

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2025

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 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 30 June 2025, and the related interim condensed consolidated statement of profit or loss and statement of other comprehensive income for the three and six month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the six 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 Mohamed Al-Amri
Certified Public Accountant
License No. 362



Riyadh on, 6 August 2025 G
corresponding to: 12 Safar 1447 H

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2025

All amounts in Saudi Riyals

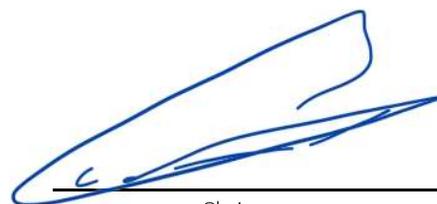
	Note	For the three months period ended June 30		For the six months period ended June 30	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue	5	2,244,771,259	1,767,013,240	4,122,195,879	3,406,025,684
Cost of revenue		(1,291,073,281)	(1,033,201,848)	(2,395,405,110)	(2,048,506,518)
GROSS PROFIT		953,697,978	733,811,392	1,726,790,769	1,357,519,166
EXPENSES					
Research and development		(20,777,190)	(19,134,763)	(42,070,081)	(33,404,388)
Selling and marketing		(82,172,708)	(72,333,147)	(167,345,631)	(157,812,171)
Expected credit losses		(37,141,404)	6,403,154	(40,795,290)	(18,265,669)
General and administrative		(236,638,112)	(134,889,361)	(386,241,641)	(258,354,953)
Depreciation and amortization	6,7,8	(64,318,287)	(49,110,868)	(104,265,311)	(90,558,167)
Impairment of non-current assets		-	(815,642)	(1,544,266)	(815,642)
OPERATING PROFIT		512,650,277	463,930,765	984,528,549	798,308,176
Finance cost		(28,618,820)	(7,877,607)	(35,983,951)	(12,568,085)
Income from murabaha deposits	15,16	29,123,519	29,601,838	72,882,746	73,220,820
Share in results from investments in associates and a joint venture	10	(946,874)	201,104	(1,659,302)	(25,701)
Change in fair value of financial assets through profit or loss, net	10,11	5,162,578	19,120,313	12,454,266	20,022,033
Other income, net		19,621,008	19,629,856	32,521,570	24,017,946
NET PROFIT BEFORE ZAKAT		536,991,688	524,606,269	1,064,743,878	902,975,189
Zakat, net	23	52,650,722	(38,368,502)	20,629,765	(71,967,133)
NET PROFIT		589,642,410	486,237,767	1,085,373,643	831,008,056
Net profit attributable to:					
Equity holders of the parent company		589,643,321	486,237,767	1,085,374,554	831,020,512
Non-controlling interests		(911)	-	(911)	(12,456)
		589,642,410	486,237,767	1,085,373,643	831,008,056
Earnings per share from net profit attributable to equity holders of the parent company:					
Basic	20	7.58	6.26	13.95	10.70
Diluted	20	7.37	6.08	13.57	10.39



Chief Financial Officer



Chief Executive Officer



Chairman

INTERIM CONDENSED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2025

All amounts in Saudi Riyals

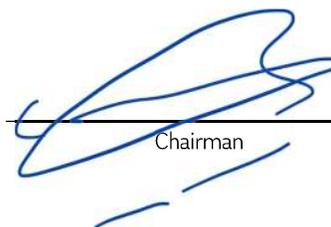
	For the three months period ended June 30		For the six months period ended June 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
NET PROFIT	589,642,410	486,237,767	1,085,373,643	831,008,056
OTHER COMPREHENSIVE INCOME				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation difference	(585,556)	5,879	(814,962)	(87)
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Change in fair value of financial assets through other comprehensive income, net	11 (20,047,425)	(3,442,139)	(31,535,133)	(3,442,139)
TOTAL OTHER COMPREHENSIVE LOSS	(20,632,981)	(3,436,260)	(32,350,095)	(3,442,226)
TOTAL COMPREHENSIVE INCOME	569,009,429	482,801,507	1,053,023,548	827,565,830
<i>Total comprehensive income attributable to:</i>				
Equity holders of the parent company	569,010,340	482,801,507	1,053,024,459	827,578,286
Non-controlling interests	(911)	-	(911)	(12,456)
	569,009,429	482,801,507	1,053,023,548	827,565,830



Chief Financial Officer



Chief Executive Officer



Chairman

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025
All amounts in Saudi Riyals

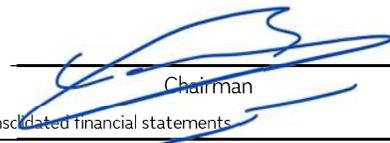
	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS			
NON – CURRENT ASSETS			
Property and equipment	6	544,810,250	518,080,773
Capital work in progress		429,185,357	51,062,073
Right-of-use assets	7	610,616,720	557,750,104
Intangible assets	8	196,194,544	70,612,641
Finance lease receivables - non-current	9	57,590,463	73,409,363
Investments in associates and a joint venture	10	24,987,204	6,687,350
Other financial assets	11	203,123,458	230,879,131
Long term prepaid expenses		30,529,419	19,070,247
TOTAL NON – CURRENT ASSETS		2,097,037,415	1,527,551,682
CURRENT ASSETS			
Accounts receivable	12	3,663,706,479	2,895,222,777
Contract assets	13	1,326,973,672	641,667,693
Finance lease receivables - current	9	26,850,336	21,399,046
Prepaid expenses and other current assets	14	379,568,433	310,748,048
Other financial assets	11	393,241,305	480,597,586
Murabaha deposits	15	136,625,000	1,426,071,000
Cash and cash equivalents	16	2,388,890,494	2,250,797,179
TOTAL CURRENT ASSETS		8,315,855,719	8,026,503,329
TOTAL ASSETS		10,412,893,134	9,554,055,011
EQUITY AND LIABILITIES			
EQUITY			
Share capital		800,000,000	800,000,000
Treasury shares		(273,857,280)	(293,112,576)
Other reserves		19,819,682	60,669,508
Retained earnings		2,718,963,957	4,725,547,762
Equity attributable to equity holders of the parent company		3,264,926,359	5,293,104,694
Non-controlling interest		139,971	140,882
TOTAL EQUITY		3,265,066,330	5,293,245,576
LIABILITIES			
NON – CURRENT LIABILITIES			
Long term borrowing – non current	18	1,520,000,000	-
Lease liabilities – non current		566,182,516	481,013,080
End of service benefits provision	19	596,071,656	387,235,689
Other non current liabilities	22	14,125,041	-
TOTAL NON – CURRENT LIABILITIES		2,696,379,213	868,248,769
CURRENT LIABILITIES			
Long term borrowing – current	18	400,646,006	-
Accounts payable and other current liabilities	21	2,845,601,196	2,479,580,023
Contract liabilities		1,042,160,638	609,806,315
Zakat	23	86,920,176	218,172,525
Lease liabilities – current		76,119,575	85,001,803
TOTAL CURRENT LIABILITIES		4,451,447,591	3,392,560,666
TOTAL LIABILITIES		7,147,826,804	4,260,809,435
TOTAL EQUITY AND LIABILITIES		10,412,893,134	9,554,055,011



Chief Financial Officer



Chief Executive Officer



Chairman

The accompanying notes from (1) to (33) 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 SIX MONTHS PERIOD ENDED JUNE 30, 2025

All amounts in Saudi Riyals

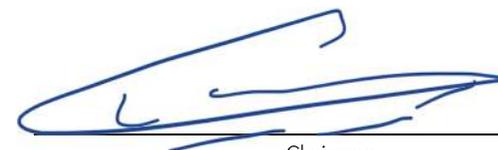
Note	Equity attributable to the equity holders of the parent company						Non-controlling interest	Total equity
	Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings	Total		
Balance as at January 1, 2024 (Audited)	800,000,000	(294,758,400)	174,708,101	12,826,478	3,301,731,675	3,994,507,854	164,000	3,994,671,854
Net profit	-	-	-	-	831,020,512	831,020,512	(12,456)	831,008,056
Other comprehensive loss	-	-	-	(3,442,226)	-	(3,442,226)	-	(3,442,226)
Total comprehensive income	-	-	-	(3,442,226)	831,020,512	827,578,286	(12,456)	827,565,830
Share-based payment transactions	17	-	-	34,371,980	-	34,371,980	-	34,371,980
Transferred from Statutory reserve	-	-	(174,708,101)	-	174,708,101	-	-	-
Dividends	-	-	-	-	(310,788,800)	(310,788,800)	-	(310,788,800)
Balance as at June 30, 2024 (Unaudited)	<u>800,000,000</u>	<u>(294,758,400)</u>	<u>-</u>	<u>43,756,232</u>	<u>3,996,671,488</u>	<u>4,545,669,320</u>	<u>151,544</u>	<u>4,545,820,864</u>
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	-	-	-	-	1,085,374,554	1,085,374,554	(911)	1,085,373,643
Other comprehensive loss	-	-	-	(32,350,095)	-	(32,350,095)	-	(32,350,095)
Total comprehensive income	-	-	-	(32,350,095)	1,085,374,554	1,053,024,459	(911)	1,053,023,548
Treasury shares settlement	17	19,255,296	-	(48,496,268)	29,240,972	-	-	-
Share-based payment transactions	17	-	-	39,996,537	-	39,996,537	-	39,996,537
Impact of acquisition through business combination under common control	31	-	-	-	(2,810,359,099)	(2,810,359,099)	-	(2,810,359,099)
Dividends	28	-	-	-	(310,840,232)	(310,840,232)	-	(310,840,232)
Balance as at June 30, 2025 (Unaudited)	<u>800,000,000</u>	<u>(273,857,280)</u>	<u>-</u>	<u>19,819,682</u>	<u>2,718,963,957</u>	<u>3,264,926,359</u>	<u>139,971</u>	<u>3,265,066,330</u>



Chief Financial Officer



Chief Executive Officer



Chairman

ابراهيم

The accompanying notes from (1) to (33) form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025
All amounts in Saudi Riyals

	Note	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before zakat		1,064,743,878	902,975,189
<i>Adjustments for non-cash items:</i>			
Depreciation and amortization	6,7,8	104,265,311	90,558,167
Amortization of long term prepaid expenses		25,484,042	20,343,790
Expected credit losses		40,795,290	18,265,669
Impairment of non-current assets		1,544,266	815,642
End of service benefits provision	19	44,156,538	36,941,305
Share based payment transactions	17	39,996,537	34,371,980
Finance cost		35,983,951	12,568,085
Income from murabaha deposits	15,16	(72,882,746)	(73,220,820)
Share in results from investments in associates and a joint venture	10	1,659,302	25,701
Change in fair value of financial assets through profit or loss, net	11	(12,454,266)	(20,022,033)
Other (income)/Expenses, net		(3,031,987)	514,482
		1,270,260,116	1,024,137,157
<i>Working capital adjustments:</i>			
Accounts receivable	12	(480,747,863)	(151,008,532)
Contract assets	13	(160,249,237)	(178,309,493)
Prepaid expenses and other current assets	14	(1,299,895)	72,468,789
Accounts payable and other current liabilities	21	(149,227,985)	236,057,984
Contract liabilities		(56,240,953)	53,905,126
Cash from operations		422,494,183	1,057,251,031
Zakat paid	23	(113,689,400)	(92,460,708)
Proceeds from income from murabaha deposits		87,109,868	58,033,353
End of service benefits paid	19	(19,328,736)	(30,460,365)
Net cash generated from operating activities		376,585,915	992,363,311
CASH FLOWS FROM INVESTING ACTIVITIES			
Murabaha deposits		1,389,446,000	2,144,562,194
Purchase of property and equipment and intangible assets		(24,584,800)	(20,893,599)
Additions to long term prepaid expenses		(16,643,814)	(20,656,550)
Collections from other financial assets	11	100,000,000	34,000,000
Additions to investments in other financial assets	11	(1,360,680)	(747,036,251)
Payment for acquisition of subsidiary, net of cash acquired	31	(3,141,074,348)	-
Changes in restricted cash		64,540	-
Payments for capital works in progress		(133,470,438)	(62,535,160)
Net cash (used in)/generated from investing activities		(1,827,623,540)	1,327,440,634
CASH FLOWS FROM FINANCING ACTIVITIES			
Addition to long term borrowing	18	1,900,000,000	-
Payment of principal portion of lease liabilities		(39,865,778)	(63,442,227)
Proceeds from finance lease receivables		14,983,801	-
Finance cost paid		(542,282)	(1,319,267)
Dividends paid		(310,840,232)	(310,413,820)
Net cash generated from/(used in) financing activities		1,563,735,509	(375,175,314)
Net change in cash and cash equivalents		112,697,884	1,944,628,631
Cash and cash equivalents at the beginning of the period - unrestricted	16	2,250,797,179	384,394,607
Foreign currency exchange differences, net		1,653	331
Cash and cash equivalents at the end of the period - unrestricted	16	2,363,496,716	2,329,023,569

Chief Financial Officer

Chief Executive Officer

Chairman

The accompanying notes from (1) to (33) form an integral part of these interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 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, 1408H (corresponding to June 8, 1988) and is registered with Commercial Registration number 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 or acquired:

<u>Subsidiary Name</u>	<u>Country of Incorporation</u>	<u>Effective shareholding percentage</u>	
		<u>June 30,2025</u>	<u>December 31,2024</u>
Elm Investment Ltd	Cayman Islands	100%	-
Digital Elm SPC	Oman	100%	-
Thiqah Business Services Company ("Thiqah")	Saudi Arabia	100%	-

1. Elm Investment, a limited liability company registered under Commercial Registration number 214523581715 and headquartered in George Town, was established on Rajab 6, 1446H (corresponding to January 6, 2025). The company operates in the fields of international investments and equity acquisition in other companies.
2. Digital Elm SPC, a company registered under Commercial Registration number 1596952 and headquartered in Muscat, was established on Sha'ban 20, 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.
3. On Shawwal 23, 1446H (corresponding to April 21, 2025), the Group completed its acquisition of 100% of the share capital of Thiqah Business Services Company ("Thiqah"). Thiqah is a single person limited liability company registered in Riyadh; Kingdom of Saudi Arabia under commercial registration number 1010332510 dated Rabi Al Thani 25, 1433H (corresponding to March 18, 2012). Thiqah and its subsidiaries (collectively referred to as the "Thiqah Group") are engaged in providing consulting services in the field of high management, e-business and exchange of information, providing websites for sale and purchase through the internet, working in the field of training and development of manpower, establishing and repair of buildings, electronic publishing, electronic newspaper and financial technology services. For details of the acquisition refer to (Note 31).

Details of subsidiaries under the Thiqah Group along with the Group's effective ownership percentage are as follows:

<u>Subsidiary Name</u>	<u>Country of Incorporation</u>	<u>Effective shareholding percentage</u>	
		<u>June 30,2025</u>	<u>December 31,2024</u>
Asel Business Services Company	Saudi Arabia	100%	-
Thiqah Investment Company	Saudi Arabia	100%	-
Ahad Business Services Company	Saudi Arabia	100%	-
Digital Real Estate Solutions Company	Saudi Arabia	100%	-
Matching Solutions IT Company	Saudi Arabia	100%	-
Aamaly Company	Saudi Arabia	100%	-

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 periods' figures have been adjusted and reclassified to conform to the current period's presentation (Note 30).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2025
All amounts in Saudi Riyals

2. BASIS OF PREPARATION (CONTINUED)

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

This revision resulted in a decrease of SR 24.3 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. MATERIAL 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 June 30, 2025 that have a material impact on the interim condensed consolidated financial statements.

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 AND SIX MONTHS PERIODS ENDED JUNE 30, 2025

All amounts in Saudi Riyals

5. REVENUE

The following is the Group's revenue analysis, as per business unit:

	For the three months period ended June 30		For the six months period ended June 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Digital business	1,584,851,537	1,254,365,762	2,966,956,717	2,424,023,995
Business process outsourcing	618,990,953	478,333,834	1,068,173,026	916,718,763
Professional services	40,928,769	34,313,644	87,066,136	65,282,926
	2,244,771,259	1,767,013,240	4,122,195,879	3,406,025,684

Revenue sources:

	For the three months period ended June 30		For the six months period ended June 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue from private parties	1,145,191,225	1,085,550,429	2,397,901,229	2,151,487,215
Revenue from government agencies	1,099,580,034	681,462,811	1,724,294,650	1,254,538,469
	2,244,771,259	1,767,013,240	4,122,195,879	3,406,025,684

Revenue recognition time:

	For the three months period ended June 30		For the six months period ended June 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
At a point in time	1,527,501,972	1,205,243,607	2,923,343,869	2,431,247,675
Over a period of time	717,269,287	561,769,633	1,198,852,010	974,778,009
	2,244,771,259	1,767,013,240	4,122,195,879	3,406,025,684

The amounts above include revenues from government entities and government related entities (Note 24.2).

6. PROPERTY AND EQUIPMENT

The movement in property and equipment are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	518,080,773	375,183,246
Impact of acquisition through business combination under common control (note 31)	35,443,902	-
Additions during the period/year	22,414,472	62,628,237
Transfer from capital work in progress	6,463,281	172,690,122
Disposals during the period/year	(2,393,165)	(6,443,626)
Depreciation during the period/year	(35,199,013)	(85,977,206)
	544,810,250	518,080,773

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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 June 30		For the six months period ended June 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Cost of revenue	9,562,030	14,450,793	19,894,799	24,395,926
General and administrative expenses	8,001,066	4,076,129	14,329,552	8,667,457
Selling and marketing expenses	198,434	274,220	426,808	515,765
Research and development	277,884	136,513	547,854	264,286
	18,039,414	18,937,655	35,199,013	33,843,434

• 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 during the current period the Company has completed the procedures for transferring the ownership of the land and building.

7. RIGHT-OF- USE ASSETS

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

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	557,750,104	230,798,737
Impact of acquisition through business combination under common control (note 31)	41,981,692	-
Additions during the period/year	53,552,434	403,630,592
Disposals during the period/year	-	(1,044,535)
Depreciation during the period/year	(42,667,510)	(75,634,690)
	610,616,720	557,750,104

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 June 30		For the six months period ended June 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Cost of revenue	6,981,841	5,480,462	12,618,260	9,778,533
General and administrative expenses	16,271,077	14,111,530	30,049,250	26,109,700
	23,252,918	19,591,992	42,667,510	35,888,233

8. INTANGIBLE ASSETS

The movement in intangible assets are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	70,612,641	107,177,789
Impact of acquisition through business combination under common control (note 31)	143,578,132	-
Additions during the period/year	2,170,328	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	(26,398,788)	(37,226,686)
Impairment during the period/year	-	(5,431,328)
	196,194,544	70,612,641

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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 June 30		For the six months period ended June 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Cost of revenue	20,327,924	8,959,969	20,806,506	18,038,487
General and administrative expenses	1,825,017	921,205	2,758,876	1,914,340
Research and development	873,014	700,047	2,833,406	873,673
	23,025,955	10,581,221	26,398,788	20,826,500

9. FINANCE LEASE RECEIVABLES

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

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
First year	34,214,270	29,967,602
Second year	32,090,936	32,090,936
Third year	32,090,936	32,090,936
Fourth year	-	19,230,466
	98,396,142	113,379,940

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

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash flows	98,396,142	113,379,940
Interest income	(13,955,343)	(18,571,531)
Investment balance at end of period/year	84,440,799	94,808,409

*Lease interest was recognized based on the effective interest rate, and an amount of SR 4.6 million was charged to the interim condensed consolidated statement of profit or loss (2024: SR 2.5 million).

Finance lease receivables are classified as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Finance Lease Receivables – non current	57,590,463	73,409,363
Finance Lease Receivables – current	26,850,336	21,399,046
	84,440,799	94,808,409

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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:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>Investment using the equity method:</u>		
Balance at the beginning of the period/year	30,000	-
Impact of acquisition through business combination under common control (note 31)*	22,567,389	-
Additions during the period/year	-	30,000
Share of results	(863,540)	-
	21,733,849	30,000
<u>Long Term Interest:</u>		
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	(2,608,233)	1,664,292
Share of results	(795,762)	(1,644,095)
	3,253,355	6,657,350
Group's net investment balance	24,987,204	6,687,350

*As part of the Group's acquisition of Thiqah, the Group acquired a 40% effective interest in an associate, Bayan Credit Information Company ("Bayan"). Bayan, a closed joint stock company and a Saudi Central Bank licensed institution, is registered in the Kingdom of Saudi Arabia, specializing in the provision of business-to-business credit information.

11. OTHER FINANCIAL ASSETS

The Group's other financial assets balance consist of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>Financial assets at FVTPL</u>		
Money Market Funds (A)	393,241,305	480,597,586
Advance payment for future equity (B)	2,418,780	-
	395,660,085	480,597,586
<u>Financial assets at FVTOCI</u>		
Unquoted equity investments (C)	200,704,678	230,879,131
Other financial assets are presented in the statement of financial position as follows:		
Non-current	203,123,458	230,879,131
Current	393,241,305	480,597,586
	596,364,763	711,476,717

- 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:

	June 30, 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	1,360,680	752,285,624
Proceeds during the period/year	(100,000,000)	(304,000,000)
Gains on financial assets at FVTPL during the period/year	15,062,499	32,547,323
Losses on financial assets at FVTOCI during the period/year	(31,535,133)	(16,059,889)
Balance at the end of the period/year	<u>596,364,763</u>	<u>711,476,717</u>

12. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Government receivables	2,448,996,756	1,673,873,147
Private receivables	1,940,682,774	1,810,053,321
	4,389,679,530	3,483,926,468
Expected credit losses provision	(725,973,051)	(588,703,691)
	<u>3,663,706,479</u>	<u>2,895,222,777</u>

The amounts above include balances from government entities and government related entities (Note 24.2).

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 consist of the following:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Government contract assets	1,137,150,641	574,765,469
Private contract assets	333,227,531	193,848,805
	1,470,378,172	768,614,274
Expected credit losses provision	(143,404,500)	(126,946,581)
	<u>1,326,973,672</u>	<u>641,667,693</u>

The amounts above include balances from government entities and government related entities (Note 24.2).

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14. PREPAYMENTS AND OTHER CURRENT ASSETS

Prepayments and other current assets consist of the following:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Deferred costs	117,067,617	107,315,770
Prepaid expenses	109,432,856	89,960,938
Advance payments to vendors	79,027,857	28,261,378
Employees receivable	32,469,529	30,425,276
Letter of guarantee	17,228,497	27,486,356
Due from a related party (note 24.2)	10,941,738	-
Accrued murabaha deposit income	11,707,793	24,876,409
Payments under settlement (note 14.1)	1,231,152	1,726,889
Other	461,394	695,032
	379,568,433	310,748,048

14.1 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 16.2).

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 5.73% annually (2024: 6.26% annually), and the interim condensed consolidated statement of profit or loss has been charged with a total deposit income of SR 3.0 million during the three months period ended June 30, 2025 (2024: SR 11 million), and during the six months period ended June 30, 2025 SR 14.3 million (2024: SR 27.4 million). All murabaha deposits mature within one year.

16. CASH AND CASH EQUIVALENTS

Cash and Cash equivalents consists of the following:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash and bank balances - unrestricted	365,996,716	218,572,393
Short term murabaha deposits (note 16.1)	1,997,500,000	2,032,224,786
Cash and cash equivalents - unrestricted	2,363,496,716	2,250,797,179
Cash and bank balances - restricted (note 16.3)	25,393,778	-
	2,388,890,494	2,250,797,179

16.1 The balance of short-term murabaha deposits consists of short-term deposits of three months and less. The average commission is 5.77% annually (2024: 5.98% annually). The interim condensed consolidated statement of profit or loss has been charged with a total deposit income of SR 26.1 million during the three months period ended June 30, 2025 (2024: SR 18.6 million), and during the six months period ended June 30, 2025 SR 58.6 million (2024: SR 45.8 million).

16.2 The Company has a balance of SR 9.8 billion as at June 30, 2025 (December 31, 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.

16.3 As part of the Group's acquisition of Thiqaq, the Group acquired restricted balances representing deposits pertaining to use of services of one of the platform. For further details of the acquisition refer to (Note 31).

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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 six months period ended June 30	
	2025 (Unaudited)	2024 (Unaudited)
Tranche 1- Long term incentive plan program	6,461,135	10,178,372
Tranche 2 - Long term incentive plan program	15,581,775	16,611,779
Tranche 3 - Long term incentive plan program	9,340,939	7,581,829
Tranche 4 - Long term incentive plan program	8,612,688	-
	39,996,537	34,371,980

During the current period, treasury shares were settled under tranche 1 for the long term incentive plan program for 150,432 shares.

18. LONG TERM BORROWING

On Ramadan 27, 1446H (corresponding to March 27, 2025), the Group entered into a Shariah-compliant banking facilities agreement with a local bank to finance its expansion and acquisitions, with a maximum limit of SR 1,900 million. During the current period, the total facility has been drawn down and utilized to fund the Group's acquisition of Thiqah Business Services Company. The facility is secured against a promissory note and is repayable in 5 annual installments starting from April 20, 2026. The facility carries a commission based on SAIBOR plus an agreed margin.

During the six months period ended June 30, 2025, finance cost amounting to SR 20.65 million (2024: SR nil) has been recognized in the interim condensed consolidated statement of profit or loss.

As of the reporting date, no breaches of facility terms have occurred, and no assets of the Group have been pledged as collateral.

The Group's long term borrowing consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	-	-
Additions during the period/year	1,900,000,000	-
Add: Accrued finance cost	20,646,006	-
Long term borrowing – at amortized cost	1,920,646,006	-

Long term borrowing is classified as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Long term borrowing – non current	1,520,000,000	-
Long term borrowing – current	400,646,006	-
	1,920,646,006	-

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19. END OF SERVICES BENEFITS PROVISION

Employee end of service benefits provision movement as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period / year	387,235,689	360,689,127
Impact of acquisition through business combination under common control (note 31)	184,008,165	-
Current service cost during the period / year	33,988,869	63,853,550
Current service financing cost during the period /year	10,167,669	14,041,594
Benefits paid during the period /year	(19,328,736)	(54,275,657)
Actuarial losses	-	2,927,075
Balance at the end of the period /year	596,071,656	387,235,689

20. 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 June 30		For the six months period ended June 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Net profit attributable to equity holders of the parent company	589,643,321	486,237,767	1,085,374,554	831,020,512
Number of shares				
Weighted average number of shares for calculation for basic earnings per share	77,785,274	77,697,200	77,785,274	77,697,200
Weighted average number of shares for repurchased shares	2,214,726	2,302,800	2,214,726	2,302,800
Weighted average number of shares for calculation for diluted earnings per share	80,000,000	80,000,000	80,000,000	80,000,000
EARNINGS PER SHARE:				
Basic	7.58	6.26	13.95	10.70
Diluted	7.37	6.08	13.57	10.39

21. ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

Accounts payable and other current liabilities are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Income sharing and business partners payables	1,241,396,817	1,104,224,854
Contractual cost	603,347,046	429,855,845
Accounts payable	397,455,204	349,712,751
Employee accruals	365,451,986	399,906,226
Value added tax	108,150,860	123,912,401
Incentives & marketing	54,540,562	54,702,793
Customer deposits (note 16.3)	25,393,778	-
Retention payable	12,876,537	9,353,418
Litigation provision (note 27)	1,765,349	1,652,055
Other	35,223,057	6,259,680
	2,845,601,196	2,479,580,023

The amounts above include balances to government entities and government related entities (Note 24.2).

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22. OTHER NON-CURRENT LIABILITIES

As part of the Group's acquisition of Thiqah, the Group acquired an employee long-term bonus scheme, whereby eligible employees are entitled to receive a bonus upon completion of service conditions of three years. For further details of the acquisition refer to (Note 31).

23. ZAKAT

- The Group has submitted all zakat returns up to the year ended December 31, 2024, with payment of the zakat due based on those returns and received the zakat certificates for those years. During the three months period ended June 30, 2025, the Group received final zakat assessments from Zakat, Tax, and Customs Authority ("ZATCA") for the years 2021, 2022 & 2023 with no additional zakat liabilities or adjustments, resulting in a reversal of SR 69 million related to prior year provisions.
- The Group files and pays VAT on a monthly basis and VAT returns have been submitted for all prior financial years. The Group underwent a VAT audit for the years 2018 to 2023. The audit process for these years has been concluded and preliminary results have been received for the year 2023, resulting in no material differences.

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

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	218,172,525	183,613,319
Impact of acquisition through business combination under common control (note 31)	3,066,816	-
Charge during the period/year	48,764,004	127,019,914
Reversal during the period/year	(69,393,769)	-
Net (reversal) / charge during the period/year	(20,629,765)	127,019,914
Paid during the period/year	(113,689,400)	(92,460,708)
Balance at the end of the period/year	86,920,176	218,172,525

24. 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 condensed consolidated financial statements, balances with related parties were unguaranteed.

24.1 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 June 30		For the six months period ended June 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Transactions with government entities *				
Service revenue (note 5)	1,099,580,034	681,462,811	1,724,294,650	1,254,538,469
Services cost	313,759,590	267,240,872	642,974,611	574,431,008
Transactions with government related entities				
Service revenue (note 5)	88,320,444	24,506,332	151,133,886	97,499,769
Services cost	37,236,632	15,308,845	63,670,073	66,205,968
Transactions with Associate companies				
Services cost	-	122,072	299,929	631,780

* Service revenues from government entities include transactions with the main shareholder amounting to SR 16.8 million (2024: SR 11.3 million).

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24. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

24.1 Trading transactions (continued)

	For the three months period ended June 30		For the six months period ended June 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Transaction with board of directors and senior executive managers				
Salaries and benefit	5,152,348	7,522,326	10,234,268	14,940,541
Remunerations and allowances	4,033,785	4,040,077	7,616,651	9,150,777
Share based payment expense	14,761,641	3,140,700	17,479,004	6,284,879
End of service benefits expense	942,058	1,188,143	1,318,639	2,321,239
	24,889,832	15,891,246	36,648,562	32,697,436

24.2 Due from / to related parties

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balances		
Due from related parties *		
<i>Due from government entities classified under:</i>		
Accounts receivable (note 12)	2,448,996,756	1,673,873,147
Contract assets (note 13)	1,137,150,641	574,765,469
<i>Due from government related entities classified under:</i>		
Accounts receivable (note 12)	243,639,012	173,033,355
Contract assets (note 13)	4,402,414	27,667,365
<i>Due from associate companies classified under:</i>		
Prepaid expenses and other current assets (note 14)	10,941,738	-
Due to Related Parties:		
<i>Due to government entities classified under:</i>		
Accounts payable and other current liabilities (note 21)	1,260,129,052	1,088,755,574
<i>Due to government related entities classified under:</i>		
Accounts payable and other current liabilities (note 21)	52,221,439	15,272,260
<i>Due to associate companies classified under:</i>		
Accounts payable and other current liabilities (note 21)	103,667	1,992,373

* Balances due from government entities include amounts due from the main shareholder included in receivables at an amount of SR 20.9 million (2024: SR 3.9 million). And due balances included in contract assets amounting to SR 1.4 million (2024: SR 18.8 million).

25. 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 Group'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.

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25. SEGMENT INFORMATION (CONTINUED)

- 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.

The selected financial data for these segments is as follows:

	For the three months period ended June 30		For the six months period ended June 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue				
Digital Business	1,584,851,537	1,254,365,762	2,966,956,717	2,424,023,995
Business Process Outsourcing	618,990,953	478,333,834	1,068,173,026	916,718,763
Professional Services	40,928,769	34,313,644	87,066,136	65,282,926
	<u>2,244,771,259</u>	<u>1,767,013,240</u>	<u>4,122,195,879</u>	<u>3,406,025,684</u>
Cost				
Direct cost	(1,291,073,281)	(1,033,201,848)	(2,395,405,110)	(2,048,506,518)
Operating expenses (except depreciation and amortization, ECL, Impairment)	(339,588,010)	(226,357,271)	(595,657,353)	(449,571,512)
Expected credit loss (ECL)	(37,141,404)	6,403,154	(40,795,290)	(18,265,669)
Depreciation & amortization	(64,318,287)	(49,110,868)	(104,265,311)	(90,558,167)
Impairment of non-current assets	-	(815,642)	(1,544,266)	(815,642)
Other income, net	24,341,411	60,675,504	80,215,329	104,667,013
Zakat	52,650,722	(38,368,502)	20,629,765	(71,967,133)
	<u>(1,655,128,849)</u>	<u>(1,280,775,473)</u>	<u>(3,036,822,236)</u>	<u>(2,575,017,628)</u>
Net profit	<u>589,642,410</u>	<u>486,237,767</u>	<u>1,085,373,643</u>	<u>831,008,056</u>

Below is a breakdown of gross profit by segments:

	For the three months period ended June 30		For the six months period ended June 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Digital Business	846,469,970	599,526,092	1,482,346,733	1,128,096,391
Business Process Outsourcing	98,852,947	128,788,329	226,800,007	216,967,282
Professional Services	8,375,061	5,496,971	17,644,029	12,455,493
	<u>953,697,978</u>	<u>733,811,392</u>	<u>1,726,790,769</u>	<u>1,357,519,166</u>

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25. SEGMENT INFORMATION (CONTINUED)

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

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>Assets</u>		
Digital Business	7,494,695,579	7,055,076,534
Business Process Outsourcing	2,698,263,715	2,302,175,144
Professional Services	219,933,840	196,803,333
	10,412,893,134	9,554,055,011
	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>Liabilities</u>		
Digital Business	5,144,659,150	3,146,343,268
Business Process Outsourcing	1,852,196,259	1,026,698,042
Professional Services	150,971,395	87,768,125
	7,147,826,804	4,260,809,435

26. 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 June 30, 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 27).
- On Ramadan 27, 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 June 30, 2025, the Group has fully utilized this facility (Note 18).

27. CONTINGENT LIABILITIES

- The Group has outstanding bank letters of guarantee amounting to 112 million as of June 30, 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 June 30, 2025, the Group recorded a provision against legal cases in the amount of SR 2 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 21).
- As of June 30, 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.

28. 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

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29. 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 six months period ended June 30, 2025. The fair valuation techniques are as applied as of December 31, 2024.

The table below 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 June 30, 2025			
	Level I	Level II	Level III	Total
Financial assets				
Other financial assets	-	393,241,305	203,123,458	596,364,763
	As at December 31, 2024			
	Level I	Level II	Level III	Total
Financial assets				
Other financial assets	-	480,597,586	230,879,131	711,476,717

30. 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.

1- Interim condensed consolidated statement of profit or loss

1.1 *For the three months period:*

	Amount as reported June 30, 2024	Adjustment (A)	Reclassification (B)	Amount after adjustment and reclassification
Cost of revenue	1,032,065,648	10,819,568	(9,683,368)	1,033,201,848
Research and development	-	-	19,134,763	19,134,763
Sales and marketing	71,949,685	-	383,462	72,333,147
General and administrative	144,724,218	-	(9,834,857)	134,889,361
Depreciation and amortization	59,930,436	(10,819,568)	-	49,110,868
	<u>1,308,669,987</u>	<u>-</u>	<u>-</u>	<u>1,308,669,987</u>

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30. COMPARATIVE FIGURES (CONTINUED)

1.2 For the six months period:

	Amount as reported June 30, 2024	Adjustment (A)	Reclassification (B)	Amount after adjustment and reclassification
Cost of revenue	2,044,599,099	20,343,790	(16,436,371)	2,048,506,518
Research and development	-	-	33,404,388	33,404,388
Sales and marketing	157,381,973	-	430,198	157,812,171
General and administrative	275,753,168	-	(17,398,215)	258,354,953
Depreciation and amortization	110,901,957	(20,343,790)	-	90,558,167
	<u>2,588,636,197</u>	<u>-</u>	<u>-</u>	<u>2,588,636,197</u>

2- Segment information

2.1 The gross profit for the three months period:

	Amount as reported June 30, 2024	Adjustment (A)	Reclassification (B)	Amount after adjustment and reclassification
Digital business	600,662,292	(10,819,568)	9,683,368	599,526,092
Business process outsourcing	128,788,329	-	-	128,788,329
Professional services	5,496,971	-	-	5,496,971
	<u>734,947,592</u>	<u>(10,819,568)</u>	<u>9,683,368</u>	<u>733,811,392</u>

2.2 The gross profit for the six months period:

	Amount as reported June 30, 2024	Adjustment (A)	Reclassification (B)	Amount after adjustment and reclassification
Digital business	1,132,003,810	(20,343,790)	16,436,371	1,128,096,391
Business process outsourcing	216,967,282	-	-	216,967,282
Professional services	12,455,493	-	-	12,455,493
	<u>1,361,426,585</u>	<u>(20,343,790)</u>	<u>16,436,371</u>	<u>1,357,519,166</u>

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, and there was no impact on the net profit of the Group.

There was no impact on the interim condensed consolidated statement of equity for the period ended June 30, 2024 and the interim condensed consolidated statement of cash flows for the period ended June 30, 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 interim condensed 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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31. ACQUISITION OF THIQAH BUSINESS SERVICES COMPANY

On Rajab 21, 1446H (corresponding to January 21, 2025), the Company entered into a Share Purchase Agreement (the "SPA") with Public Investment Fund ("PIF") to acquire the entire ownership stake held by PIF in Thiqah Business Services Company ("Thiqah"), representing 100% of the issued share capital of Thiqah, for a consideration of SR 3,400 million subject to certain adjustments as agreed in the SPA.

The completion of the acquisition was subject to certain approvals and satisfaction of conditions precedent as stipulated in the SPA which were considered substantive in nature. The acquisition was completed on Shawwal 23, 1446H (corresponding to April 21, 2025), upon satisfaction of all the required approvals and conditions, and the adjusted purchase consideration amounting to SR 3,385.9 million determined as per the SPA was paid to PIF. The transaction was financed through the Company's own resources and credit facilities obtained during the period, as disclosed in (Note 18). Thiqah's financial information were consolidated as of April 30, 2025, taking into account the materiality of amounts between the acquisition date and the date of consolidation.

The transaction is classified as a business combination under common-controlled entities. The Company accounts for such business combinations using the pooling of interest method based on the book values of the net assets acquired as of the acquisition date, with any excess of the consideration paid over the net assets acquired being charged to retained earnings.

The book values of the assets acquired, and liabilities assumed of Thiqah as of acquisition date were as follows:

Assets	
Property and equipment	35,443,902
Capital work in progress	258,892,623
Right-of-use assets	41,981,692
Intangible assets	143,578,132
Investment in associate	22,567,389
Amount due from related parties	41,048,814
Accounts receivable	320,165,295
Contract assets	533,424,575
Prepaid expenses and other current assets	61,276,380
Murabaha deposits	100,000,000
Cash and cash equivalents	270,296,757
	<u>1,828,675,559</u>
Liabilities	
Lease liabilities – non-current	43,779,554
End of service benefits provision	184,008,165
Accruals and other payables – non-current	14,125,041
Accounts payable and other current liabilities	515,521,682
Contract liabilities	488,595,276
Zakat	3,066,816
Lease liabilities – current	4,025,337
	<u>1,253,121,871</u>
Net assets acquired	<u>575,553,688</u>
Purchase consideration	<u>(3,385,912,787)</u>
Excess of purchase consideration charged to retained earnings	<u>(2,810,359,099)</u>
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary	270,296,757
Less: Restricted bank deposits (note 16.3)	(25,458,318)
Purchase consideration	(3,385,912,787)
Net cash outflow on acquisition – unrestricted	<u>(3,141,074,348)</u>

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32. SUBSEQUENT EVENTS

There are no subsequent significant events since the period ended June 30, 2025 that could have a material impact on the financial position of the Group as shown in these interim condensed consolidated financial statements.

33. APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors on Safar 7, 1447H (corresponding to July 31, 2025).