	**-**	-	**62,570**	59,231	**1,949**	2,902	**18,135**	13,256	**82,654**	75,389
Past due 91-180 days	**-**	-	**57,707**	38,846	**2,242**	1,907	**20,751**	10,417	**80,700**	51,170
Past due 181-364 days	**-**	-	**87,730**	96,896	**4,007**	6,787	**16,040**	14,014	**107,777**	117,697
Over 365 days	**23,698**	23,698	**21,596**	20,087	**1,744**	2,213	**5,564**	3,284	**52,602**	49,282
	23,698	23,698	**2,037,470**	1,939,045	**45,062**	68,598	**554,652**	472,081	**2,660,882**	2,503,422
Less: Impairment for Islamic financing contracts	**(23,698)**	(23,698)	**(62,307)**	(55,455)	**(1,883)**	(2,727)	**(19,137)**	(14,399)	**(107,025)**	(96,279)
Net investment in Islamic financing contracts	**-**	-	**1,975,163**	1,883,590	**43,179**	65,871	**535,515**	457,682	**2,553,857**	2,407,143

(All amounts in Saudi Riyals thousands unless otherwise stated)

14 Financial risk management (continued)

14.1 Credit risk (continued)

Investment in Islamic financing contracts (continued)

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").

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.

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

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

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 which are computed through statistical methodologies.

As at 31 March 2025, the Exports of Goods and Services (% change per annum), Crude petroleum (% change per annum) and Foreign-exchange reserves (% change per annum) incorporated in the upturn, baseline and downturn scenarios were as follows:

	Upturn	**Baseline**	**Downturn**
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%)

During the three-month period ended 31 March 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, including the weight assigned to each scenario i.e. upturn, baseline and downturn scenarios.

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

14 Financial risk management (continued)

14.1 Credit risk (continued)

Investment in Islamic financing contracts (continued)

c) 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 three-month period ended 31 March 2025 (in millions)
Key assumptions	
Macroeconomic factors (Exports of Goods and Services, Crude petroleum and Foreign-exchange reserves)	
Increase by 10%	**(1.3)**
Decrease by 10%	**2.7**
PD and LGD	
Increase by 10%	**(12.7)**
Decrease by 10%	**10.1**
Scenario weightings	
100% weightage assigned to base scenarios	**1.4**
100% weightage assigned to downside scenarios	**(27.4)**

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 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 March 2025, 83% of trade receivables were due from 1 customer (31 December 2024: 77% from 2 customers). 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 March 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.

14 Financial risk management (continued)

14.1 Credit risk (continued)

Trade and other receivables (continued)

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, no ECL has been recognised by the Group during the three-month period ended 31 March 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.

Net investment in finance lease

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

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 March 2025 and 31 December 2024, the ECL allowance on cash at bank was immaterial.

Other financial assets at amortised cost include other receivables. These instruments are considered to carry lower credit risk since they have a low risk of default and the issuers have a strong capacity to meet their contractual cash flow obligations in the near term. At 31 March 2025 and 31 December 2024, the ECL allowance on other financial assets was immaterial.

14.2 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 Islamic 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 2,553.9 million (31 December 2024: Saudi Riyals 2,407.1 million). Further, the Group also has variable profit bearing financial liabilities of Saudi Riyals 1,417.5 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 29.9 million (31 December 2024: Saudi Riyals 25.6 million) higher / lower, as a result of lower / higher finance cost on variable rate borrowings.

(All amounts in Saudi Riyals thousands unless otherwise stated)

14 Financial risk management (continued)

14.2 Profit rate risk (continued)

The Company's financial assets and liabilities are not significantly exposed to other elements of market risk including fair value risk, price risk and currency risk.

14.3 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. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters. In addition, the Group has access to credit facilities as made available by the shareholder.

Total unused credit facilities available to the Group as at 31 March 2025 were approximately Saudi Riyals 3,081.0 million (31 December 2024: Saudi Riyals 2,714.0 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 three-month period ended 31 March 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 tables below summarises the Group's financial assets and financial liabilities into the relevant maturity groupings based on the remaining contractual maturity period at the reporting date. The amounts disclosed in the tables are the contractual undiscounted cash flows. Balances due within one year equal their carrying balances, as the impact of discounting is not significant.

	Less than one year	1-2 Years	3-5 years	Above 5 years	Total
31 March 2025					
Trade and other payables	1,325,050	-	-	-	**1,325,050**
Borrowings	436,196	401,613	579,660	-	**1,417,469**
Lease liabilities	82,758	80,761	236,293	523,358	**923,170**
Total	**1,844,004**	**482,374**	**815,953**	**523,358**	**3,665,689**
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

15 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).

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