

AL MOAMMAR INFORMATION SYSTEMS COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2025
together with the
INDEPENDENT AUDITOR'S REPORT

AL MOAMMAR INFORMATION SYSTEMS COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of
Al Moammar Information Systems Company
(A Saudi Joint Stock Company)**

Opinion

We have audited the consolidated financial statements of Al Moammar Information Systems Company - A Saudi Joint Stock Company - ("the Company" or "the Parent Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of 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 IFRS Accounting 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").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") 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 are independent of the Group in accordance with requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 year. 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.

**Independent Auditor’s Report to the Shareholders of Al Moammar Information Systems Company
(A Saudi Joint Stock Company) For the year ended 31 December 2025 (continued)**

Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>The Group has recognized revenue from operations amounting to ₪ 1.3 billion for the year ended 31 December 2025 (2024: ₪ 1.2 billion), as per the accounting policy described in note 5.2 and note 22 for related disclosure. The Group's revenue includes revenue from sale of hardware, licensing of software products, maintenance, manpower and consulting services either sold separately or bundled into various categories.</p> <p>Revenue is a key audit matter due to the complexity and judgment involved in applying IFRS 15, Revenue from contracts with customers. Factors contributing to this complexity include complex contractual arrangements, determining performance obligations, principal vs agent relationships, transaction pricing, and the timing of revenue recognition.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Assessed Group's revenue recognition policy and its compliance in terms of IFRS 15; • Assessed the relevant design and implementation of internal controls related to revenue recognition; • Reviewed customer contracts on a sample basis to understand key terms, deliverables, and obligations; • Assessed the timing of revenue recognition at a point in time or over period of time as per the requirements of IFRS 15; • Evaluated the appropriateness of principal (gross) or agent (net) treatment based on the standard's criteria and compared findings to management's conclusion; • Assessed the identified performance obligations to ensure they accurately reflect the contractual commitments; • Assessed the allocation of transaction prices to distinct performance obligations on a sample basis; • Verified revenue recognition on a sample basis by reviewing supporting documentation (Contracts/Purchase orders, invoices, payroll, delivery notes, job completion certificates, customer acknowledgments) and comparing to the Group's calculations; and • Assessed the adequacy of the related disclosures in the accompanying consolidated financial statements.

**Independent Auditor’s Report to the Shareholders of Al Moammar Information Systems Company
(A Saudi Joint Stock Company) For the year ended 31 December 2025 (continued)**

Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the key audit matter
Allowance for expected credit losses against trade receivables and contract assets:	
<p>As at 31 December 2025, the Group’s gross trade receivables amounted to ﷲ 806.2 million (2024: ﷲ 734.7 million) and contract assets amounted to ﷲ 1.4 billion (2024: ﷲ 1.1 billion). Against these balances, the Group recognized expected credit loss (ECL) provisions of ﷲ 70.7 million and ﷲ 91.9 million, respectively.</p> <p>The Group determines expected credit losses using the simplified approach in accordance with IFRS 9 – Financial Instruments. This approach requires the use of a lifetime expected credit loss model, which incorporates a number of judgmental and forward-looking factors. These factors include historical loss experience, customer specific risk profiles, probabilities of default, loss given default assumptions, forward looking macroeconomic indicators, and specific assessments of credit impaired receivables.</p> <p>We considered this as a key audit matter due to the level of judgement applied and estimates made in the application of the ECL.</p> <p>Details regarding the Group’s impairment policies are disclosed in Note 5.7, and additional quantitative and qualitative disclosures relating to trade receivables and contract assets are presented in Notes 10 and 9A respectively to the consolidated financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the Group’s expected credit loss (ECL) policy and methodology for compliance with the requirements of IFRS 9 – Financial Instruments; Engaged our internal credit risk specialists to assess the reasonableness of significant estimates and assumptions used in the ECL model, including probability of default, loss given default, and forward-looking macroeconomic factors; Evaluated individually assessed trade receivables and contract assets, considering indicators such as customer credit profile, ongoing litigations, and long outstanding balances; Tested the completeness and accuracy of data used in the ECL calculation; Verified the mathematical accuracy of the ECL model; Assessed the consistency of the ECL methodology compared to the prior year and obtained explanations for any changes made; Assessed the adequacy of the related disclosures in the accompanying consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2025, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Independent Auditor's Report to the Shareholders of Al Moammar Information Systems Company
(A Saudi Joint Stock Company) For the year ended 31 December 2025 (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 IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Parent 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 Company's 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 ISAs 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 ISAs 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 omission, 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.

**Independent Auditor's Report to the Shareholders of Al Moammar Information Systems Company
(A Saudi Joint Stock Company) For the year ended 31 December 2025 (continued)****Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)**

- 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.
- 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 group 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.

For BDO Dr. Mohamed Al-Amri & Co.

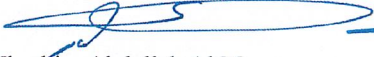
Ahmed Al-Jumah
Certified Public Accountant
License No. 621



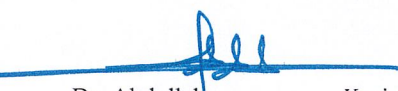
Riyadh, on 8 April 2026 (G)
Corresponding to: 20 Shawwal 1447 (H)

AL MOAMMAR INFORMATION SYSTEMS COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2025
(All amounts are in Saudi Riyals (ﷲ) unless stated otherwise)

		31 December 2025 ﷲ	31 December 2024 ﷲ (Restated)
ASSETS			
Non-current assets			
Property and equipment	6	32,258,746	34,515,351
Intangible assets	7	14,453,446	13,486,057
Equity-accounted investees	8A	28,555,957	18,896,002
Investments classified at Fair Value through Profit or Loss (FVTPL)	8B	241,963,223	166,425,417
Contract assets	9A	221,587,405	75,465,013
Contract costs	9B	8,806,448	9,906,866
Trade and other receivables	10	83,038,408	145,931,698
Total non-current assets		630,663,633	464,626,404
Current assets			
Contract assets	9A	1,129,311,875	973,728,421
Contract costs	9B	230,847,054	283,335,697
Trade and other receivables	10	662,177,085	549,869,807
Prepayments and other assets	11	108,671,163	117,193,936
Inventories	12	7,676,482	7,284,934
Cash and bank balances	13	220,747,122	179,061,534
Total current assets		2,359,430,781	2,110,474,329
TOTAL ASSETS		2,990,094,414	2,575,100,733
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	14	300,000,000	300,000,000
Other reserves	15A	8,251,704	11,308,259
Retained earnings		37,507,404	109,417,253
Total shareholders' equity		345,759,108	420,725,512
Liabilities			
Non-current liability			
Employee benefits obligations	17	30,139,228	24,415,195
Total non-current liability		30,139,228	24,415,195
Current liabilities			
Loans and borrowings	20	854,253,767	878,471,184
Trade payables and other liabilities	21	1,503,059,136	1,009,341,271
Contract liabilities	18	253,677,803	236,236,714
Provision for Zakat	28	3,205,372	5,910,857
Total current liabilities		2,614,196,078	2,129,960,026
Total liabilities		2,644,335,306	2,154,375,221
Total shareholders' equity and liabilities		2,990,094,414	2,575,100,733


Ibrahim Abdullah Al Moammar

Vice Chairman, Board of
Directors


Dr. Abdullah
AlGhamdi

Chief Executive
Officer


Karim Mohamed Awmy
Gaffar

Chief Financial
Officer

The accompanying notes from 1 to 36 form an integral part of consolidated financial statements.

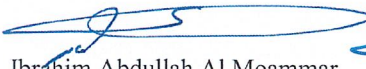
AL MOAMMAR INFORMATION SYSTEMS COMPANY
(A Saudi Joint Stock Company)


**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**


For the year ended 31 December 2025

(All amounts are in Saudi Riyals (ﷻ) unless stated otherwise)

		2025 ﷻ	2024 ﷻ (Restated)
	<i>Note</i>		
Revenue	22	1,272,388,330	1,212,982,515
Cost of revenue	23	(974,129,684)	(955,214,861)
Gross profit		298,258,646	257,767,654
General and administration expenses	24	(142,086,170)	(114,042,745)
Selling and marketing expenses	26	(21,129,813)	(24,764,765)
(Allowance) / reversal for expected credit losses against the trade receivables and contract assets	9A, 10	(58,237,944)	2,019,298
Income from operations		76,804,719	120,979,442
Other income		5,246,582	5,496,306
Share of profit of equity-accounted investees	8A	9,659,955	6,913,997
Gain on disposal of shares in equity-accounted investees	8A	-	57,532,443
Gain in fair value in investments at FVTPL, net	8B	90,511,790	12,840,025
Finance costs	27	(86,978,725)	(83,473,651)
Finance income		4,009,372	8,310,930
Income before Zakat		99,253,693	128,599,492
Zakat expense	28	(3,163,542)	(6,861,456)
Net income for the year		96,090,151	121,738,036
Other comprehensive profit			
<i>Item that will not be reclassified to profit or loss:</i>			
Remeasurements (loss)/gain on employees' defined benefit obligations	17	(3,056,555)	1,559,860
Other comprehensive (loss)/income		(3,056,555)	1,559,860
Total comprehensive income for the year		93,033,596	123,297,896
Earnings per share:			
Basic and diluted earnings per share of net income for the year	29	3.20	4.06


Ibrahim Abdullah Al Moammar
Vice Chairman, Board of
Directors


Dr. Abdullah AlGhamdi
Chief Executive
Officer


Karim Mohamed Awny Gaffar
Chief Financial
Officer

The accompanying notes from 1 to 36 form an integral part of consolidated financial statements.


AL MOAMMAR INFORMATION SYSTEMS COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

(All amounts are in Saudi Riyals (Riyal) unless stated otherwise)

Note	Share capital #	Other reserves #	Treasury Shares Reserve #	Retained earnings / (accumulated losses) #	Total shareholders' equity #
As at 1 January 2024	300,000,000	9,748,399	(12,447,944)	(10,412,333)	286,888,122
Net income for the year (Restated)	-	-	-	121,738,036	121,738,036
Other comprehensive income for the year	-	1,559,860	-	-	1,559,860
Total comprehensive income for the year (Restated)	-	1,559,860	-	121,738,036	123,297,896
Loss on disposal of treasury shares	15B	-	-	(1,908,450)	(1,908,450)
Return from sale of treasury shares	15B	-	12,447,944	-	12,447,944
Dividends	-	-	-	-	-
Balance as at 31 December 2024 (Restated)	300,000,000	11,308,259	-	109,417,253	420,725,512
As at 1 January 2025 (as previously reported)	300,000,000	11,308,259	-	112,080,824	423,389,083
Restatement adjustment	-	-	-	(2,663,571)	(2,663,571)
As at 1 January 2025 (Restated)	300,000,000	11,308,259	-	109,417,253	420,725,512
Net income for the year	-	-	-	96,090,151	96,090,151
Other comprehensive income for the year	-	(3,056,555)	-	-	(3,056,555)
Total comprehensive income for the year	-	(3,056,555)	-	96,090,151	93,033,596
Dividends	16	-	-	(168,000,000)	(168,000,000)
Balance as at 31 December 2025	300,000,000	8,251,704	-	37,507,404	345,759,108


Ibrahim Abdullah Al Moammar
Vice Chairman, Board of Directors


Karim Mohamed Awny Gaffar
Chief Financial Officer

The accompanying notes from 1 to 36 form an integral part of consolidated financial statements.

AL MOAMMAR INFORMATION SYSTEMS COMPANY

(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS

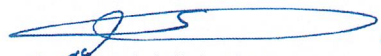
For the year ended 31 December 2025


(All amounts are in Saudi Riyals (ﷲ) unless stated otherwise)


		31 December 2025	31 December 2024
	<i>Note</i>	ﷲ	ﷲ (Restated)
Operating activities			
Income before Zakat		99,253,693	128,599,492
<i>Adjustments for:</i>			
Depreciation of property and equipment	6	3,352,070	3,655,685
Amortization of intangible assets	7	4,051,231	3,786,413
Share of profit of equity-accounted investees	8A	(9,659,955)	(6,913,997)
Allowance / (reversal) of expected credit losses on trade receivables and contract assets	9A,10	58,237,944	(2,019,298)
Non-cash consideration for Data center		(67,277,865)	(85,077,620)
Employee benefits charges	17	9,201,891	7,937,308
Finance costs	27	86,978,725	83,473,651
Finance income		(4,009,372)	(8,310,930)
Gain from disposal of shares in equity-accounted investee shares	8A	-	(57,532,443)
Gain on fair value in investments at FVTPL, net	8B	(90,511,790)	(12,840,025)
		<u>89,616,572</u>	<u>54,758,236</u>
<i>Changes in working capital:</i>			
Contract assets	9A	(320,684,926)	(344,745,330)
Contract costs	9B	53,589,061	(172,746,385)
Trade and other receivables, net of written off		(88,672,852)	(38,902,372)
Prepayments and other assets		8,522,773	9,654,509
Inventories		(391,548)	(4,729,712)
Trade payables and other liabilities		493,717,865	292,952,739
Contract liabilities		17,441,089	39,181,570
Net cash generated from/ (used in) operations		<u>253,138,034</u>	<u>(164,576,745)</u>
Employee benefits paid	17	(6,534,413)	(6,660,053)
Zakat paid	28	(5,869,027)	(10,648,456)
Net cash generated from/ (used in) operating activities		<u>240,734,594</u>	<u>(181,885,254)</u>
Investing activities			
Purchase of property and equipment	6	(1,095,465)	(664,617)
Purchase of intangible assets	7	(5,018,620)	(13,403,617)
Finance income		4,009,372	8,310,930
Investments at FVTPL		-	(43,507,772)
Disposal of investment at FVTPL		82,251,849	-
Disposal of equity accounted investee	8A	-	61,435,559
Net cash generated from investing activities		<u>80,147,136</u>	<u>12,170,483</u>
Financing activities			
Proceeds from loans and borrowings	20	2,263,823,084	1,703,426,349
Repayment of loans and borrowings	20	(2,285,568,579)	(1,453,139,103)
Finance costs paid	20	(89,450,647)	(74,584,211)
Payment of lease liabilities		-	(131,697)
Loss on treasury shares, net	15B	-	(1,908,450)
Proceeds from selling of treasury shares	15B	-	12,447,944
Advance of purchase of treasury shares		-	2,732,359
Dividend paid	16	(168,000,000)	-
Net cash (used in)/generated from financing activities		<u>(279,196,142)</u>	<u>188,843,191</u>
Net change in cash and cash equivalents		<u>41,685,588</u>	<u>19,128,420</u>
Cash and cash equivalents at the beginning of the year		179,061,534	159,933,114
Cash and cash equivalents at the end of the year	13	<u>220,747,122</u>	<u>179,061,534</u>

Non-cash transactions

Remeasurement (loss)/gain on employees defined benefit obligation	(3,056,555)	1,559,860
Gain on fair value transfer from other receivable to investment	16,371,103	-


Ibrahim Abdullah Al Moammar
Vice Chairman, Board of Directors


Dr. Abdullah AlGhamadi
Chief Executive Officer


Karim Mohamed Awny Gaffar
Chief Financial Officer

The accompanying notes from 1 to 36 form an integral part of consolidated financial statements.

AL MOAMMAR INFORMATION SYSTEMS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(All amounts are in Saudi Riyals (ﷲ) unless stated otherwise)

1. CORPORATE INFORMATION

Al Moammar Information Systems Company (the “Company”) is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia (“KSA”) under Commercial registration number 1010063470 dated 10 Muharram 1407H (corresponding to 15 September 1986).

The registered office of the Company is located at following address:

Head Office and Central Region:

6330 Al Thumamah Rd - Al Sahafa Dist.

Unit No 1, 3296

Riyadh 13315, Kingdom of Saudi Arabia

The Company is registered in KSA with the following branches as at 31 December 2025:

<u>Commercial registration number</u>	<u>Commercial registration date</u>	<u>Location</u>
4030097824	8 Rabi Awal 1414H	Jeddah
1010432047	12 Jumad Thani 1436H	Riyadh
2051011413	17 Rabi Awal 1407H	Al Khobar
4030288661	4 Rajab 1437H	Jeddah

The Company is engaged in providing information technology solutions services which includes operating systems, system analysis, software design and programming, software maintenance, web design, setting up the primary structure for web hosting, data processing services and related activities.

In 2021, the Group incorporated a wholly owned subsidiary “Excellence Medical Systems Company” (a single shareholder company) under commercial registration number 1010707294 with a paid-up capital of ﷲ 1,000,000. The primary business of this wholly owned subsidiary is to engage in providing supplies and maintenance of medical devices, laboratory products, operate tele-care and telemedicine centers and canteens or cafeterias in hospitals and storage of hazardous medical waste.

During December 2021, the Group incorporated a wholly owned subsidiary “Excellence Application Solutions Company” (a single shareholder company) under commercial registration number 1010764928 with a paid-up share capital of ﷲ 65,000,000. The primary business of this wholly owned subsidiary is to engage with clients to nurture bold ideas and build innovative technology solutions by offering its expertise derived from its employees with long experience in managing such businesses, technical strength in the development of technologies and digital integration. The Company engages in developing leading-edge platforms and products such as buy now pay later, marketplace and open banking solutions.

During 2023, the subsidiary received permit approval from the Saudi Central Bank (“SAMA”) to carry out the Buy Now Pay Later (“BNPL”) activities in KSA. The company has started operations during 31 December 2024. During the year, the Board of Directors has approved an amendment to change the name of the company to be Modern Integrated Solutions Financing Company. The Group completed legal formalities on the amendment to change the company’s name.

During April 2023, the Group incorporated a wholly owned subsidiary “Excellence Solution for Information technology Company” (a single shareholder company) under commercial registration number 1010875044 with the share capital of ﷲ 100,000. The primary business of this wholly owned subsidiary is to engage in providing information and telecommunication solutions services, software deployment, other communication activities, computer programming activities, computer consulting expertise and facilities management activities, data processing, web hosting and related activities. However, the subsidiary has not commenced its operations before the date of issuance of these consolidated financial statements.

During April 2023, the Group incorporated a wholly owned subsidiary “Integrated Excellence Information Technology Company” (a single shareholder company) under commercial registration number 1010878145 with the share capital of ﷲ 100,000. The primary business of this wholly owned subsidiary is to engage to build a one-stop home solution and living needs by solving all the cumbersome purchasing tasks. However, the subsidiary has not commenced its operations before the date of issuance of these consolidated financial statements.

AL MOAMMAR INFORMATION SYSTEMS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(All amounts are in Saudi Riyals (ﷲ) unless stated otherwise)

1. CORPORATE INFORMATION (continued)

During July 2025, the Group converted one of its Branch with commercial registration number 1010432047 to a wholly owned subsidiary named "Al Moammar General Contracting Company" (a single shareholder company) with paid-up share capital of ﷲ 10,000,000. The primary business of the wholly owned subsidiary is to engage in information technology and communications, including software publishing, computer programming, and IT consulting, as well as the management of computer facilities and data services such as data processing, web hosting, and cloud-related operations. However, the subsidiary has not commenced its operations before the date of issuance of these consolidated financial statements.

During November 2023, the Group incorporated a wholly owned subsidiary "National Excellence Company for Data Centre" (a single shareholder company) under commercial registration number 1010944453 with the share capital of ﷲ 100,000. The company's activities include managing, operating, and maintaining data centre facilities. However, the subsidiary has not commenced its operations before the date of issuance of these consolidated financial statements.

The consolidated financial statements include the financial information of the Company, branches of the Company and the above-mentioned subsidiaries (together referred to as "the Group")

These consolidated financial statements were approved by the Board of Directors on 30 March 2026 corresponding to 11 Shawwal 1447 (H).

2. BASIS OF PRESENTATION

2.1 Statement of compliance

The consolidated financial statements are prepared in accordance with IFRS Accounting Standards that are endorsed in KSA and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA").

2.2 Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for measurement of employee benefit obligations that are measured at present value using projected unit credit method and the investment classified at FVTPL. The carrying amount of financial assets and liabilities are a reasonable approximation of their fair values.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyal ("ﷲ") which is the functional currency of the Company. The Group has used the Saudi Riyal ("ﷲ") as presentation currency.

2.4 Going concern

The Group prepares its consolidated financial statements on a going concern basis. In assessing the appropriateness of this assumption, management has evaluated the Group's current financial position, operational performance, and future funding expectations.

The Group continues to maintain a good operational pipeline, supported by existing long-term contracts and new project awards. The underlying business operations remain profitable; however, fluctuations in profitability have arisen primarily due to certain bad debt impacts. Despite these impacts, the Group has consistently generated profits from core operations. As at the reporting date, the Group's current liabilities exceed its current assets by ﷲ 255 million and the Group is not in compliance with certain covenant requirements. These conditions reflect the project-based nature of the Group's activities, where revenue and related cash inflows are realized over project life cycles, while financing arrangements are predominantly short term. Furthermore, significant dividend payments during the period have reduced accumulated profits to a relatively low level.

The Group significantly relies on project specific and working capital financing from various banks to support project execution and to settle obligations as they fall due. These facilities are subject to annual renewal and ongoing covenant compliance requirements. Several major facilities are currently undergoing renewal as part of the normal banking cycle. While certain facilities include covenant requirements that the Group is not currently in compliance with, the Group has historically been able to secure renewals from financing institutions.

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2. BASIS OF PRESENTATION (CONTINUED)

2.4 Going concern (continued)

In forming its assessment, management has considered:

- The continuity of existing projects and confirmed new contracts expected to generate adequate cash inflows over the project lifecycle.
- The historical and ongoing support from financing institutions, including the continued availability of project based and working capital facilities despite non compliance with certain covenants. Further, the Group was also able to renew Bank facility with a major Bank subsequent to the year ended 31 December 2025.
- Management's cash flow forecasts demonstrating the Group's ability to meet obligations as they fall due through expected operating inflows and available banking lines, whether committed or in the process of renewal.
- There have been some delays in collections from the customers, however the risk of default is considered low, considering the significant amount of receivables are from governmental customers and continue to be received. Also, the Group continues to work with its suppliers to source equipment to meet its contractual needs.

Based on the above, management believes that the Group will continue to have access to the required financing and will generate sufficient operating cash flows to meet its liabilities as they become due. Accordingly, management has concluded that the going concern basis of preparation remains appropriate.

3. USE OF JUDGEMENTS AND ESTIMATES

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements, is included in the following notes:

- Note 5.12: Classification of equity accounted investees; whether the Group has significant influence over an investee
- Note 5.2: Gross versus net revenue presentation assessment; the determination by the Group as to whether it acts as a principal in a transaction or agent.
- Note 5.2: Data center revenue assessment.

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3. USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the consolidated financial statements, is included in the following notes:

- Note 5.7, 5.8, 5.10, 6 and 7: Impairment of non-financial assets, Property and equipment and Intangibles assets.
- Note 5.7 and 31 b: Measurement of ECL allowance for trade receivables and contract assets: Key assumptions in determining the expected credit loss provision.
- Note 5.8 and 5.10: Useful lives and residual values of property and equipment and intangible assets.
- Note 8 and 31: Measurement of fair value related to investment at FVTPL.
- Note 5.15 and 17: Measurement of employee benefits obligations: Key actuarial assumptions.
- Note 5.5 and 28: Provision for Zakat.
- Note 2.4: Going concern assumptions.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

4.1 New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the International Accounting Standards Board (“IASB”) that are effective in future accounting periods that the Group has decided not to adopt early.

<u>Standards</u>	<u>Title</u>	<u>Effective date</u>
IFRS 9 and IFRS 7 Annual Improvements to IFRS Accounting Standards	Amendments regarding the classification and measurement of financial instruments Amendments/Annual improvements in IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	1 January 2026 1 January 2026
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Disclosures – Subsidiaries without Public Accountability	1 January 2027

The Group is currently assessing the impact of these new accounting standards and amendments. The adoption of IFRS 18 may result in the reclassification of certain income and expense items, as well as certain changes to the presentation of the income statement and related notes.

Except for the impacts as described above the Group does not expect any standard issued by IASB that are yet to be effective, to have a material impact on the Group.

4.2 New standards, interpretations, and amendments effective in the current year

The following are the new standards, interpretations and amendments to standards that are effective in the current year but they have no impact on these financial statements.

<u>Standards</u>	<u>Title</u>	<u>Effective date</u>
IAS 21	Amendment – Lack of Exchangeability	1 January 2025

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5. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in the consolidated financial statements.

5.1 Fair value measurement

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

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year. The Group determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.2 Revenue recognition

The Group generates revenue from the sale of computer hardware, software, post contract support and cloud computing solutions. The Group also generates revenue from providing professional services to end-users to maintain the customer's IT infrastructure such as operations and maintenance and managed services.

The Group recognizes revenue when it satisfies a performance obligation by transferring control of a product or service to a customer based on allocated transaction price of each performance obligation.

The following are some of the key indicators used by the Group in determining when control has passed to the customer:

- (i) the Group has a right to payment for the product or service;
- (ii) the customer has legal title to the product;
- (iii) the Group has delivered the goods/services to the customer;
- (iv) the customer has the significant risks and rewards of ownership of the product; and
- (v) the customer has accepted the product.

Transaction price is allocated to each performance obligation with reference to the price specified in the underlying customer contract and further analyzed for other applicable aspects such as variable considerations, non-cash considerations, consideration payable to the customer, material rights including combination of contracts and adjusts the promised amount of consideration for its effects including that of significant financing component in measuring the transaction price.

For determining standalone selling price, the Group uses observable prices wherever available. When evidence from recent transactions is not available to confirm that the prices are representative of the standalone selling price, then adjusted market assessment approach, cost plus margin approach or residual value approach as prescribed in IFRS 15 will be used to estimate the standalone selling prices.

In determining the transaction price, the Group adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed by the customer provides the Group with a significant benefit of financing the transfer of goods or services to the customer. If a significant financing component is identified, Group separates it from the transaction price and account for it separately. The amount of the significant financing component is determined by calculating the difference between the cash selling price and the discounted selling price, reflecting the implied rate of interest.

The Group recognise revenue at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer (ie the cash selling price).

However, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Contract assets and Contract liabilities

Contract assets are initially recognized when performance obligations are satisfied but the right to bill the customer has not yet been established. Contract assets are subsequently transferred to trade receivables once the right to consideration becomes unconditional.

Contract assets are measured at amounts determined under the contract and are subject to impairment assessment in accordance with the expected credit loss (ECL) model under IFRS 9.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration, or consideration is due, from the customer.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.2 Revenue recognition (continued)

Contract assets and Contract liabilities (continued)

Contract liabilities are recognized as revenue when the Group satisfies the related performance obligations in accordance with the terms of the contract.

Contract assets and contract liabilities are presented separately from trade receivables and trade payables in the statement of financial position.

Contract assets are classified as current or non current based on the expected timing of realization.

Contract assets and liabilities related to rights and obligations in a contract are interdependent and therefore are recorded net in the statement of financial position.

Principal versus agent

Significant judgement is required in determining whether the Group is acting as principal, reporting revenue on a gross basis, or acting as an agent, reporting revenue on a net basis. The Group evaluates the following indicators amongst others when determining whether it is acting as a principal or agent in the transaction and recording revenue on a gross, or net, basis:

- (i) the Group is primarily responsible for fulfilling the promise to provide the specified goods or service;
- (ii) the Group has inventory risk before the specified good or service has been transferred to a customer;
- (iii) the Group has discretion in establishing the price for the specified good or service.

The Group assesses different categories of revenue in the light of the above indicators, however, before concluding on whether it is acting as a principal or an agent, the Group exercises judgement considering the nature of the product and solution offering, complexity involved in delivering the product and solution, level of control available to the Group in the process of delivering the product and solution.

Sales of product and services in which the Group acts as a principal are presented on a gross basis.

Sales of product and services where there is no involvement of the Group for fulfilling the performance obligation is presented on a net basis. These generally includes the sale of certain third-party services, post contract support, software assurance, third-party hosted cloud arrangements and sale of certain security software products.

Amounts collected by the Group on behalf of a third party are accounted for as a payable in the statement of consolidated financial position until they are settled and do not gross up revenue and expenses. Similarly, amounts prepaid by the group to a third party on behalf of customers are recognised as a receivable until they are recovered and do not gross up revenues and expenses.

Hardware revenue

The Group sells third-party hardware that is sourced from multiple vendors and distributors. The revenue from these arrangements is primarily recognized on a gross basis as the principal in the transaction when the product is received by the client because the Group control the product prior to transfer to the client. In addition to other factors considered, the Group assume primary responsibility for fulfillment in the arrangement, the Group assume inventory risk if the product is returned by the client, the group set the price of the product charged to the client and the Group work closely with customers to determine their hardware specifications.

Third-party vendors typically provide standard warranties on most of the hardware products the Group sells. These manufacturer warranties are assurance-type warranties and are not considered separate performance obligations. The warranties are not sold separately and only provide assurance that products will conform with the manufacturer's specifications, unless specifically required by customer and / or provided by the vendor.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.2 Revenue recognition (continued)

Software revenue

Revenue from sale of third-party software license where the nature of installation/integration are not considered complex is determined to be a separate performance obligation and is recorded on net basis.

Where a complex interfacing or a specialized configuration of the third-party software license is performed by the entity to enable customer to derive its intended benefit from the software within the context of the contract, it generally results in the Group acting as a principal for the integrated performance obligation of software license and the implementation services and the revenue is recorded on a gross-basis.

For sale of anti-virus software where the upgrades provided by the third-party vendors are considered integral to maintaining the utility of the underlying software to the end-user, the Group records revenue on a net basis.

Revenue from the sale of third-party software license is recorded when the customer acquires the right to use or receives a copy of software license and control transfers to the customer, but not prior to the commencement of the initial license term.

Post contract support revenue

Post contract support (PCS) provides the Group's customers with the right to obtain software upgrades, bug fixes and technical support services. The Group directly provides technical support to its customers for certain product(s) and therefore acts as a principal and records revenue on gross basis.

Where the Group arranges to provide support services directly from the third-party vendor without the Group's involvement, the revenue is recorded on a net basis as an agent.

The Group further evaluates whether the access to upgrades is a separate performance obligation by assessing if the vendor-delivered upgrades are critical to the core functionality of the software. The criticality of upgrades is used to further assess the level of control the Group has in a transaction. Where the upgrades require the continued input of the vendor without involvement of the Group, such unspecified upgrades are treated as a separate performance obligation and the revenue is recorded on net basis as the Group is acting as an agent.

The determination of unspecified upgrades as a portion of the PCS is computed as a percentage of the total PCS value based on the certain product specific information and hence the Group exercises significant judgement in this area.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.2 Revenue recognition (continued)

Services revenue

The Group evaluates the control assessment of services rendered to customers either directly or through the involvement of third-party vendors. The Group is acting as a principal where it is responsible to make the decisions around effective utilization of internal resources and/or vendors/sub-contractor in implementation services and in the eventual delivery of the deliverables fulfilling the customer's requirements. Where the Group is the primary obligor within the context of the contract with the customer and has the direct responsibility to provide the services either directly or indirectly, the revenue is recorded on gross basis as a principal.

Certain third-party sub-contracts in which the Group does not control the services prior to transferring to Group's customers, revenue is recorded on net basis.

Cloud subscription revenue

The Group evaluates whether Cloud subscription products provided to customers with right to access hosted in the technology cloud platforms without the client taking possession of the software. The Group does not take control of the software products or assume any responsibility to the clients related to the provisioning of the offerings in the cloud, accordingly, revenue is recorded on net basis and the Group shall be acting as an agent.

Systems integration services revenue

The Group sells hardware, software license, installation, post contract support and other services are bundled as a solution. Hardware, software and installation are treated as a single performance obligation as the goods or services are not distinct within the context of the contract because they are not separately identifiable from the other promises in the contract. The Group recognizes revenue relating to installed hardware and software along with installation over time using the input method.

Managed services revenue

The Group delivers managed services contracts for its customers which generally extend for multiple years. Revenue from managed services contracts comprises provision of manpower for maintaining the IT infrastructure of the customer and providing IT and related consumables to operate and maintain the customer's IT environment during the tenure of the contract. The Group is acting as a principal where it is responsible to make the decisions around effective utilization of internal resources including hiring of resources and fulfilling the customer's requirements. Where the Group is the primary obligor within the context of the contract with the customer and has the direct responsibility to provide the manpower services either directly or indirectly, the revenue is recorded on gross basis acting as a principal. Managed services revenue is recognised over time, throughout the term of the contract, as services are delivered.

However, in cases where there is a need to employ third-party sub-contractors in which the Group does not control the services prior to transferring to our customers, revenue is recorded on net basis and the Group shall be acting as an agent.

Data center revenue

In 2021, the Group entered into a contract with its customer to build data centers. The Group has applied the significant judgement while assessing the performance obligations under revenue from contracts with customers. The Group entered into separate contracts with customer to build data centers. These contracts involve various promises including design, procurement and construction of the data centers. The Group evaluates whether it is a principal or an agent under these contracts.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.2 Revenue recognition (continued)

Data center revenue (continued)

The Group assessed that it is acting as a principal where it is responsible to make the decisions around effective utilization of internal resources and/or vendors/sub-contractor in implementation services and in the eventual delivery of the deliverables fulfilling the customer's requirements. Where the Group is the primary obligor within the context of the contract and has the direct responsibility to provide the services, the revenue is recorded on a gross basis as a principal.

The Group further assesses whether the promises under these contracts involve a significant service of integrating the goods or services with other goods or services promised in the contract into a bundle of goods or services that represent the combined output or outputs for which the customer has contracted. Accordingly, the Group assesses its promises to transfer goods or services to the customer under these contracts are not separately identifiable within the context of the contract and represents a single performance obligation to build the data centers for the customer.

In addition, under the terms of the contracts, the Group assesses that its performance creates an asset that the customer controls as the asset is created and recognizes revenue over the period of the contract as the performance obligation is satisfied over time. The Group applies the input method to recognize revenue based on cost incurred as a percentage of total estimated cost towards satisfying the performance obligation.

The Group evaluates if such contracts include defect and warranty periods following completion of the project. These are not deemed to be separate performance obligations and therefore estimated and included in the total costs of the contracts. Where required, amounts are recognized according to IAS 37 as provisions.

Any non-cash consideration receivable under the contract from the customer is measured at fair value. The fair value of the non-cash consideration is determined at each billing date based on the terms of the contract. Where such non-cash consideration includes financial asset, these are subsequently re-measured at the reporting date in accordance with the Group's policy.

5.3 Basis of consolidation

The Group's consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at 31 December 2025. 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
- The ability to use its power over the investee to affect its returns

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
- The Group's voting rights and potential voting rights

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.3 Basis of consolidation (continued)

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 (“OCI”) are attributed to the equity holders of the Parent Company 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 consolidated 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.

Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-Company investments, transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. The accounting policies of the subsidiaries are consistent with those adopted by the Group.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the consolidated statement of profit or loss. Any investment retained is recognised at fair value.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of financial position, statement of profit or loss, statement of comprehensive income and statement of changes in equity, respectively.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The consideration transferred for the acquisition of subsidiary comprises the:

- the fair value of the assets transferred / acquired
- liabilities incurred to the former owners of the acquired business
- equity interest issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement
- fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets. Acquisition-related costs are expensed as incurred.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.4 Cost of sales and expenses

Costs which are directly related to goods or services provided are classified as costs of sales. Expenses which are attributable to selling and marketing activities are classified as selling and marketing expenses. All other indirect expenses are classified as general and administration expenses.

5.5 Zakat and Value Added Tax (VAT)

The Group is subject to the Regulations of the Zakat, Tax and Customs Authority (“ZATCA”) in KSA. Zakat is provided on an accrual basis and is computed and charged based on Zakat base. Adjustments if any are made to the Zakat provision when the final assessments are obtained from the ZATCA.

Expenses, and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and/or
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

5.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances, short-term deposits, demand deposits and 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.

5.7 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and initial measurement

Trade receivables are initially recognized when they originated. All other financial instruments are recognized in the statement of financial position when the Group becomes party to the contractual provisions of the financial instruments. A trade receivable without a significant financing component is initially measured at the transaction price.

A financial instrument (unless it is a trade receivable without a significant financing component) is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Financial assets

Classification of financial assets

On initial recognition, a financial asset is classified and measured at: amortized cost, FVOCI or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.7 Financial instruments (continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-to-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit and loss.

Financial assets at amortized cost, including trade receivables, are subsequently measured at amortized cost using the effective interest rate (EIR) method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in the statement of comprehensive income. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss. Other net gains and losses are recognized in comprehensive income and are never reclassified to profit or loss.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when: the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.7 Financial instruments (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Expected credit loss (ECL) assessment for trade receivables and contract assets

The financial assets which are in the scope of impairment are bank balances, account receivables and balances due from related parties.

Loss allowances are measured on either of the following bases:

- *12-month ECLs*: these are ECLs that result from possible default events within the 12 months after the reporting date or a shorter period if the expected life of the instrument is less than 12 months; and
- *lifetime ECLs*: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

For ECL on trade receivables and contract assets, the Group has divided its trade receivable and contract assets into two broad categories, private customers and government/government-controlled entities ("Government customers").

The Group uses an allowance matrix to measure the ECLs of trade receivables and contract assets from private customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable/contract asset progressing through successive stages of delinquency to write-off.

Loss rates are based on actual historic credit loss experience. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast gross domestic product growth.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.7 Financial instruments (continued)

ECL rate is calculated for each segment based on delinquency status and actual credit loss experience. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Scalar factors are based on GDP forecast and industry outlook.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets and are presented on the face of the statement of profit or loss and other comprehensive income.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Financial liabilities

Initial recognition and measurement

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Subsequent measurement

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the EIR method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Financial liabilities

Trade payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting year. They are measured at amortized cost using the effective interest rate method.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.7 Financial instruments (continued)

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.8 Property and equipment

Items of property and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognized in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Capital work in progress ("CWIP") account are assets in the course of construction or development. CWIP is transferred to the appropriate category in property and equipment (depending on the nature of the asset), 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 cost and any other directly attributable to the construction or acquisition of an item of CWIP intended by management. Costs associated with testing the items of CWIP (prior to its being available for use) are capitalized net of proceeds from the sale of any production during the testing year. Land and CWIP are not depreciated.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss as follows:

	<u>Estimated useful life (in</u>
<u>years)</u>	
Building	20 years
Furniture and fixtures	5 years
Motor vehicles	5 years
Equipment	5 years

The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The Group periodically reviews estimated useful lives and the depreciation method to ensure that the method and year of depreciation are consistent with the expected pattern of economic benefits derived from these assets.

The useful life, residual values and depreciation method are reviewed at each reporting date and adjusted if appropriate.

The carrying value of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.9 Leases

At inception of a contract, the Group assesses 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 year of time in exchange for consideration.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal year if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.9 Leases (continued)

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment', the current portion of lease liabilities is presented in 'trade payables and other liabilities' and the non-current portion of lease liabilities is presented as a financial line item in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5.10 Intangible assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is indication that intangible assets may be impaired. The amortization year and the amortization method are reviewed at least at the end of each reporting year. Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization year or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense is recognized in profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The Group estimates the useful lives of 5 years of its intangible assets.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income.

5.11 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.12 Equity-accounted investees

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in an associate is accounted for using the equity method of accounting, after initially being recognized at cost.

Judgement is required, particularly where the Group owns shareholding and voting rights of generally 20% and above but where the management does not believe that it has 'control' or 'joint control' over such investee.

In case of such investee, the Group's management has concluded it has 'significant influence' in line with the requirements of IFRSs as endorsed in KSA. IFRSs as endorsed in KSA provides various indicators of 'significant influence', including representation in the Board of Directors and participation in policymaking process.

By virtue of the Group's shareholding rights in the investee's general meetings, as well as the Group's representation on Board of Directors of such investee and the Group's involvement in operating and financial policies and decision making, management believes it has 'significant influence' over such investee ("associate").

The Group is accounting for such investment in an associate under the equity method of accounting.

Under the equity method of accounting, the investments are initially recognized at cost, which includes transaction costs and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in OCI of the investee until the date on which significant influence ceases.

Dividends received or receivable from an associate is recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealized gains on transactions, if any, between the Group and its associate are eliminated to the extent of the Group's interest in its associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The aggregate of the Group's share on earnings or losses of associates is shown in profit or loss.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in an associate. At each reporting date, the Group determines whether there is objective evidence that the investment in an associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognizes the loss as 'share in losses' of an associate in profit or loss.

Upon loss of significant influence over an associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.12 Equity-accounted investees (continued)

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in OCI are reclassified to profit or loss where appropriate.

There is significant judgement involved in assessing Edarat Telecommunication and Information Technology Company 'Edarat' as an associate. In forming the judgement, management has assessed Edarat's Board structure, its voting power in Edarat, independent board members, Edarat's business activities along with other factors such as Edarat's shareholding structure.

5.13 Dividends

The Group recognizes a liability to make dividend distribution to the shareholders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Group. In accordance with the Companies' Law in Saudi Arabia, a distribution is authorized when it is approved by the shareholders. Interim dividends are recorded as and when declared and approved by the Board of Directors.

5.14 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

5.15 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves, air fare and allowances that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting year and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented under trade payables and other liabilities in the statement of financial position.

Employees' defined benefit obligations

The Group's primary defined benefit plan is an end of service lump sum benefits plan.

The benefit liability recognized in the statement of financial position is the present value of the Defined Benefit Obligation ("DBO") at the reporting date. The plan is unfunded, which means the Group pays benefits as they fall due when employees leave service.

The Defined Benefit Obligation is re-measured on an annual basis by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Where there is no deep market in such bonds, the market rates on government bonds are used.

The Group updates the assumptions from year to year based on the actual experience of the Group. The net interest cost is calculated by applying the discount rate to the net balance of the DBO. This cost is included in employees' salaries and other benefits expense in the statement of income. Re-measurement gains and losses arising from changes in actuarial assumptions are recognized in the year in which they occur in OCI. Changes in the present value of the DBO resulting from plan amendments or curtailments are recognized immediately in profit or loss.

Current and past service costs related to end-of-service benefits and unwinding of the liability at discount rates used are recognized immediately in profit or loss.

The actuarial valuation process takes into consideration the provisions of the Saudi Arabian Labour Law as well as the Group's policy.

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5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

5.16 Segment reporting

An operating segment is a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses;
- results of whose operations are continuously analysed by Chief Operating Decision Maker (CODM) in order to make decisions related to resource allocation and performance assessment; and
- for which discrete financial information is available.

The Group's operating business are organized and managed separately according to the nature of the services provided with each segment representing a strategic business unit that offers different products to its respective market.

For management purpose, the Group is organised into seven segments, as described below:

Business service management unit

Solutions unit

Systems unit

Information technology security unit

Networking unit

Operation and maintenance unit

Data center unit

A geographical segment is a group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments. The Group only operates in KSA and accordingly has no geographical segment. Refer note 33 for information related to each reportable segment.

5.17 Finance income and cost

The Group's finance income and finance costs includes interest income or expense and is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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6. PROPERTY AND EQUIPMENT

For the year ended 31 December 2025

	<i>Land</i>	<i>Building</i>	<i>Equipment</i>	<i>Motor vehicles</i>	<i>Furniture and fixtures</i>	<i>Total</i>
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
2025						
<i>Cost</i>						
As at 1 January 2025	8,122,900	30,459,035	17,287,175	1,349,887	3,714,581	60,933,578
Additions	-	50,000	1,045,465	-	-	1,095,465
As at 31 December 2025	8,122,900	30,509,035	18,332,640	1,349,887	3,714,581	62,029,043
<i>Accumulated depreciation</i>						
As at 1 January 2025	-	7,080,378	15,295,100	1,262,413	2,780,336	26,418,227
Charge for the year	-	1,448,582	1,127,750	44,118	731,620	3,352,070
As at 31 December 2025	-	8,528,960	16,422,850	1,306,531	3,511,956	29,770,297
<i>Net book value</i>						
As at 31 December 2025	8,122,900	21,980,075	1,909,790	43,356	202,625	32,258,746

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6. PROPERTY AND EQUIPMENT (CONTINUED)

For the year ended 31 December 2024

	<i>Land</i>	<i>Building</i>	<i>Equipment</i>	<i>Motor vehicles</i>	<i>Furniture and fixtures</i>	<i>Total</i>
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
<u>2024</u>						
<i>Cost</i>						
As at 1 January 2024	8,122,900	30,459,035	16,806,132	1,349,887	3,531,007	60,268,961
Additions	-	-	481,043	-	183,574	664,617
As at 31 December 2024	8,122,900	30,459,035	17,287,175	1,349,887	3,714,581	60,933,578
<i>Accumulated depreciation</i>						
As at 1 January 2024	-	5,475,286	14,054,288	1,218,056	2,014,912	22,762,542
Charge for the year	-	1,605,092	1,240,812	44,357	765,424	3,655,685
As at 31 December 2024	-	7,080,378	15,295,100	1,262,413	2,780,336	26,418,227
<i>Net book value</i>						
As at 31 December 2024	8,122,900	23,378,657	1,992,075	87,474	934,245	34,515,351

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7. INTANGIBLE ASSETS

For the year ended 31 December 2025

	<i>ERP software</i> ﷲ	<i>Application development</i> ﷲ	<i>Other software</i> ﷲ	<i>Total</i> ﷲ
<i>Cost</i>				
As at 1 January 2025	6,957,767	4,532,387	18,436,726	29,926,880
Additions	-	-	5,018,620	5,018,620
As at 31 December 2025	6,957,767	4,532,387	23,455,346	34,945,500
<i>Accumulated amortization</i>				
As at 1 January 2025	6,154,137	4,532,387	5,754,299	16,440,823
Charge for the year	803,630	-	3,247,601	4,051,231
As at 31 December 2025	6,957,767	4,532,387	9,001,900	20,492,054
<i>Net book value</i>				
As at 31 December 2025	-	-	14,453,446	14,453,446

For the year ended 31 December 2024

	<i>ERP software</i> ﷲ	<i>Application development</i> ﷲ	<i>Other software</i> ﷲ	<i>Total</i> ﷲ
<i>Cost</i>				
As at 1 January 2024	5,629,807	4,532,387	6,361,069	16,523,263
Additions	1,327,960	-	12,075,657	13,403,617
As at 31 December 2024	6,957,767	4,532,387	18,436,726	29,926,880
<i>Accumulated amortization</i>				
As at 1 January 2024	4,481,253	4,532,387	3,640,770	12,654,410
Charge for the year	1,672,884	-	2,113,529	3,786,413
As at 31 December 2024	6,154,137	4,532,387	5,754,299	16,440,823
<i>Net book value</i>				
As at 31 December 2024	803,630	-	12,682,427	13,486,057

	31 December 2025 ﷲ	31 December 2024 ﷲ
Classification of amortization cost		
Cost of revenue	1,852,310	1,475,043
General and administration expenses	2,198,921	2,311,370
	4,051,231	3,786,413

8. INVESTMENTS

8A. EQUITY-ACCOUNTED INVESTEEES

Detail of equity accounted investees as at 31 December 2025 and 31 December 2024 is as follows:

<u>Name of associates</u>	<u>Principal activities</u>	<u>Place of incorporation and principal place of business</u>	<u>% age holding*</u>
Edarat Group SAL	Technology based solutions	Lebanon	50%
Edarat Telecommunication and Information Technology Company	Development, installation and maintenance of computer hardware and software	Kingdom of Saudi Arabia	30%
Phoenicia Tech Worldwide Inc. – BVI	Technology based solutions	British Virgin Island	50%

* The Group has significant influence, but does not have control or joint control, over the financial and operating policies of these equity accounted investees.

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8. INVESTMENTS (CONTINUED)**8A. EQUITY-ACCOUNTED INVESTEEES (CONTINUED)**

The movement in investment in associates was as follows:

	<i>Edarat Group SAL</i>	<i>Edarat Telecommunication and Information Technology Company **</i>	<i>Phoenicia Tech Worldwide Inc.</i>	<i>Total</i>
	ﷲ	ﷲ	ﷲ	ﷲ
As at 1 January 2024	268,352	15,612,464	4,305	15,885,121
Share of profit / (loss)	(236,861)	7,155,163	(4,305)	6,913,997
Disposal of Investment	-	(3,903,116)	-	(3,903,116)
As at 31 December 2024	31,491	18,864,511	-	18,896,002
Share of profit	-	9,659,955	-	9,659,955
Disposal of investment	-	-	-	-
As at 31 December 2025	31,491	28,524,466	-	28,555,957

** During the year ended 31 December 2024, the Company sold 126,000 shares out of total held shares aggregate to 504,000 shares having carrying value of ﷲ 3,903,116 at a sale proceeds of ﷲ 61,435,559 resulting in gain on disposal of shares amounting to ﷲ 57,532,443. At the year ended 31 December 2024 the associate issued 100% bonus shares to the existing shareholders. Further during the year ended 31 December 2025, the associate again issued 100% bonus shares to the existing shareholders after the required shareholder and regulatory approvals. The company has 1,512,000 shares as at 31 December 2025.

As at 31 December 2025, the fair value of the investment in the associate based on the quoted market price at the Nomu (parallel market) amounted to ﷲ 361,972,800 (31 December 2024: ﷲ 260,079,120).

The table below reconciles the summarized financial information to the carrying amount of the Group's interest in associates.

2025	<i>Edarat Group SAL</i>	<i>Edarat Telecommunication and Information Technology Company</i>	<i>Phoenicia Tech Worldwide Inc.</i>
Net assets (in ﷲ)	62,983	95,081,550	(34,274)
Group share of net assets	50%	30%	50%
Carrying amount of interest in associate (in ﷲ)	31,491	28,524,466	-
2024	<i>Edarat Group SAL</i>	<i>Edarat Telecommunication and Information Technology Company</i>	<i>Phoenicia Tech Worldwide Inc.</i>
Net assets (in ﷲ)	62,983	62,881,704	(8,963)
Group share of net assets	50%	30%	50%
Carrying amount of interest in associate (in ﷲ)	31,491	18,864,511	-

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8. INVESTMENTS (CONTINUED)**8A. EQUITY-ACCOUNTED INVESTEEES (CONTINUED)**

The following table summarises aggregated financial information of Group's associates. The information disclosed reflects the amounts presented in the consolidated financial statements of the associates as of 31 December 2025 and 2024.

2025	<i>Amounts in ﷲ</i>		
	<i>Edarat Telecommunication and Information Technology Company</i>	<i>Others</i>	<i>Total</i>
<i>Summary of statement of financial position</i>			
Current assets	140,913,393	475,117	141,388,510
Non-current assets	24,905,657	373,209	25,278,866
Current liabilities	57,018,940	745,971	57,764,911
Non-current liabilities	13,718,560	73,646	13,792,206
<i>Summary of statement of profit or loss and other comprehensive income</i>			
Revenue	192,359,664	356,126	192,715,790
Cost of sales	(130,172,552)	-	(130,172,552)
Gross profit	62,187,112	356,126	62,543,238
General and administration expenses	(21,662,207)	(397,453)	(22,059,660)
Finance costs	(828,407)	(4,547)	(832,954)
Other income/(expense)-net	25,000	(5,945)	19,055
Zakat/tax and other expenses	(3,380,162)	-	(3,380,162)
Loss in remeasurement of liability for employment benefits	(2,497,271)	-	(2,497,271)
	33,844,065	(51,819)	33,792,246

2024	<i>Amounts in ﷲ</i>		
	<i>Edarat Telecommunication and Information Technology Company</i>	<i>Others</i>	<i>Total</i>
<i>Summary of statement of financial position</i>			
Current assets	76,963,554	576,190	77,539,744
Non-current assets	12,541,037	373,209	12,914,246
Current liabilities	20,036,186	821,733	20,857,919
Non-current liabilities	6,586,703	73,646	6,660,349
<i>Summary of statement of profit or loss and other comprehensive income</i>			
Revenue	104,566,253	356,126	104,922,379
Cost of sales	(59,256,708)	-	(59,256,708)
Gross profit	45,309,545	356,126	45,665,671
General and administration expenses	(17,474,225)	(372,440)	(17,846,665)
Finance costs	(322,889)	(4,247)	(327,136)
Other income	(84,197)	(23,517)	(107,714)
Zakat/tax and other expenses	(2,764,970)	-	(2,764,970)
Loss in remeasurement of liability for employment benefits	(680,798)	-	(680,798)
	23,982,466	(44,078)	23,938,388

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8. INVESTMENTS (CONTINUED)**8B. Investments classified at Fair Value through Profit or Loss (FVTPL)**

The investments classified at fair value through profit and loss include:

	31 December 2025	31 December 2024
	ﷲ	ﷲ
		(Restated)
Vision Bank (A)	50,587,500	14,250,000
Saudi Data Center Fund (B)	191,375,723	110,600,907
International companies specialized in the field of artificial intelligence (A.I) (C)	-	37,780,790
X. AI Corp. (D)	-	3,793,720
	<u>241,963,223</u>	<u>166,425,417</u>

All these investments are classified as level 3 of fair value hierarchy. There were no transfers between fair value hierarchy levels.

- A) The Group holds a 1.58% equity interest in Vision Bank (Bank), acquired in 2023 at a cost of ﷲ 23.75 million. The investment is measured at fair value through profit or loss. In 2025, the Bank obtained its regulatory licenses and entered the pre-operational phase. During the year, the Bank issued an Information Memorandum for its second capital-raising round, offering existing shareholders the opportunity to subscribe at ﷲ 21.33 per share.

The Group concluded that the subscription price represented the fair value of the Bank's shares, as it reflected an orderly transaction supported by adequate investor information and aligned with the Bank's expansion initiatives. Accordingly, the Group remeasured its existing investment at ﷲ 21.33 per share and recognized a fair value gain of ﷲ 36 million.

- B) As at 31 December 2025, Group had 13,572,746 units (2024: 8,507,762 units) in the Saudi Data Centers Fund 1 (the "Fund") with nominal value of ﷲ 10 each amounting in total ﷲ 135,727,461 (2024: 85,077,620). The Company is expected to receive 10% of the fee for completed works relating to data centers design and construction contract in-kind units of the Fund's up to 10% of the Fund's total equity. During the year ended 31 December 2025, there was an increase in the fair value of the investment by ﷲ 13,496,951 (2024: 22,340,024). These units are classified as investment at fair value through profit and loss.

- C) The Board of Directors in their meeting held on to 29 Jumada Al-Ula 1445H (corresponding to 10 January 2024) resolved to allocate ﷲ 40,000,000 to establish an investment portfolio via self-financing to invest in international companies specialized in the field of artificial intelligence (A.I). On 21 January 2024, the Group placed and invested the funds in two major and leading international companies based in the United States of America in the field of AI. The Group had accounted for the investment in these companies at the cost of acquisitions of ﷲ37,780,790 which per management approximate fair values. The Group has chosen to account for the investment at fair value through profit or loss.

During the year ended 31 December 2025, both the investments with fair values of ﷲ 19,020,790 and ﷲ 18,760,000 at 31 December 2024 were disposed off and the Group realized a gain of ﷲ 12,541,276 and ﷲ 16,047,264.

- D) The Group had a invested to the minimum subscription packet value (SPV) amounting to USD 1,000,000 in one of the AI companies based outside the Kingdom of Saudi Arabia. During the year ended 31 December 2025, investments in X. AI Corp. with carrying value of ﷲ 3,793,720 was disposed off and the Group realized a fair value gain of ﷲ 12,088,790.

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9A. CONTRACT ASSETS

	31 December 2025	31 December 2024
	ﷲ	ﷲ
		(Restated)
Contract assets*	1,442,817,100	1,122,132,174
Less: Allowance for expected credit loss on contract assets	(91,917,820)	(72,938,740)
	<u>1,350,899,280</u>	<u>1,049,193,434</u>
Classification of contract assets		
Contract assets, non-current	221,587,405	75,465,013
Contract assets, current	1,129,311,875	973,728,421
	<u>1,350,899,280</u>	<u>1,049,193,434</u>

*Contract assets primarily relate to the Group's right to consideration for goods and services delivered but not billed at the reporting date. The same is transferred to trade receivables when the rights become unconditional. Which is usually occurs upon the issuance and approval of the invoices.

*Contract assets include ﷲ 1.23 billion (2024: ﷲ 0.97 billion) due from government or government - controlled entities which represent the vast majority of the total contract assets.

The movement of contract assets-gross balance is as follows:

	31 December 2025	31 December 2024
	ﷲ	ﷲ
		(Restated)
Opening balance	1,122,132,174	777,386,844
Additions	1,699,916,999	1,383,182,865
Invoicing during the year	(1,379,232,073)	(1,038,437,535)
Closing balance	<u>1,442,817,100</u>	<u>1,122,132,174</u>

Contract assets balance is concentrated among 10 key customers, representing 52% (2024: 49%) of the total outstanding balance.

The movement for allowance for expected credit loss on contract assets was as follows:

	31 December 2025	31 December 2024
	ﷲ	ﷲ
		(Restated)
Opening balance	72,938,740	72,268,378
Charge during the year	18,979,080	670,362
Closing balance	<u>91,917,820</u>	<u>72,938,740</u>

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9B. CONTRACT COSTS

	31 December 2025	31 December 2024
	ﷲ	ﷲ (Restated)
Classification of contract costs		
Contract costs, non-current	8,806,448	9,906,866
Contract costs, current	230,847,054	283,335,697
	<u>239,653,502</u>	<u>293,242,563</u>

The movement of contract cost balance is as follows:

	31 December 2025	31 December 2024
	ﷲ	ﷲ (Restated)
Opening balance	293,242,563	120,496,178
Additions during the year	319,597,197	398,405,061
Amortization during the year	(373,186,258)	(225,658,676)
Closing balance	<u>239,653,502</u>	<u>293,242,563</u>

It includes incurred costs in respect of long-term IT support contracts, which will generate resources that will be used in satisfying these contracts and are expected to be recovered. They were therefore recognised as an asset for costs to fulfil contracts. These assets are amortised on a straight-line basis over the term where the Group is principal in the performance obligation at time of revenue recognition.

10. TRADE AND OTHER RECEIVABLES

	31 December 2025	31 December 2024
	ﷲ	ﷲ (Restated)
Trade receivables – external*	806,211,236	734,731,760
Less: Allowance for expected credit loss on trade receivables	(70,725,975)	(53,600,655)
	<u>735,485,261</u>	<u>681,131,105</u>
Trade receivables - Related parties (Note30)	390,000	-
Other receivables	9,340,232	14,670,400
	<u>745,215,493</u>	<u>695,801,505</u>

Classification of trade receivable

	31 December 2025	31December 2024
	ﷲ	ﷲ (Restated)
Trade receivables - non-current	83,038,408	145,931,698
Trade and other receivables – current	662,177,085	549,869,807
	<u>745,215,493</u>	<u>695,801,505</u>

*Trade receivables include ﷲ 568,884,856 (2024: ﷲ 406,664,162) due from government or government - controlled entities which represent the vast majority of the total receivables.

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10. TRADE AND OTHER RECEIVABLES (continued)

Trade receivable balance is concentrated among 10 key customers, representing 55% (2024: 61%) of the total outstanding balance.

The movement for allowance for expected credit loss on trade receivables is as follows:

	31 December 2025	31 December 2024
	ﷲ	ﷲ (Restated)
Opening balance	53,600,655	56,290,315
Charge/(reversal) during the year	39,258,864	(2,689,660)
Write off during the year	(22,133,544)	-
Closing balance	<u>70,725,975</u>	<u>53,600,655</u>

Below is the ageing of gross trade receivables (including due from related party)

	Total	Not yet due	0-1 year	1-2 year	Above 2 years
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
31 Dec 2025	806,601,236	129,951,957	601,410,155	32,337,767	42,901,357
31 Dec 2024	734,731,760	261,078,924	367,224,433	48,824,931	57,603,472

11. PREPAYMENTS AND OTHER ASSETS

	31 December 2025	31 December 2024
	ﷲ	ﷲ
Margin on letters of credit and guarantee	10,804,644	13,415,259
Prepaid expenses	41,705,592	12,144,382
Advances to employees	3,506,573	2,573,499
Advances to supplier *	52,736,000	89,142,442
Others	712,507	712,507
	<u>109,465,316</u>	<u>117,988,089</u>
Provision on advances to supplier	(794,153)	(794,153)
	<u>108,671,163</u>	<u>117,193,936</u>

* This primarily pertains to advances paid to suppliers related to data center project.

12. INVENTORIES

	31 December 2025	31 December 2024
	ﷲ	ﷲ
Goods held for sales	8,939,857	7,484,057
Less: allowance for slow moving inventories	(1,263,375)	(199,123)
	<u>7,676,482</u>	<u>7,284,934</u>

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Cost includes expenditure incurred in acquiring the inventories, and other direct cost incurred in bringing them to their existing location and condition. At each reporting date, inventories are assessed for impairment using net realizable value that represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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13. CASH AND BANK BALANCES

	31 December 2025	31 December 2024
	ﷲ	ﷲ
Cash at bank - current accounts	152,003,217	65,701,522
Cash at bank – deposits*	67,799,415	112,565,396
Cash in hand	944,490	794,616
	<u>220,747,122</u>	<u>179,061,534</u>

For the purposes of consolidated statement of cash flows, cash and cash equivalents comprise the following:

	31 December 2025	31 December 2024
	ﷲ	ﷲ
Cash at bank - current accounts	152,003,217	65,701,522
Cash at bank – deposits*	67,799,415	112,565,396
Cash in hand	944,490	794,616
	<u>220,747,122</u>	<u>179,061,534</u>

*The average rate on bank deposits is 4.81% (2024: 5.50%) with an original maturity of three months or less.

Bank balances and short-term deposits are placed with counterparties with sound credit ratings of A+ to BB under Standard and Poor's/Fitch and A1 to Ba2 under Moody's rating methodology.

14. SHARE CAPITAL

Share capital of ﷲ 300,000,000 is fully paid up and is divided into 30,000,000 shares of ﷲ10 each.

15A. OTHER RESERVES

Other reserves relate to remeasurement gain or losses on employees' defined benefit obligations, the amount recorded during the year amount to ﷲ3,056,555 (2024: ﷲ 1,559,860) and balance as at 31 December 2025 is ﷲ 8,251,704 (2024: ﷲ11,308,259).

15B. TREASURY SHARES

During the year ended 31 December 2023, the Company entered into market making arrangement with Al Rajhi Capital to provide continuous buying and selling of the Company shares in order to support Company's liquidity in shares trading. As at 31 December 2025, the Company held Nil (2024: Nil) of its own shares. During the year ended 31 December 2024, the Company recorded a loss of ﷲ 1,908,450.

Further, the Board of Directors in their meeting held on 26 Rabie Al-Thani 1445H (corresponding to 11 October 2023) recommended to purchase 300,000 of Company's own shares which will be held as treasury shares. These purchases of the shares are subject to approval and consent of the Extraordinary General Assembly to proceed with the other institutional formality. The regulatory procedures required to enforce purchase of treasury shares were not completed as of the reporting date.

16. DIVIDENDS

On 28 March 2025 corresponding to 28 Ramadan 1446H, the Board of Directors of the Company resolved to distribute cash dividends amounting to ﷲ 3.2 per share aggregating to ﷲ 96,000,000. These cash dividends were paid on 23 April 2025.

On 19 August 2025, corresponding to 25 Safar 1446H, the Board of Directors of the Company resolved to distribute cash dividends for the interim period ended 31 March 2025 amounting to ﷲ 0.8 per share aggregating to ﷲ 24,000,000. These cash dividends were paid on 07 September 2025.

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16. DIVIDENDS (Continued)

On 07 October 2025 corresponding to 6 Jamada al-Awwal 1447H, the Board of Directors of the Company resolved to distribute cash dividends for the interim period ended 30 June 2025 amounting to ﷲ 0.8 per share aggregating to ﷲ 24,000,000. These cash dividends were paid on 26 October 2025.

On 07 October 2025 corresponding to 6 Jamada al-Awwal 1447H, the Board of Directors of the Company resolved to distribute cash dividends for the interim period ended 30 September 2025 amounting to ﷲ 0.8 per share aggregating to ﷲ 24,000,000. These cash dividends were paid on 25 November 2025.

17. EMPLOYEE BENEFITS

The Group has a post-employment defined benefit plan. The benefits are required by Saudi Labor Law. These benefits are based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia. The following table summarizes the components of the net benefit expense recognized in the consolidated statement of profit or loss and other comprehensive income and amounts recognized in the consolidated statement of financial position.

At 31 December 2025, the weighted average duration of the defined benefit obligation was 5 years (2024: 5 years).

The following table represents the movement in the defined benefit obligations for the year:

	31 December 2025	31 December 2024
	ﷲ	ﷲ
Balance as at 1 January	24,415,195	24,697,800
Included in profit or loss		
Current service cost	7,906,292	6,785,637
Interest cost	1,295,599	1,151,671
	9,201,891	7,937,308
Included in OCI		
Re-measurements:		
Change in demographic assumption	35,488	(2,557)
Change in financial assumption	1,018,859	(894,037)
Experience gain/ (loss)	2,002,208	(663,266)
	3,056,555	(1,559,860)
Other		
Benefit paid	(6,534,413)	(6,660,053)
Balance as at 31 December	30,139,228	24,415,195

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17. EMPLOYEE BENEFITS (CONTINUED)

Significant actuarial assumptions

The significant actuarial assumptions used in the computation is shown below:

	31 December 2025	31 December 2024
	<u>ﷻ</u>	<u>ﷻ</u>
Discount rate	4.67%	5.31%
Salary growth rate:		
Full time employees	4%	4%
Contractual employees	0%	0%
Withdrawal rate	5% to 25%	5% to 25%
Retirement age	65 years	55 to 60 years

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

		31 December 2025	31 December 2024
		<u>ﷻ</u>	<u>ﷻ</u>
Discount rate	1% increase	1,869,714	1,244,057
	1% decrease	(2,140,757)	(1,395,549)
Salary growth rate	1% increase	(2,138,643)	(1,404,601)
	1% decrease	1,903,007	1,274,939
Withdrawal rate	20% increase	526,285	379,538
	20% decrease	(554,853)	(391,751)

18. CONTRACT LIABILITIES

The contract liabilities relate to advance consideration billed/received, for which revenue is recognized on satisfaction of performance obligations which is generally over one to four years.

	31 December 2025	31 December 2024
	<u>ﷻ</u>	<u>ﷻ</u>
Contract liabilities- non-current	-	-
Contract liabilities- current	253,677,803	236,236,714
	<u>253,677,803</u>	<u>236,236,714</u>

The amount of ﷻ 209,340,010 included in contract liabilities at 31 December 2024 has been recognised as revenue in 2025 (2024: ﷻ 139,955,891)

The movement during the year is as follows:

	31 December 2025	31 December 2024
	<u>ﷻ</u>	<u>ﷻ</u>
Opening balance	236,236,714	197,055,144
Additions	1,043,518,528	1,014,726,355
Utilization	(1,026,077,439)	(975,544,785)
Closing balance	<u>253,677,803</u>	<u>236,236,714</u>

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19. LEASE LIABILITIES

The Group leases certain office premises, which typically run for a period of 5 to 10 years, with an option to renew the lease after that date. Information about leases for which the Group is a lessee is presented below.

	31 December 2025	31 December 2024
	ﷲ	ﷲ
As at 1 January	-	131,697
Payments	-	(131,697)
	<u>-</u>	<u>-</u>

Right-of-use assets

	31 December 2025	31 December 2024
	ﷲ	ﷲ
At 1 January	-	153,047
Depreciation charge for the year	-	(153,047)
	<u>-</u>	<u>-</u>

Amounts recognised in statement profit or loss and other comprehensive income:

	31 December 2025	31 December 2024
	ﷲ	ﷲ
Depreciation	<u>-</u>	<u>153,047</u>

20. LOANS AND BORROWINGS

The Group has obtained loans from various local commercial banks and other financial institutions to meet its working capital requirements. These loans have bullet repayments with maturities ranging from 1 to 12 months; however, they are generally rolled over upon maturity. The loans bear interest/profit at rates between 3.7% and 8.8% (2024: 3.7% to 11%) and are subject to certain financial covenants. They are secured by promissory notes and the assignment of certain contract proceeds, and carry interest/profit rates prevailing in the market. The Group was not in compliance with certain covenant requirements as of 31 December, 2025.

	31 December 2025	31 December 2024
	ﷲ	ﷲ
Murabaha facilities	822,660,988	832,450,095
Conventional facilities	31,592,779	46,021,089
	<u>854,253,767</u>	<u>878,471,184</u>

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20. LOANS AND BORROWINGS (CONTINUED)

	31 December 2025	31 December 2024
	<u>ﷲ</u>	<u>ﷲ</u>
Total facilities available	2,067,265,843	3,994,715,668
Facilities utilized	(990,885,189)	(1,684,762,380)
Unutilized facilities	<u>1,076,380,654</u>	<u>2,309,953,288</u>

Unutilized facilities have maturity dates ranging from January 2026 to December 2026.

Movements in loans and borrowings are shown below:

	31 December 2025	31 December 2024
	<u>ﷲ</u>	<u>ﷲ</u>
Opening balance	878,471,184	619,294,498
Additions during the year	2,263,823,084	1,703,426,349
Repayment made during the year	(2,285,568,579)	(1,453,139,103)
Finance cost during the year (note 27)	86,978,725	83,473,651
Finance cost paid during the year	(89,450,647)	(74,584,211)
Closing balance	<u>854,253,767</u>	<u>878,471,184</u>

21. TRADE PAYABLES AND OTHER LIABILITIES

	31 December 2025	31 December 2024
	<u>ﷲ</u>	<u>ﷲ</u>
Trade payables	705,025,150	515,926,333
Accrued expenses*	706,801,459	431,836,357
Amounts due to related parties (note 30)	38,558,746	29,154,145
Accrued salaries and other employee costs	20,023,753	12,732,045
Other payables	3,411,034	3,823,981
Value added tax, net	4,304,830	-
Withholding tax payable	24,934,164	15,868,410
	<u>1,503,059,136</u>	<u>1,009,341,271</u>

*Accrued expenses include an amount of ﷲ 10.6 million (2024: ﷲ 2 million) related to services delivered by the related party EDARAT, which have not yet been invoiced as of the reporting date. The expense has been recognized based on the actual costs incurred for the services provided during the year, in accordance with the underlying contractual arrangement

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22. REVENUE

The Group revenue is derived from contracts with customers:

Disaggregation of revenue

Set out below is the disaggregation of Group's revenue from contracts by type of goods or services, timing of revenue recognition, type of customers and types of principals or agent:

<i>Timing of revenue recognition</i>	31 December 2025	31 December 2024
	<u>ﷲ</u>	<u>ﷲ</u>
Product transferred at a point in time	458,957,779	378,988,049
Services transferred overtime	813,430,551	833,994,466
	<u>1,272,388,330</u>	<u>1,212,982,515</u>
	31 December 2025	31 December 2024
	<u>ﷲ</u>	<u>ﷲ</u>
<i>Type of customers</i>		
Government and government - controlled entities	728,135,912	619,181,416
Private	544,252,418	593,801,099
	<u>1,272,388,330</u>	<u>1,212,982,515</u>
	31 December 2025	31 December 2024
	<u>ﷲ</u>	<u>ﷲ</u>
<i>Product or service</i>		
Equipment and hardware	767,298,296	834,929,567
Software licenses	66,491,476	61,064,515
Maintenance services	438,598,558	316,988,433
	<u>1,272,388,330</u>	<u>1,212,982,515</u>
	31 December 2025	31 December 2024
	<u>ﷲ</u>	<u>ﷲ</u>
<i>Revenue type - principal or agent</i>		
Revenue derives from principal	1,148,877,136	1,110,117,828
Revenue derives from agent	123,511,194	102,864,687
	<u>1,272,388,330</u>	<u>1,212,982,515</u>

23. COST OF REVENUE

	31 December 2025	31 December 2024
	<u>ﷲ</u>	<u>ﷲ</u>
Equipment and software cost	660,218,942	719,734,203
Manpower cost	213,840,280	171,417,491
Service and support cost	100,070,462	64,063,167
	<u>974,129,684</u>	<u>955,214,861</u>

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24. GENERAL AND ADMINISTRATION EXPENSES

	31 December 2025	31 December 2024
	ﷲ	ﷲ
Employees' costs	91,160,330	76,006,121
Office supplies	4,163,827	5,106,726
Professional fees	15,244,390	10,480,707
Depreciation on property and equipment (note 6)	3,352,070	3,655,685
Amortization on intangible assets (note 7)	2,198,921	2,311,370
Travel expenses	3,134,300	2,537,737
Software subscription	10,583,892	8,633,576
Others	11,605,420	4,341,213
Postage and communication	643,020	969,610
	<u>142,086,170</u>	<u>114,042,745</u>

25. AUDITOR'S REMUNERATION

Auditors' remuneration for the statutory audit of the Company's financial statements for the year ended 31 December 2025 amounts to ﷲ 1.2 million (2024: ﷲ 0.74 million). Auditors' remuneration for the review of the Company's financial information during the year ended 31 December 2025 amounts to ﷲ 0.54 million (2024: ﷲ 0.3 million).

26. SELLING AND MARKETING EXPENSES

	31 December 2025	31 December 2024
	ﷲ	ﷲ
Employees' cost	11,201,533	11,218,659
Advertising and sales promotion	9,928,280	13,546,106
	<u>21,129,813</u>	<u>24,764,765</u>

27. FINANCE COSTS

	31 December 2025	31 December 2024
	ﷲ	ﷲ
Finance costs on short-term loans	73,190,433	71,333,352
Finance costs on letters of credit and guarantee	3,716,575	7,885,403
Bank charges	10,071,717	4,254,896
	<u>86,978,725</u>	<u>83,473,651</u>

28. PROVISION FOR ZAKAT

The Zakat charge of the year consists of current year provision amounting to ﷲ 3,163,542 (2024: ﷲ 6,861,456) and is based on the following:

	31 December 2025	31 December 2024
	ﷲ	ﷲ
Shareholder's equity	356,984,191	429,299,941
Other liabilities	15,579,746	26,033,581
Deductible assets	(325,704,058)	(226,651,170)
Zakat base	<u>46,859,879</u>	<u>228,682,412</u>
Maximum Limit of the Zakat base	356,984,191	430,918,327
Minimum Limit of the Zakat base	104,109,863	117,716,011
Provision for Zakat	<u>2,683,623</u>	<u>5,910,857</u>

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28. PROVISION FOR ZAKAT (CONTINUED)

Movements in Zakat provision during the year

	31 December 2025	31 December 2024
	ﷻ	ﷻ
Balance at 1 January	5,910,857	9,697,857
Charged during the year	2,683,623	5,910,857
Prior year adjustment	479,919	950,599
	3,163,542	6,861,456
Paid during the year	(5,869,027)	(10,648,456)
	3,205,372	5,910,857

The Company has duly filed its Zakat returns with ZATCA for all years up to 31 December 2024 and has obtained the corresponding final tax certificates. In 2026, ZATCA issued final assessments for the years 2021 to 2024, which resulted in additional Zakat liabilities of ﷻ 1,998,353 for 2021, ﷻ 256,865 for 2022, and ﷻ 208,913 for 2024. The Company has settled the additional Zakat liability amounting to ﷻ 208,913 for 2024. The Company is currently in the process of submitting objections to ZATCA regarding the assessments for 2021 and 2022.

ZATCA also issued withholding tax assessments for the years 2021 to 2023, resulting in additional liabilities of ﷻ 12,100 for 2021 and ﷻ 2,972 for 2022.

For the year 2023, ZATCA finalized both the Zakat and withholding tax assessments without any additional liability.

29. EARNINGS PER SHARE

Basic earnings per share is calculated based on the weighted average number of outstanding shares during the year. Diluted earnings per share is calculated by adjusting the basic earnings per share for the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all diluted potential ordinary shares.

There has been no item of dilution affecting the weighted average number of ordinary shares.

	31 December 2025	31 December 2024
	ﷻ	ﷻ
Net income for the year	96,090,151	121,738,036
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	30,000,000	30,000,000
Basic and diluted earnings per share	3.20	4.06

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30. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprises the shareholders that have control or significant influence over the Group, directors, affiliates (representing entities directly or indirectly controlled by the Group's shareholders) and key management personnel. Related parties also include business entities in which certain directors or senior management have an interest (other related parties).

During the year ended 31 December 2025, the Group entered into transaction with its related parties. The terms of those transactions are approved by management/Board of Directors in the ordinary course of business. The transactions during the year are as follows:

	31 December 2025	31 December 2024
	ﷲ	ﷲ
Transaction with shareholders		
Dividends paid	168,000,000	-
Transaction with Associate		
Edarat Telecommunication and Information Technology Company		
Revenue	1,662,034	3,331,846
Purchases	79,920,828	31,703,993
Transactions with entities having common shareholders		
Emaar Executives for Information Technology		
Revenue	153,305	194,863

The remuneration of key management personnel for the year are as follows:

	31 December 2025	31 December 2024
	ﷲ	ﷲ
Salaries and short-term benefits	10,365,062	9,481,507
Employee benefits	406,333	377,500
	10,771,395	9,859,007

Key management personnel are those people who have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The following balances were outstanding with related parties at the reporting date:

	31 December 2025	31 December 2024
	ﷲ	ﷲ
Due to related parties: (note 21)		
Edarat Telecommunication and Information Technology Company	38,558,746	29,154,145
	38,558,746	29,154,145
Due from related parties: (note 10)		
Edarat Telecommunication and Information Technology Company	390,000	-

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31. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

a. Accounting classification and fair values

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

- In the accessible principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability.

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

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The following table shows the carrying amount and fair value of instruments designated at FVTPL, including the level in the fair value hierarchy.

	Carrying value ﷻ	Fair Value		
		Level 1 ﷻ	Level 2 ﷻ	Level 3 ﷻ
Financial asset measured at fair value				
31 December 2025				
Investments classified at fair value through profit or loss (FVTPL)	241,963,223	-		-241,963,223
31 December 2024				
Investments classified at fair value through profit or loss (FVTPL) - Restated	166,425,417	-		-166,425,417

The fair value of the investments designated at FVTPL is classified as a level 3 measurement since the valuation performed using a significant non-observable input.

The fair values of the unquoted investments mainly comprise investment in the units of Saudi Data Centre Fund and Vision Bank. Fair value of the Fund is estimated using discounted cash flow (DCF) model approach. The valuation requires management to make certain assumptions about the model inputs, including the terminal growth rate and discount rate. The Group valued its investment in Vision Bank using a market approach based on the observable transaction arising from an expected transaction.

Valuation technique and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair value at 31 December 2025 and 31 December 2024, as well as the significant unobservable inputs used.

Type	Valuation technique	Unobservable input	Relationship of unobservable inputs to FV
Private equity	Valuation technique (i.e., DCF) Expected transaction Market Multiples	Terminal growth rate Annual Growth rate WACC	Growth rate is directly proportional. Discount rate is inversely proportional.

	31 December 2025 ﷻ	31 December 2024 ﷻ Restated
Balance at the beginning of the year	166,425,417	25,000,000
Additions during the year	67,277,865	128,585,392
Fair value changes during the year	90,511,790	12,840,025
Disposal during the year	(82,251,849)	-
Balance at the closing of the year	<u>241,963,223</u>	<u>166,425,417</u>

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**31. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT
(CONTINUED)****a. Accounting classification and fair values**

The following table shows carrying value which are equal to the fair value of the financial assets and financial liabilities.

<u>Carrying value</u>	<u>Note</u>	31 December 2025 ﷻ	31 December 2024 ﷻ Restated
<i>Financial assets at amortized cost</i>			
Trade receivables, net	10	735,485,261	681,131,105
Other receivables	10	9,340,232	14,670,400
Amounts due from related parties	10	390,000	-
Margin on letters of credit and guarantee	11	10,804,644	13,415,259
Cash and bank balances	13	220,747,122	179,061,534
		976,767,259	888,278,298
<i>Financial liabilities at amortized cost</i>			
Loans and borrowings	20	854,253,767	878,471,184
Amount due to related parties	30	38,558,746	29,154,145
Trade payable and other liabilities	21	1,435,261,396	964,318,716
		2,328,073,909	1,871,944,045

b. Financial risk and capital management

The Group has exposure to the following risk arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
 - Interest rate risk
 - Currency risk
 - Price risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risk 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 maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk faced by the Group. The Audit Committee is assisted in its oversight role by Internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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**31. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT
(CONTINUED)****b. Financial risk and capital management (continued)****i) Credit risk**

The Group manages exposure to credit risk, which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit exposures arise principally from Group's trade receivables, contract assets and balances with banks.

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter-parties, and continually assessing the creditworthiness of counter-parties.

Below areas with maximum exposure to credit risk for the components of the consolidated statement of financial position.

Credit risk related to time deposit and cash deposit

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Cash is substantially placed with national banks with sound credit ratings. The Group does not consider itself exposed to a concentration of credit risk with respect to banks due to their strong financial background.

Trade receivables

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivables and contract assets.

The Group uses an allowance matrix to measure the ECLs of trade receivables and contract assets from governments, semi government and private customers.

Loss rates are calculated using a roll rate method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics- governments and private.

ECL assessment for trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets measured at amortized cost and contract assets.

The key inputs into the measurement of ECL are the following variables:

- Probability of default (PD) using statistical model
- GDP of KSA, as a macroeconomic variable to adjust the historic loss rate

The following tables contain an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The carrying amount of financial assets measured at amortised cost below also represents the Company's maximum exposure to credit risk on these assets

<u>Carrying value</u>	<u>Note</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
		<u>ﷻ</u>	<u>ﷻ</u>
<u>Financial assets at amortized cost</u>			
Trade receivables, net	10	735,485,261	681,131,105
Other receivables	10	9,340,232	14,670,400
Contract asset	9A	1,350,899,280	1,049,193,434
Amounts due from related parties	10	390,000	-
Margin on letters of credit and guarantee	11	10,804,644	13,415,259
Cash and bank balances	13	220,747,122	179,061,534
		<u>2,327,666,539</u>	<u>1,937,471,732</u>
<u>Financial liabilities at amortized cost</u>			
Loans and borrowings	20	854,253,767	878,471,184
Amount due to related parties	30	38,558,746	29,154,145
Trade payable and other liabilities	21	1,435,261,396	964,318,716
		<u>2,328,073,909</u>	<u>1,871,944,045</u>

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**31. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT
(CONTINUED)**

b. Financial risk and capital management (continued)

ECL assessment for trade receivables and contract assets (continued)

Trade receivables

The following table provides information about the exposure to credit risk and calculated allowance for ECL using simplified approach for trade receivables from private and government customers.

	Weighted average loss rate	Gross carrying amount ﷲ	Expected credit loss allowance ﷲ	Weighted average loss rate	Gross carrying amount ﷲ Restated	Expected credit loss allowance ﷲ
Private						
Current balance-not due	2.5%	44,597,119	1,133,664	1.9%	196,725,184	3,631,605
0-1 year past due	8.8%	161,346,733	14,176,636	15.2%	96,121,235	14,629,870
1-2 year past due	25.5%	19,075,995	4,864,630	12.8%	12,297,858	1,576,734
Greater than 2 years past due	61.9%	12,696,533	7,863,003	47.2%	22,923,321	10,826,586
		<u>237,716,380</u>	<u>28,037,934</u>		<u>328,067,598</u>	<u>30,664,795</u>
Government						
Current balance-not due	2.8%	75,833,875	2,129,193	0.6%	64,353,741	414,904
0-1 year past due	1.2%	440,063,421	5,470,057	2.0%	271,103,198	5,518,454
1-2 year past due	38.8%	13,261,772	5,143,793	23.7%	36,527,073	8,664,641
Greater than 2 years past due	75.4%	39,725,788	29,944,999	24.0%	34,680,150	8,337,860
		<u>568,884,856</u>	<u>42,688,042</u>		<u>406,664,162</u>	<u>22,935,859</u>
		<u>806,601,236</u>	<u>70,725,975</u>		<u>734,731,760</u>	<u>53,600,654</u>

Contract assets

The following table provides information about the exposure to credit risk and calculated allowance for ECL using simplified approach for contract assets from private and government customers.

	Weighted average loss rate	Gross carrying amount ﷲ	Expected credit loss allowance ﷲ	Credit impaired ﷲ
Private				
31 December 2025	1.89%	210,018,286	3,965,649	13,352,171
31 December 2024	1.99%	156,533,866	3,111,970	11,859,401
Government				
31 December 2025	0.52%	1,232,798,814	6,371,961	68,228,039
31 December 2024	0.82%	965,598,308	7,911,450	50,055,918
31 December 2025		<u>1,442,817,100</u>	<u>10,337,610</u>	<u>81,580,210</u>
31 December 2024		<u>1,122,132,174</u>	<u>11,023,420</u>	<u>61,915,320</u>

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31. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)**b. Financial risk and capital management (continued)****ii) Market risk**

Market risk is the risk that changes in market prices, such as currency rates, interest rates and prices that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group did not have any significant foreign currency denominated monetary assets or liabilities at the reporting date for which it was exposed to foreign currency fluctuations. Consequently, no foreign currency sensitivity analysis has been presented.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. The Group has no significant interest bearing assets, but has interest bearing liabilities at 31 December 2025 and 31 December 2024. The Group manages its exposure to interests rate risk by continuously monitoring movements in interest rates.

Sensitivity analysis for variable rate financial instruments

The following table demonstrates the sensitivity of the Group to a reasonably possible change, with all other variables held constant, of the Group Income before Zakat (through the impact on floating rate borrowings) for the year ended 31 December:

	31 December 2025	31 December 2024
	ﷻ	ﷻ
Floating rate		
Increase by 50 base points	4,239,181	4,347,909
Decrease by 50 base points	(4,239,181)	(4,347,909)

The sensitivity analysis has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole period. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Equity price risk

The Group's exposure to equity price risk arises from investments at fair value through profit or loss (FVTPL). To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the board. The impact of 10% change in the price of the equities classified as financial assets at fair value through profit or loss at 31 December 2025 is ﷻ 24.2 million (2024: ﷻ 16.6 million).

iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always 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.

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31. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)**b. Financial risk and capital management (continued)****iii) Liquidity risk (continued)**

The management believes that the Group is not exposed to significant risks in relation to liquidity and maintains different lines of credit. Upon careful comparison of the financial liabilities included within the current liabilities with the financial assets forming part of the current assets, there seems to be a reasonably hedging position between the two categories.

Exposure to liquidity risk

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

As at 31 December 2025	Carrying amount	Total	Within 3 months	4 to 6 months	Over 6 months
	ﷻ	ﷻ	ﷻ	ﷻ	ﷻ
Loans and borrowings *	854,253,767	855,477,901	674,981,459	151,017,621	29,478,821
Trade payables and other liabilities**	1,473,820,142	1,473,820,142	801,778,116	263,479,692	408,562,334
	<u>2,328,073,909</u>	<u>2,329,298,043</u>	<u>1,476,759,575</u>	<u>414,497,313</u>	<u>438,041,155</u>

As at 31 December 2024	Carrying amount	Total	Within 3 months	4 to 6 months	Over 6 months
	ﷻ	ﷻ	ﷻ	ﷻ	ﷻ
Loans and borrowings*	878,471,184	899,193,002	412,393,082	465,070,194	21,729,726
Trade payables and other liabilities **	993,472,861	993,472,861	598,877,010	150,441,126	244,154,725
	<u>1,871,944,045</u>	<u>1,892,665,863</u>	<u>1,011,270,092</u>	<u>615,511,320</u>	<u>265,884,451</u>

* Breach of covenant could result in repayment of loan on demand upon periodic covenant review process. However, management expect the repayment of loans will be as per the contractual maturities due to short term nature of loans and prior experience.

** Excluding, accrued salaries and other employees related statutory payments whose maturities are uncertain at reporting date.

c. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. The Group's target is to achieve a return on capital above 51%; in 2025 the return was 32% (2024: 41%). The weighted-average interest expense on interest-bearing borrowings was 6.49% (2024: 5.86%).

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

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**31. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT
(CONTINUED)**

c. Capital management (continued)

The Group includes within net debt: short-term loans, trade payables and other liabilities less cash and bank balances.

	31 December 2025	31 December 2024
	ﷲ	ﷲ
Loans and borrowings	854,253,767	878,471,184
Trade and other liabilities	1,503,059,136	1,009,341,271
Less: Cash and bank balances	(220,747,122)	(179,061,534)
Net debt	2,136,565,781	1,708,750,921
Shareholders' equity	345,759,108	420,725,512
Shareholders' equity and net debt	2,482,324,889	2,129,476,433
Gearing ratio	86%	80%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants may lead to call-back of facilities. The Group did not comply with certain loan covenants during the year. However, the Group was able to renew facilities historically with Banks upon expiry. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

32. RESTATEMENT AND RECLASSIFICATIONS

During the period, management has restated/reclassified certain account balances in the consolidated financial statements as at and for the year ended 31 December 2024. These restatements do not have any impact on periods beyond the year ended 31 December 2024 and therefore third statement of financial position is not presented. Summary of the adjustments in the consolidated statement of financial position is presented below.

	31 December 2024		31 December 2024
Consolidated statement of financial position at 31 December 2024	As previously reported	Restatement	Restated
Investment classified as FVTPL (a)	177,967,563	(11,542,146)	166,425,417
Trade and other receivables (a)	540,991,232	8,878,575	549,869,807
Retained earnings (a)	(112,080,824)	2,663,571	(109,417,253)
Contract assets (b)	985,102,210	(11,373,789)	973,728,421
Contract costs (b)	271,961,908	11,373,789	283,335,697
		-	
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024	As previously reported	Restatement	Restated
Gain in fair value in investments at FVTPL, net (a)	(15,503,596)	2,663,571	(12,840,025)

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32. RESTATEMENT AND RECLASSIFICATIONS (continued)

Consolidated statement of cashflows for the year ended 31 December 2024	31 December 2024		31 December 2024
	As previously reported	Effect of Reclassification	As Reclassed
Net income for the year	124,401,607	(124,401,607)	-
Income before Zakat (a & c)	-	128,599,492	128,599,492
Adjustment for non-cash items			
Non-cash consideration for Data centre (a)	-	(85,077,620)	(85,077,620)
Gain in fair value in investments at FVTPL, net (a)	(15,503,596)	2,663,571	(12,840,025)
Zakat expense (c)	6,861,456	(6,861,456)	-
Changes in working capital:			
Trade and other receivables (a)	(30,023,797)	(8,878,575)	(38,902,372)
Contract assets (b)	(356,119,119)	11,373,789	(344,745,330)
Contract costs (b)	(161,372,596)	(11,373,789)	(172,746,385)
Net cash generated used in operations	(87,929,059)	(93,956,195)	(181,885,254)
Investing activities			
Investment classified as FVTPL (a)	(137,463,967)	93,956,195	(43,507,772)
Net cash generated (used in)/from investing activities	(81,785,712)	93,956,195	12,170,483

(a) Certain units in the Saudi Data Centre Fund, to which the Group became entitled in respect of services rendered in prior periods, were initially and incorrectly recognised as issued units and recorded under investments at fair value through profit or loss (FVTPL), instead of being recognised as trade receivables. Accordingly, the related fair value gain previously recognised on these units has been reversed and appropriately adjusted against retained earnings as at 31 December 2024.

Furthermore, the non-cash consideration relating to the data center services was previously presented as investing activities under investments at FVTPL in the statement of cash flows. This has now been appropriately reclassified and presented as a non-cash adjustment within operating activities.

(b) Design and mobilization phase costs incurred under the facility management agreement for Saudi Data Centre Fund were incorrectly classified as contract assets, whereas they should have been recognized as contract costs.

(c) Income is presented before Zakat instead of net of Zakat in previous year.

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33. SEGMENT INFORMATION

The Group operates solely in KSA and has no geographical segment. For management purposes, the Group is organized into business units based on service provided and has the following reportable segments:

Business Service Management Unit

Business Service Management unit provides software in areas of business service management, data center monitoring and optimization, in addition to contract center related solutions, as per requirements.

Solutions Unit

Solutions is a business unit that plan, design, establish and equip modern geographic information system (“GIS”) centers, providing business with necessary infrastructure. It aids in building geographic data, training client teams, configuring GIS tools and building end-user applications.

Systems Unit

The system unit provides technological and business expertise to turn possibilities into real business solutions.

Information Technology Security Unit

Information technology Security provides a broad portfolio of industry-best solutions, which help customers develop, deploy, fulfil and maintain optimum security. It is a unit that meets all customer requirements for their information security cycle.

Networking Unit

The business unit’s main responsibility is to build efficient and cost-effective networks and communication solutions based on technologies from various leading Information Communication Technology (“ICT”).

Operation and Maintenance Unit

Operation and Maintenance Unit is the Management Operation and Maintenance Project Unit that apply project management support for tasks where the application of knowledge, skills, and techniques to successfully implement IT infrastructure is necessary.

Data Center Unit

The Data center division is mainly involved in designing, development, execution (on a turnkey basis) and operations of data centers.

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33. SEGMENT INFORMATION (CONTINUED)

Management monitors the operational results of the operating segments separately for making decisions about resource allocation and performance assessment. Consistent with the Group's internal reporting process, business segments have been approved by Board of Directors in respect of the Group's activities.

The segment information from operations of these segments is provided below:

	Segments											
	Business service management Unit	Solutions Unit	Systems Unit	Information Technology Security Unit	Networking Unit	Operation and maintenance Unit	Data Center Unit	Data Center facility management	Data Center ELV	Non-segment remaining items	Subsidiaries	Total
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
As at 31 December 2025												
Total assets	72,409,152	510,604,384	378,793,952	331,254,679	556,646,376	280,109,131	306,949,529	70,880,329	67,609,204	350,084,560	64,753,118	2,990,094,414
Total liabilities	79,237,689	713,129,648	236,837,612	328,104,342	475,335,461	350,628,874	177,827,201	31,643,973	34,479,927	138,288,951	78,821,628	2,644,335,306
Revenue												
Timings of revenue:												
Sale of goods at point in time	5,990,763	33,074,169	56,188,423	56,261,511	224,580,721	41,160,815	-	-	25,681,170	-	16,020,207	458,957,779
Sale of services over period of time	3,073,413	8,057,257	10,672,805	3,659,061	105,331,448	292,109,249	380,208,178	-	4,562,102	-	5,757,037	813,430,551
Type of customers:												
Government and government - controlled entities	6,590,543	34,641,260	42,490,629	49,323,454	255,024,432	322,349,551	-	-	10,387,246	-	7,328,796	728,135,911
Private	2,473,632	6,490,166	24,370,599	10,597,119	74,887,737	10,920,513	380,208,178	-	19,856,026	-	14,448,448	544,252,418
Principal or agent revenue:												
Principal revenue	3,073,413	8,762,508	44,214,964	23,874,366	312,630,440	328,011,388	380,208,178	-	26,324,634	-	21,777,245	1,148,877,136
Agent revenue	5,990,763	32,368,918	22,646,264	36,046,206	17,281,728	5,258,676	-	-	3,918,638	-	-	123,511,193
Income (loss) before Zakat	(1,099,254)	(2,288,940)	5,418,418	14,893,035	12,715,710	-5,267,267	40,588,235	-	4,412,214	86,674,791	(56,793,249)	99,253,693

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33. SEGMENT INFORMATION (CONTINUED)

	Segments									Total
	Business service management Unit	Solutions Unit	Systems Unit	Information Technology Security Unit	Networking Unit	Operation and maintenance Unit	Data Center Unit	Non- segment remaining items	Subsidiaries	
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
As at 31 December 2024										
Total assets (Restated)	123,734,096	478,742,078	216,277,530	198,842,116	573,279,596	218,710,080	447,078,963	270,094,661	48,341,613	2,575,100,733
Total liabilities	102,615,735	540,524,610	125,059,357	173,890,747	497,285,966	141,357,590	483,315,577	37,880,056	52,445,583	2,154,375,221
Revenue										
<u>Timings of revenue:</u>										
Sale of goods at point in time	10,332,610	39,310,828	85,283,969	43,847,275	159,191,971	32,152,271	-	-	8,869,125	378,988,049
Sale of services over period of time	5,534,848	19,063,323	11,537,793	10,684,561	88,016,666	232,097,094	461,777,754	-	5,282,427	833,994,466
<u>Type of customers:</u>										
Government and government - controlled entities	11,815,458	49,966,023	70,015,857	38,281,359	180,519,569	261,092,667	-	-	7,490,483	619,181,416
Private	4,052,001	8,408,128	26,805,906	16,250,476	66,689,069	3,156,698	461,777,754	-	6,661,067	593,801,099
<u>Principal or agent revenue:</u>										
Principal revenue	5,534,848	22,280,769	91,776,701	34,492,040	228,916,358	256,419,652	461,777,754	-	8,919,706	1,110,117,828
Agent revenue	10,332,610	36,093,382	5,045,062	20,039,796	18,292,280	7,834,469	-	-	5,227,088	102,864,687
Income (loss) before Zakat	1,681,087	21,814,209	767,128	10,692,798	14,971,462	19,302,242	30,286,768	58,364,394	(29,280,596)	128,599,492

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34. COMMITMENTS AND CONTINGENT LIABILITIES

The Group had the following contingent liabilities as at the reporting date:

Contingent liabilities

	31 December 2025	31 December 2024
	ﷲ	ﷲ
Letters of credit	275,571,384	184,128,470
Letter of guarantees	478,438,742	658,163,856

As at 31 December 2025 the Group has operating Capital commitments amounting to ﷲ 1.5 billion.

35. RECEIVABLES FINANCING

As at 31 December 2025, the Group sold part of its semi-government and private receivables to the bank without recourse with an aggregate amount of ﷲ 255,198,845 (2024: ﷲ 97,915,193).

36. SUBSEQUENT EVENTS

- (a) On 30 March 2026 corresponding to 11 Shawwal 1447H, the Board of Directors of the Company resolved to distribute cash dividends for the fourth quarter ended 31 December 2025 amounting to ﷲ 0.8 per share aggregating to ﷲ 24,000,000.
- (b) Subsequent to the date of the consolidated financial statements, the Gulf region witnessed escalating geopolitical tensions, leading to a significant increase in global oil prices and volatility in regional and global financial markets, as well as disruptions to transportation, shipping, and supply chains in the region.

As of the date of approval of the consolidated financial statements, the geopolitical situation remains evolving and unstable, and these developments may have a potential impact on the Group's operations, supply chains, or operating costs in future periods. Management continues to monitor these developments on an ongoing basis and take appropriate action when necessary, however, the financial impact of these developments cannot currently be reliably estimated.

Management has assessed these developments and considered them to be non-adjusting subsequent events to the financial statements, as these circumstances arose after the financial reporting date.

Other than the above, there are no events that have occurred subsequent to the reporting date and including the date of the approval of the consolidated financial statements which require adjustments to, or additional disclosures, in these consolidated financial statements.