

ELM COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

**ELM COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

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**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

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## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of  
Elm Company  
(A Saudi Joint Stock Company)

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Elm Company** ("the Company") and its subsidiaries (collectively referred to as "the Group"), as at 31 March 2025, and the related interim condensed consolidated statement of profit or loss and statement of other comprehensive income, the interim condensed consolidated statements of changes in equity and cash flows for the three month period then ended, and other explanatory notes.

The Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standards ("IAS 34") "*Interim Financial Reporting*" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### Scope of Review

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

### Conclusion

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

For Dr. Mohamed Al-Amri & Co.



Gihad Al-Amri  
Certified Public Accountant  
Registration No. 362



Riyadh – Kingdom of Saudi Arabia  
on: 14 May 2025 G  
corresponding to: 16 Dhu al-Qi'dah 1446 H

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025  
All amounts in Saudi Riyals

	Note	For the three months period ended March 31	
		2025 (Unaudited)	2024 (Unaudited)
Revenue	5	1,877,424,620	1,639,012,444
Cost of revenue		(1,104,331,829)	(1,015,304,670)
<b>GROSS PROFIT</b>		<b>773,092,791</b>	<b>623,707,774</b>
<b>EXPENSES</b>			
Research and development		(21,292,891)	(14,269,626)
Selling and marketing		(85,172,923)	(85,479,023)
Expected credit losses		(3,653,886)	(24,668,823)
General and administrative		(149,603,530)	(123,465,593)
Depreciation and amortization	6,7,8	(39,947,023)	(41,447,299)
Impairment of non-current assets		(1,544,266)	-
<b>OPERATING PROFIT</b>		<b>471,878,272</b>	<b>334,377,410</b>
Finance cost		(7,365,131)	(4,690,478)
Income from murabaha deposit	15,16	43,759,227	43,618,982
Share of result from investment in associates and a joint venture	10	(712,428)	(226,805)
Gain at fair value of financial assets through profit or loss, net	10,11	7,291,688	901,720
Other income, net		12,900,562	4,388,091
<b>PROFIT BEFORE ZAKAT</b>		<b>527,752,190</b>	<b>378,368,920</b>
Zakat	21	(32,020,957)	(33,598,631)
<b>NET PROFIT</b>		<b>495,731,233</b>	<b>344,770,289</b>
<b>Net profit attributable to:</b>			
Equity holders of the parent Company		495,731,233	344,782,745
Non-controlling interests		-	(12,456)
		<b>495,731,233</b>	<b>344,770,289</b>
 Earnings per share from net profit attributable to equity holders of the parent company:			
Basic	19	6.38	4.44
Diluted	19	6.20	4.31



Chief Financial Officer



Chief Executive Officer



Chairman

الإدارة

The accompanying notes from (1) to (30) form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025  
All amounts in Saudi Riyals

	Note	For the three months period ended March 31	
		2025 (Unaudited)	2024 (Unaudited)
NET PROFIT		495,731,233	344,770,289
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified subsequently to Profit or loss:</i>			
Foreign currency translation difference		(229,406)	(5,966)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Change in fair value of financial assets through other comprehensive income	11	(11,487,708)	-
TOTAL OTHER COMPREHENSIVE INCOME		(11,717,114)	(5,966)
TOTAL COMPREHENSIVE INCOME		484,014,119	344,764,323
<i>Total comprehensive income attributable to:</i>			
Equity holders of the parent Company		484,014,119	344,776,779
Non-controlling interests		-	(12,456)
		484,014,119	344,764,323



Chief Financial Officer



Chief Executive Officer



Chairman

الموافق

The accompanying notes from (1) to (30) form an integral part of these interim condensed consolidated financial statements

ELM COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2025  
All amounts in Saudi Riyals

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>ASSETS</b>			
<b>NON – CURRENT ASSETS</b>			
Property and equipment	6	513,144,386	518,080,773
Capital work in progress		114,060,398	51,062,073
Right-of-use assets	7	546,560,320	557,750,104
Intangible assets	8	75,618,367	70,612,641
Finance lease receivables – non-current	9	68,754,490	73,409,363
Investments in associates and a joint venture	10	4,328,845	6,687,350
Other financial assets	11	222,668,692	230,879,131
Long term prepaid expenses		17,145,623	19,070,247
<b>TOTAL NON – CURRENT ASSETS</b>		<b>1,562,281,121</b>	<b>1,527,551,682</b>
<b>CURRENT ASSETS</b>			
Accounts receivable	12	3,071,229,056	2,895,222,777
Contract assets	13	754,675,076	641,667,693
Finance lease receivables – current	9	21,993,263	21,399,046
Prepaid expenses and other current assets	14	306,043,328	310,748,048
Other financial assets	11	487,116,571	480,597,586
Murabaha deposit	15	396,625,000	1,426,071,000
Cash and cash equivalents	16	3,073,063,019	2,250,797,179
<b>TOTAL CURRENT ASSETS</b>		<b>8,110,745,313</b>	<b>8,026,503,329</b>
<b>TOTAL ASSETS</b>		<b>9,673,026,434</b>	<b>9,554,055,011</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		800,000,000	800,000,000
Treasury share		(293,112,576)	(293,112,576)
Other reserves		72,134,085	60,669,508
Retained earnings		4,910,438,763	4,725,547,762
<b>Equity attributable to equity holders of the parent Company</b>		<b>5,489,460,272</b>	<b>5,293,104,694</b>
Non-controlling interest		140,882	140,882
<b>TOTAL EQUITY</b>		<b>5,489,601,154</b>	<b>5,293,245,576</b>
<b>LIABILITIES</b>			
<b>NON – CURRENT LIABILITIES</b>			
Lease liabilities		486,231,541	481,013,080
End of service benefits provision	18	398,982,046	387,235,689
<b>TOTAL NON – CURRENT LIABILITIES</b>		<b>885,213,587</b>	<b>868,248,769</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable and other current liabilities	20	2,298,319,524	2,479,580,023
Contract liabilities		671,085,206	609,806,315
Zakat	21	250,163,963	218,172,525
Lease liabilities		78,643,000	85,001,803
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,298,211,693</b>	<b>3,392,560,666</b>
<b>TOTAL LIABILITIES</b>		<b>4,183,425,280</b>	<b>4,260,809,435</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,673,026,434</b>	<b>9,554,055,011</b>



Chief Financial Officer



Chief Executive Officer



Chairman

The accompanying notes from (1) to (30) form an integral part of these interim condensed consolidated financial statements

ELM COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025  
All amounts in Saudi Riyals

		Equity attributable to the equity holders of the Parent							
	Note	Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at January 1, 2024 (Audited)		800,000,000	(294,758,400)	174,708,101	12,826,478	3,301,731,675	3,994,507,854	164,000	3,994,671,854
Net profit		-	-	-	-	344,782,745	344,782,745	(12,456)	344,770,289
Other comprehensive income		-	-	-	(5,966)	-	(5,966)	-	(5,966)
Total comprehensive income		-	-	-	(5,966)	344,782,745	344,776,779	(12,456)	344,764,323
Share-based payment	17	-	-	-	17,076,824	-	17,076,824	-	17,076,824
Dividends		-	-	-	-	(310,788,800)	(310,788,800)	-	(310,788,800)
Balance as at March 31, 2024 (Unaudited)		800,000,000	(294,758,400)	174,708,101	29,897,336	3,335,725,620	4,045,572,657	151,544	4,045,724,201
Balance as at January 1, 2025 (Audited)		800,000,000	(293,112,576)	-	60,669,508	4,725,547,762	5,293,104,694	140,882	5,293,245,576
Net profit		-	-	-	-	495,731,233	495,731,233	-	495,731,233
Other comprehensive income		-	-	-	(11,717,114)	-	(11,717,114)	-	(11,717,114)
Total comprehensive income		-	-	-	(11,717,114)	495,731,233	484,014,119	-	484,014,119
Share-based payment	17	-	-	-	23,181,691	-	23,181,691	-	23,181,691
Dividends	26	-	-	-	-	(310,840,232)	(310,840,232)	-	(310,840,232)
Balance as at March 31, 2025 (Unaudited)		800,000,000	(293,112,576)	-	72,134,085	4,910,438,763	5,489,460,272	140,882	5,489,601,154



Chief Financial Officer



Chief Executive Officer



Chairman

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The accompanying notes from (1) to (30) form an integral part of these interim condensed consolidated financial statements

ELM COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025  
All amounts in Saudi Riyals

	Note	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before zakat		527,752,190	378,368,920
Adjustments for non-cash items:			
Depreciation and amortization	6,7,8	39,947,023	41,447,299
Amortization of long term prepaid expenses		10,312,127	9,524,223
Expected credit losses		3,653,886	24,668,823
Impairment of non-current assets		1,544,266	-
End of service benefits provision	18	19,255,655	19,873,952
Share based payment	17	23,181,691	17,076,824
Finance cost		7,365,131	4,690,478
Income from murabaha deposit	15,17	(43,759,227)	(43,618,982)
Share in results from investments in associates and a joint venture	10	712,428	226,805
Fair value gain from financial assets at fair value through profit or loss	11	(7,291,688)	(901,720)
Other income, net		(2,455,612)	-
		580,217,870	451,356,622
Working capital adjustments:			
Accounts receivable	12	(180,098,976)	45,710,729
Contract assets	13	(112,568,572)	(30,372,474)
Prepaid expenses and other current assets	14	8,067,332	(79,793,668)
Accounts payable and other current liabilities	20	(180,595,388)	469,044,011
Contract liabilities		61,278,891	34,432,091
<b>Cash from operations</b>		<b>176,301,157</b>	<b>890,377,311</b>
Zakat paid	21	(29,519)	-
Proceeds, income from murabaha deposit		53,087,749	28,076,663
End of service benefits paid	18	(7,509,298)	(4,580,224)
<b>Net cash generated from operating activities</b>		<b>221,850,089</b>	<b>913,873,750</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Murabaha deposit		1,008,201,482	1,126,892,728
Purchase of property and equipment and intangible assets		(14,512,998)	(18,225,193)
Additions to long term prepaid expenses		-	(394,580)
Proceeds from disposal of other financial assets	11	-	26,000,000
Investments in other financial assets	11	(858,489)	(381,533,651)
Payments for capital works in progress		(70,774,818)	(31,313,844)
<b>Net cash generated from investing activities</b>		<b>922,055,177</b>	<b>721,425,460</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of principal portion of lease liabilities		(15,363,237)	(57,236,305)
Proceeds from Finance lease receivables		6,430,231	-
Finance cost paid		(1,867,088)	(4,404)
Dividends paid		(310,840,232)	(310,413,820)
<b>Net cash used in financing activities</b>		<b>(321,640,326)</b>	<b>(367,654,529)</b>
<b>Net Change in cash and cash equivalents</b>		<b>822,264,940</b>	<b>1,267,644,681</b>
Cash and cash equivalents at the beginning of the period	16	2,250,797,179	384,394,607
Net, Foreign currency exchange difference		900	(5,966)
<b>Cash and cash equivalents at the end of the period</b>		<b>3,073,063,019</b>	<b>1,652,033,322</b>

Chief Financial Officer

Chief Executive Officer

Chairman

The accompanying notes from (1) to (30) form an integral part of these interim condensed consolidated financial statements



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025  
All amounts in Saudi Riyals

1. INFORMATION ABOUT THE COMPANY

Elm Company formerly known, as (Al Elm Information Security Company) ("the Company") is a Saudi joint stock company, incorporated in the city of Riyadh, Kingdom of Saudi Arabia on Shawwal 24, 1408 (corresponding to June 8, 1988) and is registered with Commercial Registration No. 1010069210.

The company's activities are represented in providing information security services, working in the field of electronic business, consulting services, exchanging credit information, managing and operating data and information centers, importing, developing, selling and maintaining hardware, software, information systems and communication networks, providing sites for buying and selling via the Internet, and working in the field of training and workforce development.

Subsidiaries

During the current period, the following subsidiaries were established:

<u>Subsidiary Name</u>	<u>Country of Incorporation</u>	<u>Ownership Percentage</u>	
		<u>March 31, 2025</u>	<u>December 31, 2024</u>
Digital Elm SPC	Oman	100%	-
Elm Investment Ltd	Cayman Islands	100%	-

1. Digital Elm SPC, a company registered under Commercial Registration No. 1596952 and headquartered in Muscat, and it was established on 20 Sha'ban 1446H (corresponding to February 19, 2025). It operates in the fields of information technology, systems analysis, database and web development, data center management and operation for third parties, as well as IT and cybersecurity consulting.
2. Elm Investment, a limited liability company registered under Commercial Registration No. 214523581715 and headquartered in George Town, was established on 6 Rajab 1446H (corresponding to January 6, 2025). The company operates in the fields of international investments and equity acquisition in other companies.

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). These interim condensed and consolidated financial statements do not include all the information and disclosures required in the complete annual consolidated financial statements in accordance with International Financial Reporting Standards. Therefore, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the group as at December 31, 2024.

Certain prior period's figures have been reclassified to conform to the current period's presentation (Note 28).

2.1 Use of assumptions, estimates, and important accounting judgments

The significant accounting assumptions, estimates and judgments used in preparing these interim condensed consolidated financial statements are consistent with those applied in preparing the consolidated financial statements for the year ended December 31, 2024. Except for the estimated useful lives of property, plant, equipment, and intangible assets.

During the current period, the Company reassessed the useful lives of certain assets based on a comprehensive review of their operational performance. This resulted in changes to certain useful lives as outlined in the table below:

	<u>Previous Estimated Useful Lives</u>	<u>Revised Estimated Useful Lives</u>
<u>Property and Equipment</u>		
Leasehold improvements	5 years or the lease term, whichever is shorter	Useful life or lease term, whichever is shorter
IT equipment	3 – 5 years	3 – 10 years
Buildings	25 – 33 years	25 – 33 years
Vehicles	4 – 5 years	4 – 7 years
Furniture and fixtures	4 – 7 years	2 – 10 years
Intangible Assets	5 years unless they have indefinite useful life	2 – 10 years

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025  
All amounts in Saudi Riyals

**2.1 Use of assumptions, estimates, and important accounting judgments (CONTINUED)**

This revision resulted in a decrease of SR 12.6 million in depreciation and amortization expense recognized in the interim condensed consolidated statement of profit or loss. It is also expected to result in a total reduction of SR 38.9 million in depreciation and amortization expense to be recognized in the consolidated statement of profit or loss for the full year.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies used in preparing these interim condensed consolidated financial statements are consistent with those applied in preparing the consolidated financial statements for the year ended December 31, 2024.

**4. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)**

**A, New and amended standards and interpretations**

There are no new and amended standards and interpretations applicable as of March 31, 2025.

**B, New and amended IFRSs not yet effective**

Standards issued but not yet effective are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Noting that the Group has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective.

ELM COMPANY  
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025  
All amounts in Saudi Riyals

5. REVENUE

The following is the group revenue analysis, as per business unit:

	For the three months period ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
Digital business	1,382,105,179	1,169,658,233
Business process outsourcing	449,182,073	438,384,929
Professional services	46,137,368	30,969,282
	<b>1,877,424,620</b>	<b>1,639,012,444</b>

Revenue sources:

	For the three months period ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
Revenue from private parties	1,252,710,004	1,065,936,786
Revenue from government agencies	624,714,616	573,075,658
	<b>1,877,424,620</b>	<b>1,639,012,444</b>

Revenue recognition time:

	For the three months period ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
At a point in time	1,395,841,897	1,226,004,068
Over a period of time	481,582,723	413,008,376
	<b>1,877,424,620</b>	<b>1,639,012,444</b>

The amounts above include revenues from government entities and government related entities (Note 22).

6. PROPERTY AND EQUIPMENT

The movement in property and equipment are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	518,080,773	375,183,246
Additions during the period/year	12,366,673	62,628,237
Transfer from capital work in progress	-	172,690,122
Disposals during the period/year	(143,459)	(6,443,626)
Depreciation during the period/year	(17,159,601)	(85,977,206)
	<b>513,144,386</b>	<b>518,080,773</b>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025  
All amounts in Saudi Riyals

6. PROPERTY AND EQUIPMENT (CONTINUED)

The following is a classification of depreciation if presented by function in the interim condensed consolidated statement of profit or loss:

	For the three months period ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
Cost of revenue	10,332,769	9,945,133
General and administrative expenses	6,328,486	4,591,328
Selling and marketing expenses	228,376	241,545
Research and development	269,970	127,773
	<b>17,159,601</b>	<b>14,905,779</b>

• During 2011, the Company purchased land and a building to be the headquarters at a cost of SR 303 million. The last installment of the head office purchase contract was paid during 2024, and the company is still working on the procedures for transferring ownership of the land and building.

7. RIGHT-OF-USE ASSETS

The movement in right-of-use assets are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	557,750,104	230,798,737
Additions during the period/year	8,224,808	403,630,592
Disposals during the period/year	-	(1,044,535)
Depreciation during the period/year	(19,414,592)	(75,634,690)
	<b>546,560,320</b>	<b>557,750,104</b>

The following is a classification of depreciation if presented by function in the interim condensed consolidated statement of profit or loss:

	For the three months period ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
Cost of revenue	5,636,419	4,298,071
General and administrative expenses	13,778,173	11,998,170
	<b>19,414,592</b>	<b>16,296,241</b>

8. INTANGIBLE ASSETS

The movement in intangible assets are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	70,612,641	107,177,789
Additions during the period/year	2,146,325	121,475
Disposals during the period/year	-	(39,577,305)
Transfer from capital work in progress	6,232,231	45,548,696
Amortization during the period/year	(3,372,830)	(37,226,686)
Impairment during the period/year	-	(5,431,328)
	<b>75,618,367</b>	<b>70,612,641</b>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025  
All amounts in Saudi Riyals

8. INTANGIBLE ASSETS (CONTINUED)

The following is a classification of amortization if presented by function in the interim condensed consolidated statement of profit or loss:

	For the three months period ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
Cost of revenue	478,582	9,078,517
General and administrative expenses	933,859	993,136
Research and development	1,960,389	173,626
	<b>3,372,830</b>	<b>10,245,279</b>

9. FINANCE LEASE RECEIVABLES

9.1 The following are the undiscounted cash flows for the lease of assets over the lease term:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
First year	29,967,602	29,967,602
Second year	32,090,936	32,090,936
Third year	32,090,936	32,090,936
Fourth year	12,800,235	19,230,466
	<b>106,949,709</b>	<b>113,379,940</b>

9.2 The following table shows the reconciliation of cash flows to the net investment balance:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash flows	106,949,709	113,379,940
Interest income	(16,201,956)	(18,571,531)
Investment balance at end of period/year	<b>90,747,753</b>	<b>94,808,409</b>

\*Lease interest was recognized on a straight-line basis over the lease term, and an amount of SR 2.4 million was charged to the interim condensed consolidated statement of profit or loss (2024: SR 2.5 million).

9.3 Finance lease receivables are classified as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Finance Lease Receivables - Non-Current	68,754,490	73,409,363
Finance Lease Receivables - Current	21,993,263	21,399,046
	<b>90,747,753</b>	<b>94,808,409</b>

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**10. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE**

The movement in the balance of investments in associates and a joint venture are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
<b><u>Investment using the equity method:</u></b>		
Balance at the beginning of the period/year	30,000	-
Disposals during the period/year	-	-
Additions during the period/year	-	30,000
Share of results	-	-
	<b>30,000</b>	<b>30,000</b>
<b><u>Long Term Interest:</u></b>		
Balance at the beginning of the period/year	6,657,350	2,137,153
Additions during the period/year	-	4,500,000
(Losses)/Gains at FVTPL	(1,646,077)	1,664,292
Share of results	(712,428)	(1,644,095)
	<b>4,298,845</b>	<b>6,657,350</b>
Group's net investment balance	<b>4,328,845</b>	<b>6,687,350</b>

**11. OTHER FINANCIAL ASSETS**

The group's other financial assets balances consist of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
<b><u>Financial assets at FVTPL</u></b>		
Money Market Funds (A)	487,116,571	480,597,586
Advance payment for future equity (B)	2,418,780	-
	<b>489,535,351</b>	<b>480,597,586</b>
<b><u>Financial assets at FVTOC</u></b>		
Unquoted equity investments (C)	<b>220,249,912</b>	<b>230,879,131</b>
<b>Other financial assets are presented in the statement of financial position as follows:</b>		
Non-current	222,668,692	230,879,131
Current	487,116,571	480,597,586
	<b>709,785,263</b>	<b>711,476,717</b>

- A) An investment in money market funds represents an investment in a public murabaha fund, aimed at achieving low-risk returns for unit holders while preserving capital and providing liquidity. (Fair value level 2).
- B) The advance payment for future equity represents amounts that the Group has paid to obtain shares in the upcoming investment rounds of these companies. All advance payments are considered debt instruments in accordance with IFRS 9, and when it's fair valued, cash flow and multiple methods are used for measurement. Using various methods such as cash flow models, multiples method, and Equity rounds (fair value level 3).
- C) Investments in unquoted equity represent venture capital investments for companies operating in the information technology sector in Saudi Arabia and abroad, and when it's fair valued, cash flow models and Equity rounds (Fair value level 3). Accordingly, management has chosen to classify these investments in equity at fair value through other comprehensive income, as short-term fluctuations in fair value do not align with the group's strategy of holding these investments for long-term purposes and realizing their potential performance over the long-term.

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11. OTHER FINANCIAL ASSETS –(continued)

The movement in financial assets measured at fair value during the period/ year is as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	711,476,717	246,703,659
Additions during the period/year	858,489	752,285,624
Proceeds during the period/year	–	(304,000,000)
Gains on financial assets at FVTPL during the period/year	8,937,765	32,547,323
Losses on financial assets at FVTOCI during the period/year	(11,487,708)	(16,059,889)
Balance at the end of the period/year	709,785,263	711,476,717

12. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Government receivables	1,818,630,239	1,673,873,147
Private receivables	1,845,395,205	1,810,053,321
	3,664,025,444	3,483,926,468
Expected credit losses provision	(592,796,388)	(588,703,691)
	3,071,229,056	2,895,222,777

The amounts above include balances from government entities and government related entities (Note 22).

13. CONTRACT ASSETS

Contract assets represent revenues generated from services performed by the group that have not been invoiced to customers up to the date of the interim condensed consolidated financial statements, and that revenue will be invoiced subsequent to the financial period.

Contract assets consists of the following:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Government contract assets	643,866,888	574,765,469
Private contract assets	237,315,958	193,848,805
	881,182,846	768,614,274
Expected credit losses provision	(126,507,770)	(126,946,581)
	754,675,076	641,667,693

\*The amounts above include balances from government entities and government related entities (Note 22).

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**14. PREPAYMENTS AND OTHER CURRENT ASSETS**

Prepayments and other current assets consist of the following:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Deferred costs	117,228,235	107,315,770
Prepaid expenses	91,606,633	89,960,938
Advance payments to vendors	34,474,151	28,261,378
Employees receivable	27,013,961	30,425,276
Letter of guarantee	18,638,467	27,486,356
Accrued murabaha deposit income	15,547,887	24,876,409
Payments under Settlement (A)	911,218	1,726,889
Other	622,776	695,032
	<b>306,043,328</b>	<b>310,748,048</b>

A) The balance represents amounts that the Group transferred to its accounts that were not included in its assets as part of the operational activities in which the Group acts as an agent for those balances on behalf of the contracting parties. These balances are settled once they are collected (Note 16-B).

**15. MURABAHA DEPOSITS**

The balance of long-term murabaha deposits consists of long-term deposits with a term of more than three months. The average commission is 5.50% annually (2024: 6.24% annually), and the interim condensed consolidated statement of profit or loss has been charged with a total deposit income of SR 11.3 million during the three months period ended March 31, 2025 (2024:SR 41.1 million). All murabaha deposits mature within one year.

**16. CASH AND CASH EQUIVALENTS**

Cash and Cash equivalents consists of the following:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash at banks	180,981,413	218,572,393
Short term murabaha deposits (16-A)	2,892,081,606	2,032,224,786
	<b>3,073,063,019</b>	<b>2,250,797,179</b>

16-A The balance of short-term murabaha deposits consists of short-term deposits of three months and less. The average commission is 5.49% annually (2024: 6.13% ). the interim condensed consolidated statement of profit or loss has been charged with a total deposit income of SR 32.4 million during the three months period ended March 31, 2025 (2024:SR 2.5 million).

16-B The Company has a balance of SR 16 billion as at 31March 2025 (31December 2024: SR 5.5 billion) recorded in its bank accounts, which has not been recognized as part of the group's assets, as The group acts as an agent for these balances on behalf of the contracted parties as part of the operation and provision of the services.



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17. SHARE BASED PAYMENT

During the first quarter of 2025, the Group announced the fourth phase of the long-term incentive plan program for its employees, the details of which are as follows:

Grant date	January 1, 2025
Due date	December 31, 2027
Average fair value of the shares	1,091 Saudi Riyals
Maximum number of shares granted	67,483 shares
Settlement method	Equity

The following is a table of share-based payment transaction expenses by program type:

	For the three months period ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
Tranche 1- Long term incentive plan program	6,461,136	5,392,608
Tranche 2 - Long term incentive plan program	7,792,239	8,602,740
Tranche 3 - Long term incentive plan program	4,659,895	3,081,476
Tranche 4 - Long term incentive plan program	4,268,421	-
	<b>23,181,691</b>	<b>17,076,824</b>

18. END OF SERVICES BENEFITS PROVISION

Employee end of service benefits provision movement as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	387,235,689	360,689,127
Current service cost during the period/year	15,613,244	63,853,550
Current service financing cost during the period /year	3,642,411	14,041,594
Benefits paid during the period /year	(7,509,298)	(54,275,657)
Actuarial losses	-	2,927,075
<b>Balance at the end of the period /year</b>	<b>398,982,046</b>	<b>387,235,689</b>

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**19. EARNINGS PER SHARE**

Earnings per share for the period has been calculated by dividing the profit for the period by the weighted average number of shares outstanding at the end of the period. The calculation of basic and diluted earnings per share is based on the following information:

	For the three months period ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
Net profit attributable to equity holders of the parent Company	495,731,233	344,782,745
<b>Number of shares</b>		
Weighted average number of shares for calculation for basic earnings per share	77,693,994	77,697,200
Weighted average number of shares for repurchased shares	2,306,006	2,302,800
Weighted average number of shares for calculation for diluted earnings per share	80,000,000	80,000,000
<b>EARNINGS PER SHARE:</b>		
Basic	6.38	4.44
Diluted	6.20	4.31

**20. ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES**

Accounts payable and other current liabilities are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Income sharing and business partners payables	1,200,234,098	1,104,224,854
Contractual cost	447,559,890	429,855,845
Accounts payable	291,425,200	349,712,751
Employee accruals	182,533,649	399,906,226
Value added tax	100,442,557	123,912,401
Incentives & marketing	56,173,142	54,702,793
Retention payable	11,638,162	9,353,418
Litigation provision (Note 25)	869,775	1,652,055
Dividend payable	291,850	-
Other	7,151,201	6,259,680
	2,298,319,524	2,479,580,023

The amounts above include balances to government entities and government related entities (Note 22).

**21. ZAKAT**

- The group submitted all its zakat returns until the end of the year 2024, with paying the zakat due based on those returns and received the zakat certificate for that year. The group has not received any zakat assessments until the date of preparing the consolidated financial statements.
- The Group pays VAT monthly and VAT returns have been submitted for all previous financial years. The Group underwent a tax audit for the years 2018 to 2023, and the audit of the tax returns submitted for these years has been closed. The preliminary audit results for 2023 have been received and have not resulted in any material differences.

The movement in the provision for zakat during the period/year was as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	218,172,525	183,613,319
Charge during the period/year	32,020,957	127,019,914
Paid during the period/year	(29,519)	(92,460,708)
<b>Balance at the end of the period/year</b>	<b>250,163,963</b>	<b>218,172,525</b>

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**22. RELATED PARTY TRANSACTIONS AND BALANCES**

The related parties consist of governmental entities, including ministries, authorities, and other government-affiliated entities (including the Public Investment Fund "the main shareholder"), government-related entities are subsidiaries of the main shareholder, associate companies, and members of the board of directors and senior management of the Company. All of these transactions are carried out according to the terms agreed by the management of the Group. As at the date of preparing the interim consolidated financial statements, balances with related parties were unguaranteed.

**22.1 Trading transactions**

The transactions with related parties are similar to commercial transactions with external parties. Below are the details of the significant transactions with related parties:

	For the three months period ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
<b>Transactions with government entities (*)</b>		
Service revenue (Note 5)	624,714,616	573,075,658
Services cost	329,215,021	307,190,136
<b>Transactions with government related entities</b>		
Service revenue (Note 5)	62,813,442	72,993,437
Services cost	26,433,441	50,897,123
<b>Transactions with Associate companies</b>		
Services cost	299,929	509,709
* Service revenues from government entities include transactions with the main shareholder amounting to SR 14,5 million (2024: SR 7,5 million).		
<b>Transaction with board of directors and senior executive managers</b>		
Salaries and benefit	5,081,921	7,418,215
Remunerations and allowances	3,582,866	5,110,700
Share based payment Expense	2,717,363	3,144,179
End of service benefits Expense	376,581	1,133,096
	<b>11,758,731</b>	<b>16,806,190</b>

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22 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

22.2 Due from / to related parties

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>Balances</b>		
<b>Due from related parties (*)</b>		
<u>Due from government entities classified under:</u>		
Accounts receivable (Note 12)	1,818,630,239	1,673,873,147
Contract assets (Note 13)	643,866,888	574,765,469
<u>Due from government related entities classified under:</u>		
Accounts receivable (Note 12)	196,470,774	173,033,355
Contract assets (Note 13)	30,793,449	27,667,365
<b>Due to Related Parties:</b>		
<u>Due to government entities classified under:</u>		
Accounts payable and other current liabilities (Note 20)	1,155,798,351	1,088,755,574
<u>Due to government related entities classified under:</u>		
Accounts payable and other current liabilities (Note 20)	67,901,143	15,272,260
<u>Due to associate companies classified under:</u>		
Accounts payable and other current liabilities (Note 20)	125,719	1,992,373

\* Balances due from government entities include amounts due from the main shareholder included in receivables at an amount of SR 2,4 million (2024: SR 3,9 million). And due balances included in contract assets amounting to SR 17,3 million (2024: SR 18,8 million).

23. SEGMENT INFORMATION

The information regarding the Group's operating segments is described below in accordance with IFRS 8, where the standard requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's operating decision maker. The company's business includes the following:

- 1- Digital Business: These are ready-to-use solutions in the form of technical services, portals, electronic applications, and related support work, which were developed by the company in cooperation with a large number of facilities in the public and private sectors with the aim of creating integrated services that cover a large segment of society, by creating advanced services that contribute to solving An existing problem or filling an existing service gap, by converting traditional procedures into electronic transactions. In addition to integrated technology businesses, entitlement engines and digital platforms, The Group provides integrated technology business solutions to clients from the public and private sectors.
- 2- Business Process Outsourcing: The Group seeks through business attribution solutions to enhance its competitive advantage in the field of operation and service provision in the areas of competence; And that is through the management and the total operation of services, or partial support for them in specific areas, and their progression towards a digital vision.
- 3- Professional Services: These include advisory services and professional services in data analysis and artificial intelligence, through which The Group understands the problems of the facility and develops a comprehensive action plan to develop its overall performance and raise customer satisfaction levels.

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23. SEGMENT INFORMATION (CONTINUED)

The selected financial data for these sectors follows:

	For the three months period ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
<b>Revenue</b>		
Digital Business	1,382,105,179	1,169,658,233
Business Process Outsourcing	449,182,073	438,384,929
Professional Services	46,137,368	30,969,282
	<u>1,877,424,620</u>	<u>1,639,012,444</u>
<b>Cost</b>		
Direct cost	(1,104,331,829)	(1,015,304,670)
Operating expenses (except depreciation and amortization, and ECL)	(256,069,344)	(223,214,242)
Expected credit loss (ECL)	(3,653,886)	(24,668,823)
Depreciation & amortization	(39,947,023)	(41,447,299)
Impairment of non-current assets	(1,544,266)	-
Other income, net	55,873,918	43,991,510
Zakat	(32,020,957)	(33,598,631)
	<u>(1,381,693,387)</u>	<u>(1,294,242,155)</u>
<b>Net profit</b>	<u>495,731,233</u>	<u>344,770,289</u>

Below is a breakdown of gross profit by segments:

	For the three months period ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
Digital Business	635,876,763	528,570,299
Business Process Outsourcing	127,947,060	88,178,953
Professional Services	9,268,968	6,958,522
	<u>773,092,791</u>	<u>623,707,774</u>

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23. SEGMENT INFORMATION (CONTINUED)

The following is an analysis of the Group's assets and liabilities on the basis of segments as of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
<b><u>Assets</u></b>		
Digital Business	7,120,999,582	7,055,076,534
Business Process Outsourcing	2,314,313,990	2,302,175,144
Professional Services	237,712,862	196,803,333
	<b>9,673,026,434</b>	<b>9,554,055,011</b>
	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
<b><u>Liabilities</u></b>		
Digital Business	3,079,715,513	3,146,343,268
Business Process Outsourcing	1,000,902,839	1,026,698,042
Professional Services	102,806,928	87,768,125
	<b>4,183,425,280</b>	<b>4,260,809,435</b>

24. BANK FACILITIES

- The Group has facilities agreements with local banks to meet the working capital requirements and support the Group's business requirements with a maximum limit of SR 500 million as of March 31, 2025 (December 31, 2024: SR 500 million). The Group has utilized some of those facilities agreements to issue bank guarantees for its projects as disclosed in (Note 25).
- On the 27th of Ramadan 1446H (corresponding to March 27, 2025), the group signed a facility agreement to finance its expansions and acquisitions, with a maximum limit of SR 1,900 million. As of March 31, 2025, these facilities were not utilized. Subsequently, in April of the current year, the group utilized this facility, as disclosed in (Note 29).

25. CONTINGENT LIABILITIES

- The Group has outstanding bank letters of guarantee amounted to SR 87 million as of March 31, 2025 (December 31, 2024: SR 80 million).
- In the normal course of business, the Group is a party to legal cases either as a plaintiff or defendant. As on March 31, 2025, the Group recorded a provision against legal cases in the amount of 1 million (December 31, 2024: SR 2 million), which is the best estimate of management over the provisions of these cases and management does not expect that there will be any additional liability over the amount recorded as a provision for these cases. (Note 20).
- As of March 31, 2025, the associate companies have contingent liabilities amounted to 0.3 million (December 31, 2024: 0,2 million). The Group discloses its share of contingent liabilities from its associates.

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## 26. DIVIDENDS

The following table shows details of the dividends to the company's shareholders during the period:

Announcement Date	Distribution Date	Amount (SR per share)	Total Distributed	Type	Status
February 27, 2025	March 17, 2025	4	310,840,232	Interim	Paid

## 27. FAIR VALUE OF FINANCIAL INSTRUMENTS

The financial assets and liabilities have been accounted at amortized cost except for other financial assets which have been carried at fair value. The management assessed that fair value of current financial assets and liabilities approximate their carrying amounts.

There have been no transfers between levels during the three months period ended 31 March 2025. The fair valuation techniques are as applied as of 31 December 2024.

The below table shows the book values and fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities that are not measured at fair value:

As at 31 March 2025				
	Level I	Level II	Level III	Total
<i>Financial assets</i>				
Other financial assets	-	487,116,571	222,668,692	709,785,263
As at 31 December 2024				
	Level I	Level II	Level III	Total
<i>Financial assets</i>				
Other financial assets	-	480,597,586	230,879,131	711,476,717

## 28. COMPARATIVE FIGURES

### Reclassification

As part of the regular review of the financial disclosures and presentation, certain comparative figures have been reclassified and adjusted to conform to the current period presentation of the consolidated financial statements. The reclassification had no impact on the net assets of the Group.

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28. COMPARATIVE FIGURES (CONTINUED)

1- Interim condensed consolidated statement of profit or loss

	Amount as reported March 31, 2024	Adjustment (A)	Reclassification (B)	Amount after adjustment and reclassification
Cost of revenue	1,012,533,451	9,524,223	(6,753,004)	1,015,304,670
Research and development	-	-	14,269,626	14,269,626
Sales and marketing	85,432,288	-	46,735	85,479,023
General and administrative	131,028,950	-	(7,563,357)	123,465,593
Depreciation and amortization	50,971,522	(9,524,223)	-	41,447,299
	1,279,966,211	-	-	1,279,966,211

2- Segment information

Gross profit:

	Amount as reported March 31, 2024	Adjustment (A)	Reclassification (B)	Amount after adjustment and reclassification
Digital business	531,341,518	(9,524,223)	6,753,004	528,570,299
Business process outsourcing	88,178,953	-	-	88,178,953
Professional services	6,958,522	-	-	6,958,522
	626,478,993	(9,524,223)	6,753,004	623,707,774

A. Adjustment of comparative figures for long-term prepaid amounts presentation:

The Group has adjusted the comparative figures for amounts capitalized within intangible assets related to software as a service licenses. The related agreements were re-evaluated, and the Group concluded that these licenses do not meet the capitalization requirements and represent prepaid amounts. Accordingly, the comparative figures were adjusted, and prepaid expenses were recognized and amortized over the term of the agreement.

The changes resulted in adjusting the interim condensed consolidated statement of profit or loss as shown in the table above.

There was no impact on the interim condensed consolidated statement of equity for the period ended 31 March 2024 and the interim condensed consolidated statement of cash flows for the period ended 31 March 2024.

B. Reclassification of comparative figures:

Certain expense items have been reclassified to conform to the current period presentation in terms of their classification by function. The research and development expenses have been presented separately in the consolidated statement of profit or loss, and accordingly, the expenses for the comparative period have been reclassified to conform to the current presentation. In addition, depreciation and amortization have been presented as they have been allocated to research and development in the notes to the interim condensed consolidated financial statements.



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**29. SUBSEQUENT EVENTS**

On the 23rd of Shawwal 1446H (corresponding to April 21, 2025), all remaining conditions for completing the company's acquisition of the entire ownership stake held by the Public Investment Fund in Thiqa Business Services Company, representing 100% of Thiqa's share capital, were fulfilled. The acquisition transaction was completed with a total amount of SR 3,400 million (net of costs and expenses related to the acquisition transaction, as agreed upon in the agreement). The transaction was financed through the company's internal resources and credit facilities obtained during the period, as disclosed in (Note 24).

In addition, since the acquisition is classified as a transaction between entities under common control, the accounting treatment will be based on the book value of the net assets acquired as of the acquisition date. The difference between the consideration paid and the book value will be recognized in retained earnings, resulting in a decrease in retained earnings by the amount of that difference.

**30. APPROVAL OF THE FINANCIAL STATEMENTS**

These Interim condensed consolidated financial statements were approved by the Board of Directors on 10 Dhu al-Qadah 1446H (corresponding to 8 May 2025).