



**Saudi Networkers Services Co.**  
**Ordinary General Assembly Meeting**  
**(First Meeting)**

**Location: Riyadh – Via Modern Technology (Remotely)**

**Date: Sunday, 14 June 2026**

**Corresponding to 28 Dhu Al-Hijjah 1447 AH**

**Time: 07:00 PM**



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**Saudi Networkers Services Co.  
Ordinary General Assembly Meeting  
Agenda**

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**SAUDI NETWORKERS SERVICES CO**  
**Ordinary General Assembly**  
**AGENDA**  
**14 JUNE 2026**

**Agenda Items**

1. Review and discuss the Board of Directors report for the fiscal year ended on 31/12/2025. **(attached)**
2. Review and discuss the Company's consolidated financial statements for the year ended on 31/12/2025. **(attached)**
3. Voting on the external auditor's report for the fiscal year ended on 31/12/2025. **(attached)**
4. Voting on releasing the members of the Board of Directors from their liability for the fiscal year ended on 31/12/2025.
5. Voting on the appointment of the Company's external auditor among the nominated candidates, based on the recommendation of the Audit Committee, to examine, review, and audit the financial statements for the first, second, and third quarters and the annual financial statements for the fiscal year 2026, and the first, second, and third quarters and the annual financial statements for the fiscal year 2027 as well as the first quarter of the fiscal year 2028, and to determine its fees. **(attached)**
6. Voting on the payment of SAR 1,093,661 as a remuneration to members of the Board of Directors & its committees for the fiscal year ended on 31/12/2025.
7. Voting on authorizing the Board of Directors to distribute interim dividends to shareholders on a semi-annual or quarterly basis for the fiscal year 2026.



## Agenda Item # 1

### The Board of Directors' Report for the Fiscal Year Ended on 31 December 2025.

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Listed Company**

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مساهمة مدرجة**

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# SAUDI NETWORKERS SERVICES

## ANNUAL REPORT 2025

Networkers is not just our name; it's our mission



نت وركرس السعوديه للخدمات  
Saudi Networkers Services



Custodian of the Two Holy Mosques

**King Salman bin Abdulaziz Al Saud**

King of the Kingdom of Saudi Arabia



His Royal Highness

**Prince Mohammed bin Salman bin Abdulaziz Al Saud**

Crown Prince and Prime Minister

# A MESSAGE FROM THE CHAIRMAN



**Dear Shareholders,**

It is my pleasure to address you in this Annual Report for the year 2025 — a year marking a significant milestone in SNS's institutional and strategic evolution.

On behalf of the Board, I extend our sincere appreciation for your continued trust and support, reinforcing our commitment to strong governance, sustainable growth, and long-term value creation.

## **Sustained Growth and Operational Strength**

SNS continues to build on a resilient foundation established over more than 25 years, with a strong presence in the Saudi market and a clear competitive advantage. Throughout 2025, the Company remained focused on enhancing operational efficiency, strengthening client relationships, and reinforcing financial discipline. Our results reflect the cumulative impact of years of structured expansion, improved institutional capabilities, and prudent capital management — demonstrating a sustained strategy centered on scalability, risk management, and service excellence.

## **Main Market Ambition**

As part of our long-term strategy, we have initiated preparations to transition to the Main Market (Tadawul), subject to regulatory approvals. This step represents a natural evolution in our growth journey, aimed at enhancing institutional participation, liquidity, and governance positioning. We are approaching this transition with a focus on readiness, resilience, and disciplined execution.

## **Leadership Evolution**

During the year, the previous Board of Directors' term concluded on 13 October 2025, and a new Board was appointed by the General Assembly for a four-year term ending on 13 October 2029. The current Board comprises six Non-Executive Members, including four Independent Members, bringing together diverse expertise across local, regional, and international markets. The Board expresses its appreciation to the former members for their valuable contributions and looks forward to continued progress under the new Board. In parallel, the Company implemented changes in its executive management structure aimed at strengthening leadership capabilities and aligning responsibilities with our next phase of growth, ensuring continuity, accountability, and strengthened capabilities.

## **Looking Ahead**

As we enter 2026, we remain focused on disciplined expansion, efficient capital management, and further strengthening our institutional capabilities. We are fully aligned with Saudi Vision 2030 and committed to contributing to the Kingdom's economic development. On behalf of the Board, I extend my gratitude to our shareholders, clients, partners, and employees. We move forward with confidence, clear direction, and a strong foundation for continued growth.

Abdulmohsen Ibrahim AlTouq



## A MESSAGE FROM THE CEO



Dear Shareholders,

Saudi Arabia's transformation continues to accelerate — redefining industries, reshaping workforce dynamics, and unlocking new opportunities at the intersection of human capital and technology.

SNS is strategically positioned at the center of this transformation. We continue to strengthen our role as a trusted partner, supporting organizations in enhancing operational efficiency, scaling effectively, and navigating increasingly complex market demands through integrated workforce and technology solutions.

During 2025, we executed our strategy with discipline — reinforcing our core business, expanding our service offerings, strengthening client relationships, and enhancing our operational capabilities. At the same time, we continued to invest in our people, recognizing that talent remains a critical driver of sustainable performance and service excellence.

As we move forward, we are entering the next phase of our strategic evolution. Our focus is on expanding across the human capital ecosystem while accelerating the development of our managed services and digital capabilities. This includes strengthening strategic partnerships, enhancing our operating model, and pursuing selective growth opportunities to support scalability and long-term value creation.

In parallel, we are advancing the development of our technology services arm — with the ambition of building a more scalable and differentiated platform capable of capturing emerging opportunities in ICT and digital services.

Our approach remains clear: to protect and strengthen our core business while progressively building capabilities that enhance our value proposition and diversify our growth profile.

Our commitment to Vision 2030 remains central to our strategy, contributing to the development of national talent, supporting workforce participation, and enabling digital transformation across the Kingdom.

We look forward to the opportunities ahead with confidence

I would like to thank our shareholders, clients, partners, and employees for their continued trust and commitment.

Ahmad Abu Nemeh



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نت وركرس السعوديه للخدمات  
Saudi Networkers Services

1

The

COMPANY



Foundation · Capabilities · Direction

## 1.1 Introduction

The Board of Directors of Saudi Networkers Services Company ('SNS' or the 'Company') is pleased to present its annual Board of Directors Report for the year 2025. The report reviews the year's performance and key achievements in addition to the consolidated financial statements and auditor's report for the year ended 31 December 2025.

## 1.2 Main Activities

The principal activities of the Company are implementing, establishing, maintaining, operating, installing and managing telecommunication networks. The Company is also involved in providing consulting, technical, and administrative services, marketing, customer care services and technical support for sales centers.

Information &  
Communications



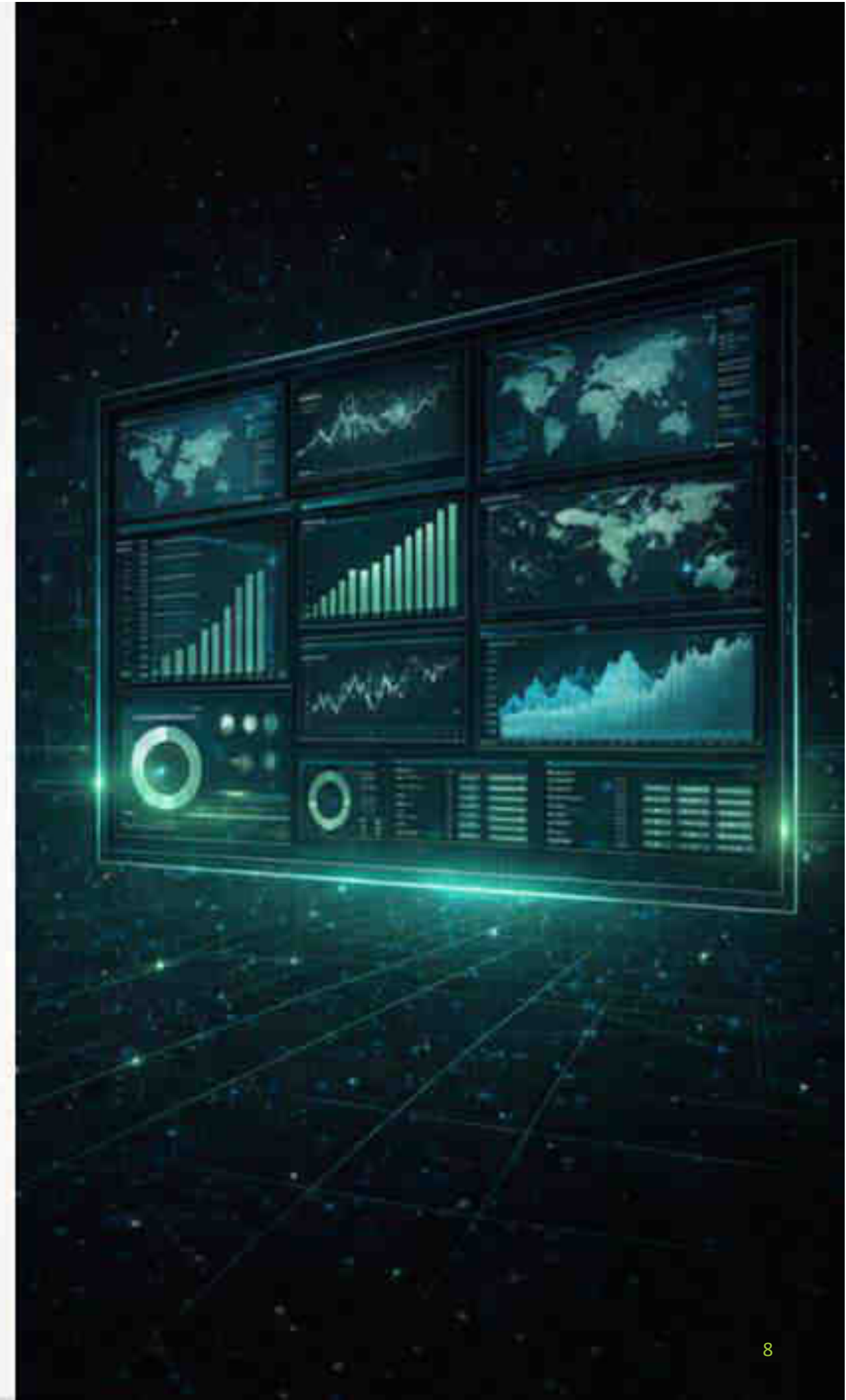
Professional &  
Technical Activities



Administrative Services  
& Support Services



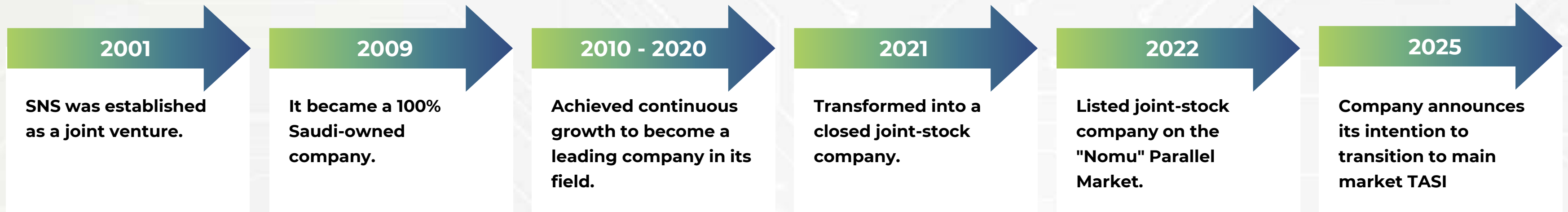
*The Company shall carry out its activities in line with the applicable laws and upon obtaining the necessary licenses from the competent authorities, if any.*



### 1.3 Company Overview

The management of Saudi Networkers Services Company (the "Company") is pleased to present a brief overview that includes an introduction of the company, its performance, key achievements, as well as its future strategy and upcoming directions.

#### COMPANY HISTORY



#### CAPITAL HISTORY



## 1.4 Vision, Mission & Values



### VISION

To be the leading and distinguished company in providing its services. Its vision is focused on the continuous innovation and excellence.

### MISSION

The Company provides its customers with high-quality standards and best-in-class services and solutions in providing technical and technological consulting in the fields of telecommunications and information technology and several other sectors, responding to the evolving market trends in achieving customer satisfaction, and using the best in class technologies to build its capabilities utilizing the Company's experience and strategic alliances with customers, suppliers, employees and shareholders, thus ensuring continuity and professional development.

## VALUES

Our core values shape the culture and define the company's character. We observe the values through individual practice and serve as a foundation for how we make decisions.

#### INTEGRITY

We do what is right.

#### EXCELLENCE

We never stop learning and improving.

#### COURAGE

We think and act confidently.

#### COMPOSED

We respect the difference of opinions & draw strength from it.

#### FOR BEST

We strive for what matters most



## 1.5 Company Strength

### Proven Expertise

More than 25 years of proven expertise in KSA, supported by a network of experienced managers, engineers, and consultants.

01

### Technical Excellence

Qualified technical advisory team across IT infrastructure, cybersecurity, storage, applications, and databases.

02

### Regulatory Compliance

The Company complies with all relevant and applicable laws and regulatory requirements.

03

### Operational Capacity

The ability to meet the needs and aspirations of diverse customer sectors, supported by a workforce of more than 2,100 employees.

04

### Sustainability & Governance

High sustainability standards encompassing corporate governance, policies, procedures, code of conduct, and ethics, supported by effective risk management and a structured annual internal audit plan.

05

### Certified Standards

- ISO 9001: in the quality management system.
- ISO 14001: in environmental management system.
- ISO 45001: for occupational health and safety management system.
- ISO 22301: in business continuity management systems.
- ISO 2000-1: in requirements for the development, implementation, monitoring, maintenance, and improvement of an IT service management system

06

Company  
**STRENGTH**

# Business & STRATEGY

Market Positioning · Growth Drivers · Strategic Focus

## 2.1 Business Strategy

SNS continues its journey as a trusted provider of human capital and ICT solutions in the Kingdom of Saudi Arabia, building on its strong market presence and long-standing relationships with both government and private sector clients. The Company's strategy is guided by a forward-looking vision that aligns with the Kingdom's economic transformation under Saudi Vision 2030, which emphasizes digital transformation, private sector development, human capital empowerment, and the expansion of technology-driven industries.

As Saudi Arabia continues to invest in building a diversified and knowledge-based economy, the demand for advanced workforce solutions, technology services, and managed operational models continues to grow. In response to these developments, SNS aims to strengthen its role as a strategic partner enabling organizations to access specialized talent, enhance operational efficiency, and support large-scale digital and institutional transformation initiatives.

Through its strategy, SNS seeks to expand its service portfolio, enhance operational efficiency, and diversify its revenue streams while maintaining high service quality and strengthening long-term relationships with its clients. The Company also aims to develop an institutional environment that attracts high-caliber talent, encourages innovation, and enables sustainable growth.

SNS remains committed to supporting the Kingdom's economic development by contributing to the advancement of human capital capabilities and supporting digital transformation initiatives across multiple sectors of the Saudi economy.



## 2.2 Overview of the Current Strategy

The current strategic framework was developed to strengthen SNS's position in the human capital services market while expanding its capabilities in ICT and technology-enabled services. The strategy focused on four main priorities:

### Service Expansion

Enhancing the Company's service portfolio beyond traditional human capital solutions by introducing new workforce and managed service solutions that support the evolving needs of organizations.



### Client-Centric Service Model

Strengthening long-term partnerships with key clients by delivering high-quality workforce solutions and supporting operational scalability for large organizations and government entities.



### Operational Efficiency

Improving internal processes, optimizing cost structures, and implementing technology systems to enhance operational performance and support sustainable growth.

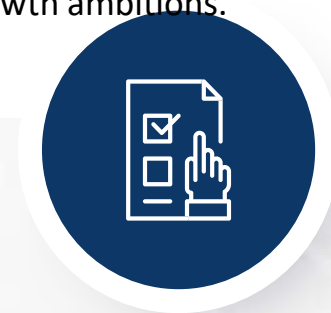


### Work Environment Enhancement

Creating a professional and supportive work environment that attracts, develops, and retains top talent while strengthening employee engagement and organizational culture. Through the implementation of this strategy, SNS achieved several important milestones, including:

- Expanding the Company's client base across multiple sectors in the Kingdom
- Strengthening its position in providing specialized ICT workforce solutions
- Enhancing operational processes and internal governance practices
- Improving employee engagement and talent retention indicators
- Maintaining high client satisfaction and service quality levels

These achievements contributed to building a solid operational foundation that supports SNS's future growth ambitions.



## 2.3 Shift Towards a New Strategy

In light of these developments, SNS is currently working on developing a comprehensive strategy for the coming phase, aimed at strengthening the Company's competitive position and expanding its growth opportunities. The new strategic direction focuses on several key elements:



The new strategy aims to create a more flexible and diversified business model capable of responding to evolving market demands while generating sustainable revenue growth and delivering enhanced value for shareholders.

## 2.4 Strategy Transition

During the transition period, SNS will continue to build on its strong foundation by maintaining a clear focus on its core activities, further enhancing service quality, operational excellence, and client delivery standards. The Company remains committed to strengthening its existing service offerings while elevating its value proposition through continuous improvement and innovation.

At the same time, SNS will progressively prepare the organization for the next phase of its strategic transformation. This includes reallocating resources toward high-impact initiatives, strengthening governance and operational capabilities, and enhancing institutional readiness to support future growth.

As part of this transformation, SNS will expand across the human capital ecosystem while simultaneously building capabilities in technology-enabled and managed services. This will be achieved through a combination of organic growth, as well as strategic partnerships and selective acquisitions, enabling SNS to accelerate capability development and capture emerging opportunities in the market.

In parallel, the Company will focus on developing its technology services arm, with the potential to scale it into a distinct and specialized business vertical, which may be structured as an independent entity in the future, subject to strategic and market considerations.

SNS remains committed to ensuring a smooth and balanced transition between strategic phases, maintaining operational stability, and continuing to deliver consistent value to its clients, employees, and shareholders.

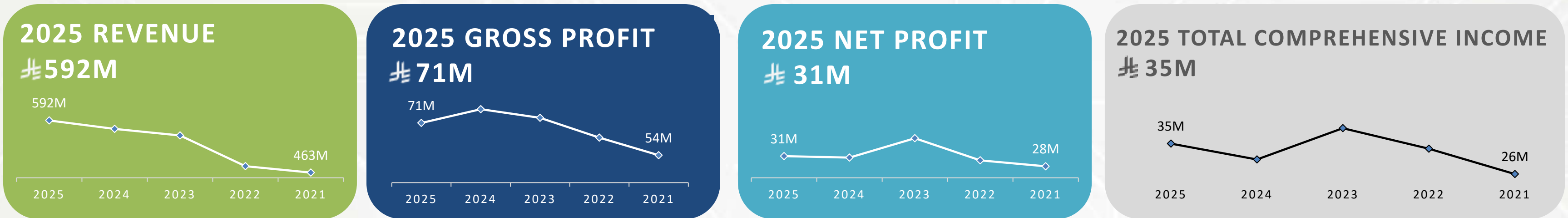
Through this strategic evolution, SNS aims to reinforce its position as a trusted partner for integrated workforce and technology solutions, while contributing to the broader objectives of Saudi Arabia's economic transformation, digital advancement, and sustainable development under Vision 2030.

# 3 Review of FINANCIALS

Results · Analysis · Value Creation

### 3.1 Summary of Financial Information

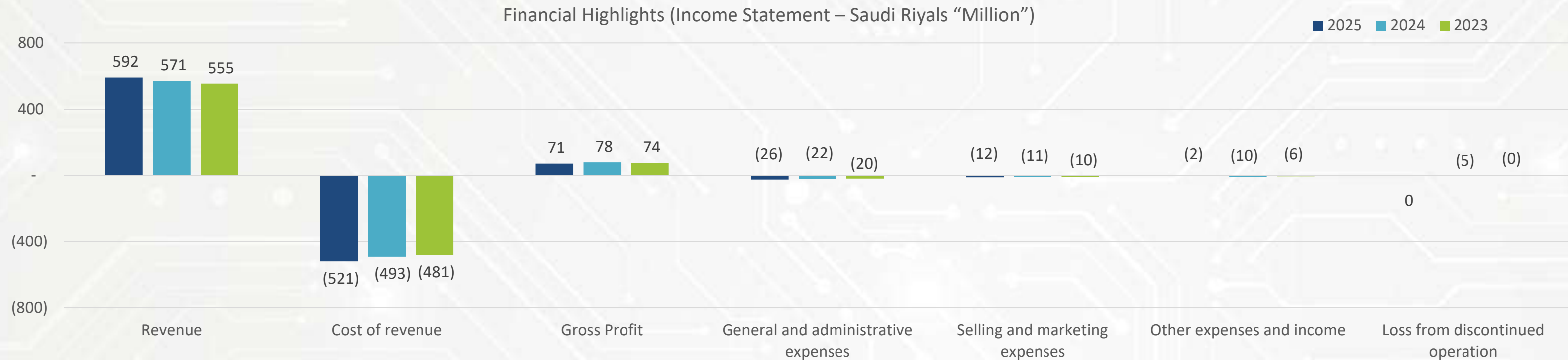
The graphs below illustrate the Company's five-year financial performance, with detailed tables presented on the following slide.



#### Summarized Statement of Comprehensive Income

Description	2025	2024	2023	2022	2021
Revenue	591,781,176	571,064,038	554,653,846	478,629,400	462,792,369
Gross profit	71,103,996	78,229,213	73,739,245	63,387,307	54,273,230
Net profit	31,314,330	30,792,063	36,555,384	30,086,377	28,354,621
Total Comprehensive Income	34,506,810	30,060,579	38,769,619	33,061,679	26,033,158

### 3.1 Summary of Financial Information *(Continued..)*



#### Revenue

The Company has three main streams of revenue: Direct, Managed-Hosting and Others. Variation is mainly due to increase in the revenue with the existing customers also the business generated from new customers. During the year, revenue increased by 4%.

Approximately SR 169 million (2024: SR 173 million) are derived from three major customers who contribute more than 29% (2024: more than 30%) to the total revenue.

#### Cost of revenue

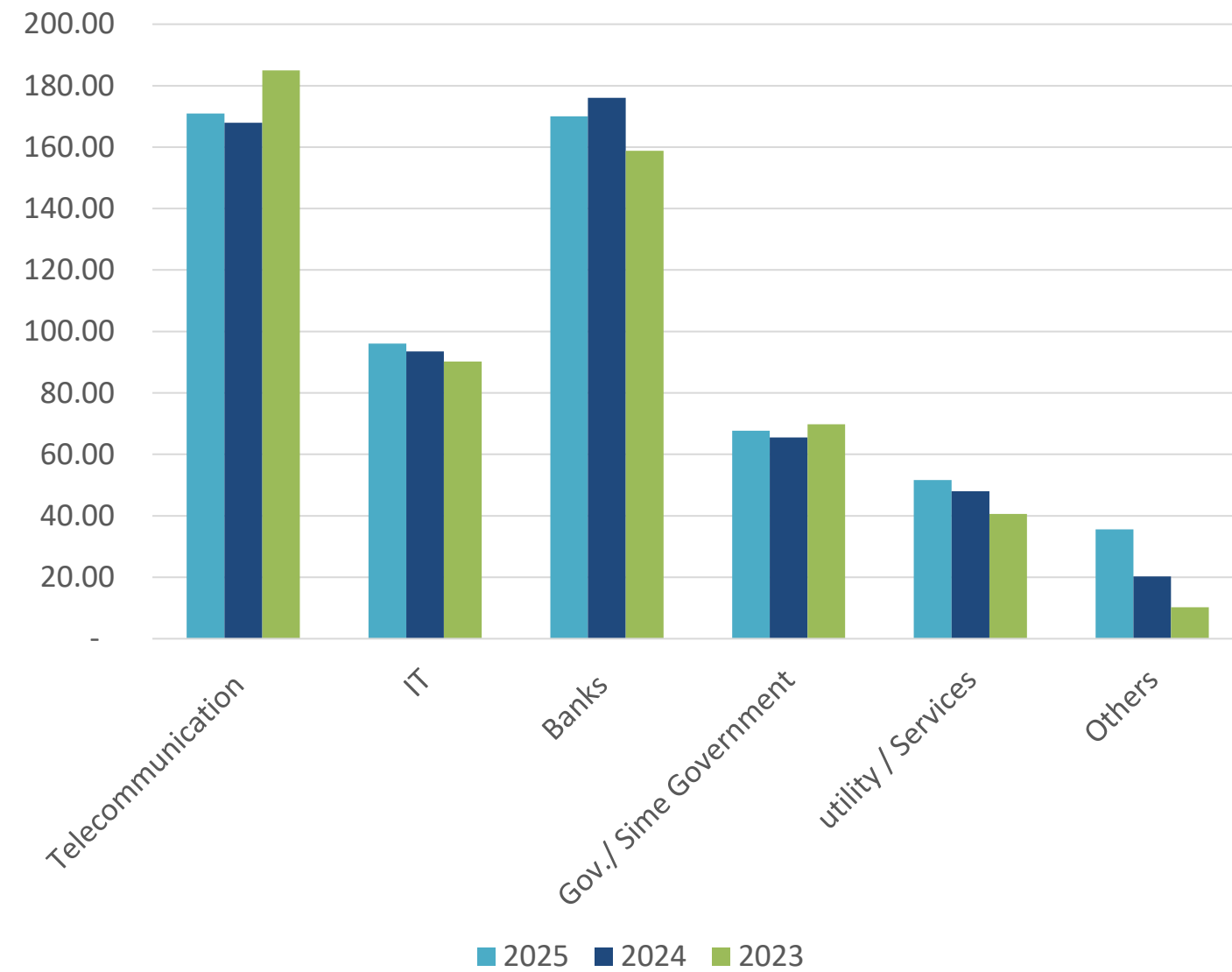
Cost of revenue has increased in line with the increase in sales. As well, the increase is primarily attributable to the recognition of additional provisions during the year in relation to Value Added Tax (VAT) exposure following the initial assessment received from the Zakat, Tax and Customs Authority (ZATCA), in light of ongoing assessments and discussions with the relevant authorities and parties, the assessment remains subject to final decision and appeal as well as the arrangement of potential recoverability from the customers.

#### Loss from discontinued operations

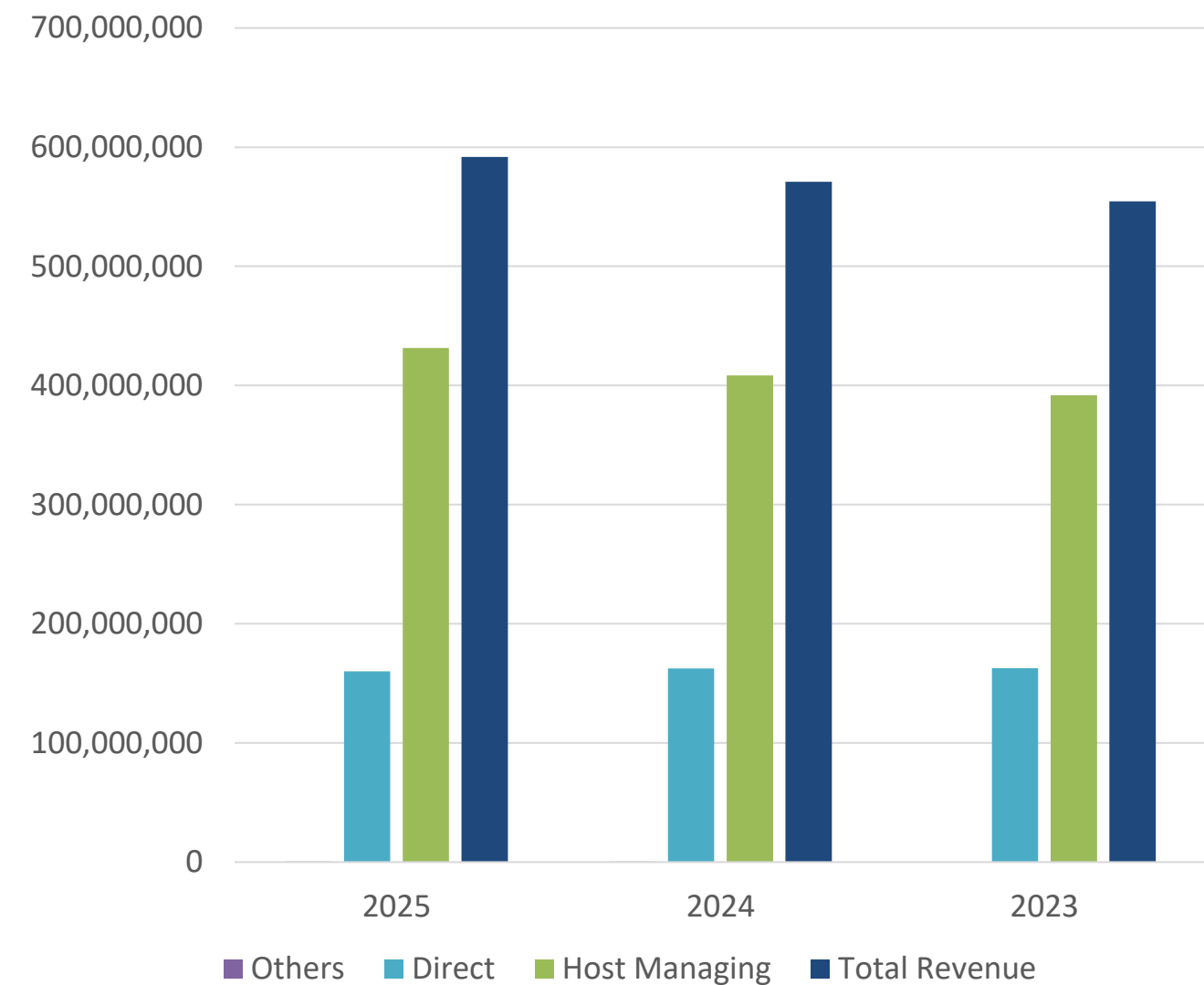
As at 31 December 2025, the Company’s Algerian subsidiary is in the process of winding up, following a Board decision to cease its operations to focus on the potential growth in the Saudi market. At the year end, the liquidation process remains ongoing, and the subsidiary had not been fully dissolved as of the reporting date. During 2025, the Group has settled a final tax notice received from the Tax Center of Algeria related to the subsidiary. Therefore, this tax amount has been accrued.

### 3.1 Summary of Financial Information *(Continued..)*

**Revenue per sector**



**Revenue per service**

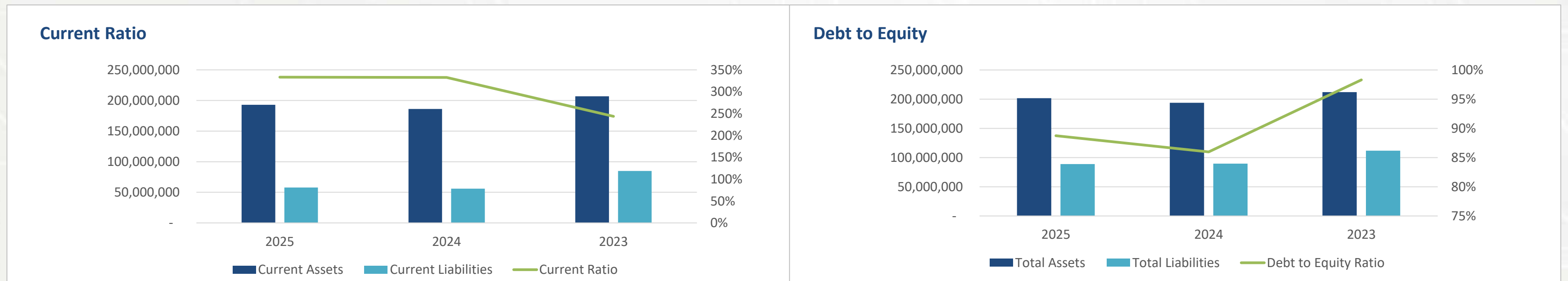


### 3.1 Summary of Financial Information *(Continued..)*

The graphs illustrate the Company's 2025 summarized balance sheet, with detailed tables presented on the following slide.

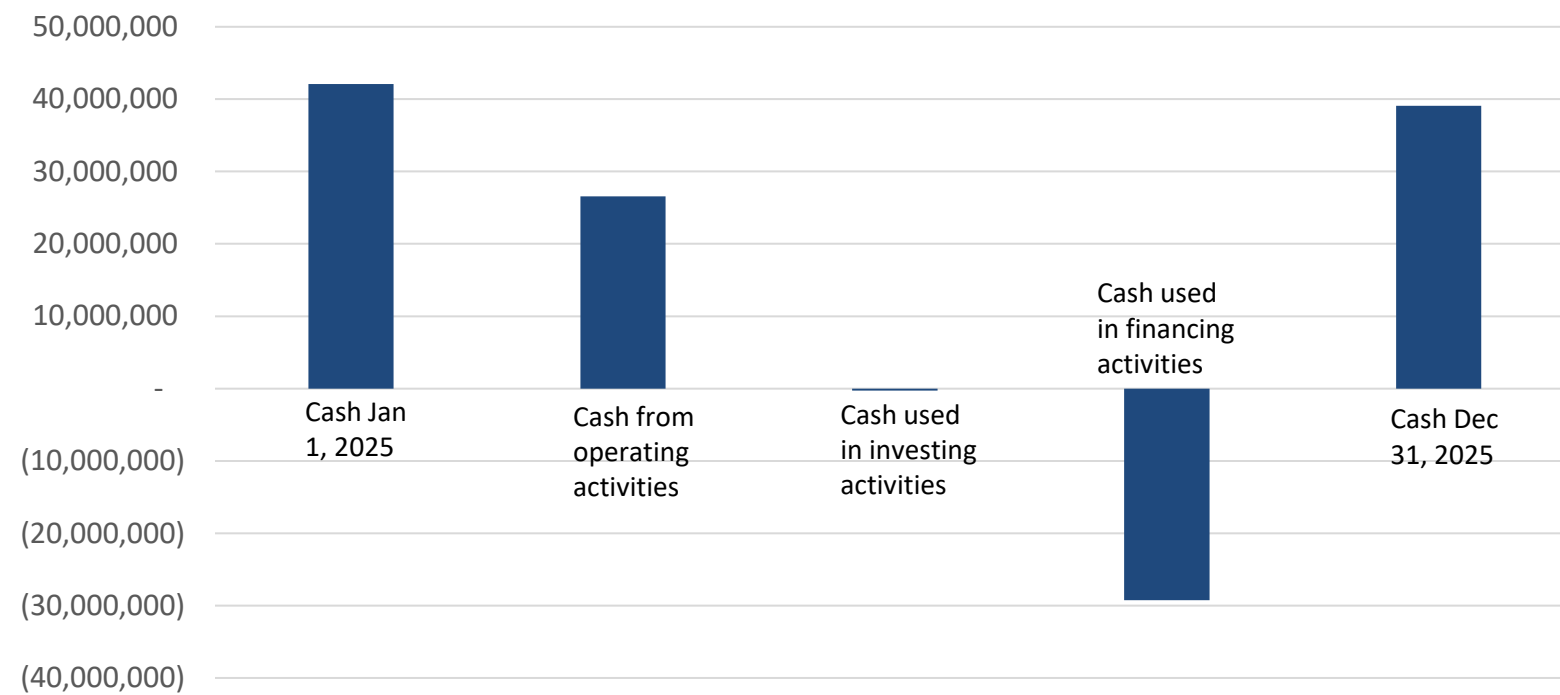
2025 Total Assets		2025 Total liabilities		Summarized Balance Sheet					
Description	2025	Description	2025	Description	2025	2024	2023	2022	2021
<b>Total Assets</b>	201,625,008	<b>Total Liabilities</b>	88,982,330	Non-current assets	8,704,697	7,798,566	5,054,535	1,137,060	2,100,689
<b>Current assets</b>	192,920,311	<b>Current liabilities</b>	57,877,447	Current assets	192,920,311	186,048,943	206,909,631	183,373,877	168,830,991
<b>Non-current assets</b>	8,704,697	<b>Non-current liabilities</b>	31,104,883	<b>Total assets</b>	<b>201,625,008</b>	<b>193,847,509</b>	<b>211,964,166</b>	<b>184,510,937</b>	<b>170,931,680</b>
<b>Net Assets 2025</b>	112,642,678			<b>Equity</b>	<b>112,642,678</b>	<b>104,235,868</b>	<b>100,275,289</b>	<b>87,605,670</b>	<b>64,543,991</b>
				Non-current liabilities	31,104,883	33,707,718	26,801,421	21,587,915	20,157,517
				Current liabilities	57,877,447	55,903,923	84,887,456	75,317,352	86,230,172
				<b>Total liabilities</b>	<b>88,982,330</b>	<b>89,611,641</b>	<b>111,688,877</b>	<b>96,905,267</b>	<b>106,387,689</b>

The below consolidated financial statements should be read along with the audited consolidated financial statements, including the accompanying notes for the financial year ended on December 31, 2025:



### 3.1 Summary of Financial Information *(Continued..)*

#### Cash Flow Analysis

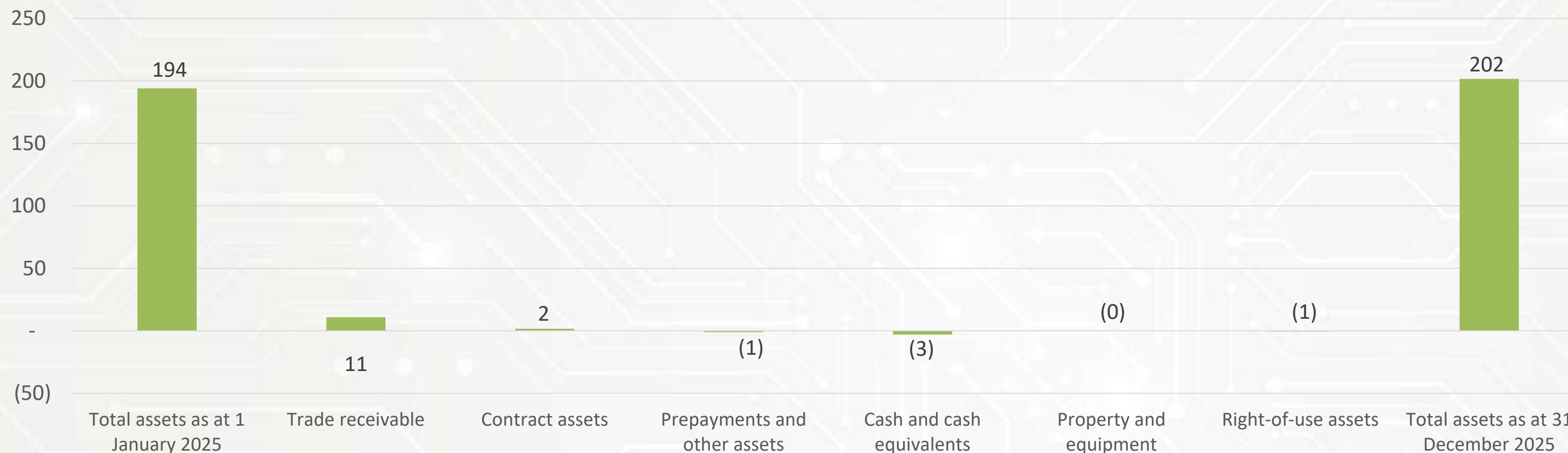


#### Following is the movement of short-term borrowings in 2025:

●	<b>Balance at beginning of the year</b>	<b>2.6M</b>
●	Interest expense	0.5M
●	Proceeds during the year	27.4M
●	Repayments during the year	29.9M
●	Interest expense paid during the year	0.5M
●	<b>Balance at end of the year</b>	<b>0.0M</b>

### 3.1 Summary of Financial Information *(Continued..)*

Financial Highlights (Assets – Saudi Riyals “Million”)



**Trade receivables** – during the year, the receivables balance increased by 9%, amounting to SAR 11.9 million, as a result of the increase in revenue. The variation is mainly driven by increased revenue from existing customers, as well as new business generated from new customers

In addition to the Expected Credit Loss (ECL) allowance, management has recorded specific provisions against the balances outstanding of customers of accounts receivables and unbilled revenue. During the year, net result of ECL and specific provision has been reduced by SAR 0.9 million in connection of collection of old balances.

The net decrease of SAR 2.9 million in cash as of December 31, 2025, compared to December 31, 2024, is primarily due to payment of debts resulting in debt free as of December 31, 2025. Moreover, the company has managed to secure time deposits during the year resulting in SAR 0.2 million interest income.

**Other Assets** remained in the same level for both years ended December 31, 2025 and 2024.

### 3.1 Summary of Financial Information *(Continued..)*

Financial Highlights (Liabilities – Saudi Riyals “Million”)



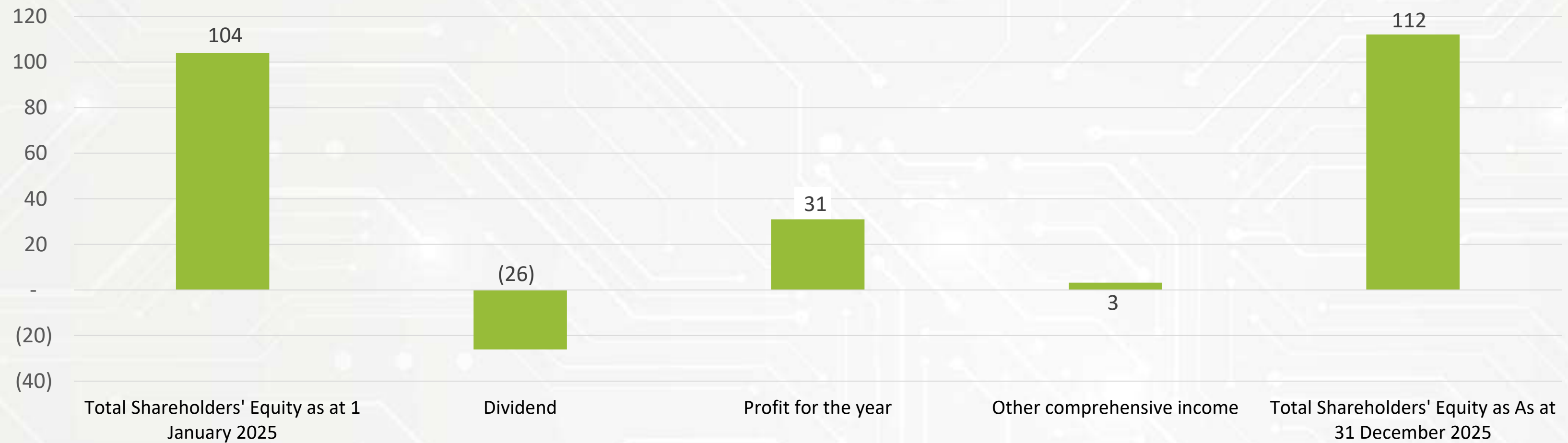
**Short-term borrowings** The Group has bank facilities in the form of short terms loans, overdraft and progress payment finance facility from commercial banks to finance its working capital requirements. During the year, the drawdowns amounted to SAR 27.4 million whereas repayments amounted to SAR 30 million. As a result of additional repayments pertaining to the opening balances, accordingly the company as of December 31, 2025, is debt free.

**Defined benefits liabilities** The Group operates a defined benefit plan in line with the Labour Law requirement in the Kingdom of Saudi Arabia. In the current year, and due to the payments made during the year resulted in the decrease in defined benefits liabilities as of December 31, 2025.

**Accrued expenses & other liabilities** has increased by SAR 5 million as compared to last year due to the additional provisions during the year in relation to Value Added Tax (VAT) exposure following the initial assessment received from the Zakat, Tax and Customs Authority (ZATCA), in light of ongoing assessments and discussions with the relevant authorities and parties, the assessment remains subject to final decision and objection as well as the potential recoverability from the customers.

### 3.1 Summary of Financial Information *(Continued..)*

Financial Highlights (Shareholders' Equity – Saudi Riyals “Million”)



**Dividend** - During the year 2025, the company announced the dividend for the second half of 2024 as SAR 2.35 per share amounting to SAR 14.1 million and first half of 2025 amounting to SAR 12 million at the rate of SAR 2 per share, the total dividend of SAR 26.1 million was paid during the year 2025. Since 2022, the company has maintained its dividend payment of SAR 26.1 each year paid semi annually.

**Profit for the year** - The company has achieved SAR 31.31 million as profit for the year contributing to the increase in the retained earnings.

### 3.2 Segment Reporting

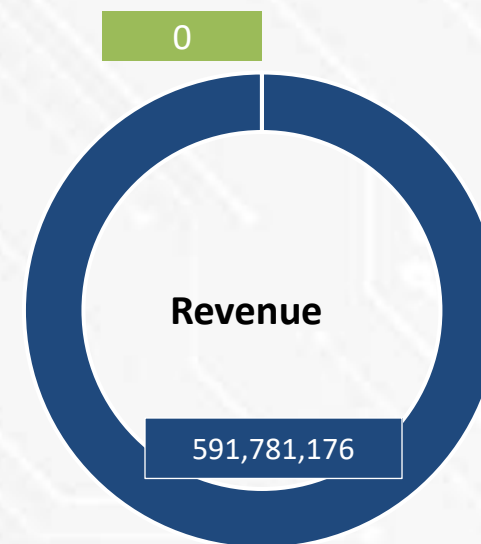
The Group has the following strategic geographical locations which represent its reportable segments. The Segment assets, liabilities and profit or loss are measured in the same way as in the consolidated financial statements.



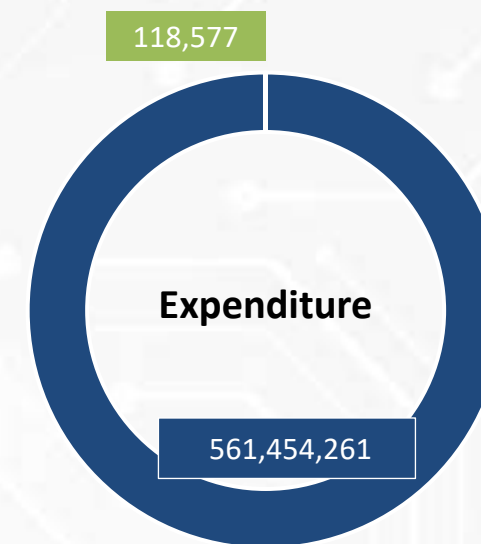
**Kingdom of Saudi Arabia:** Provision of services in the geographical region of Kingdom of Saudi Arabia.



**Algeria:** Provision of services in the geographical region of Algeria.



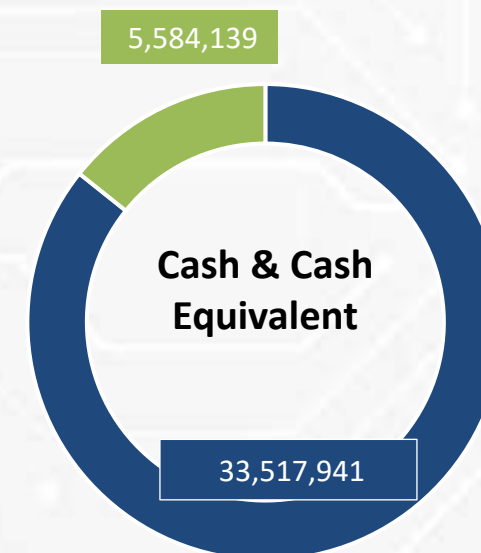
■ KSA ■ Algeria



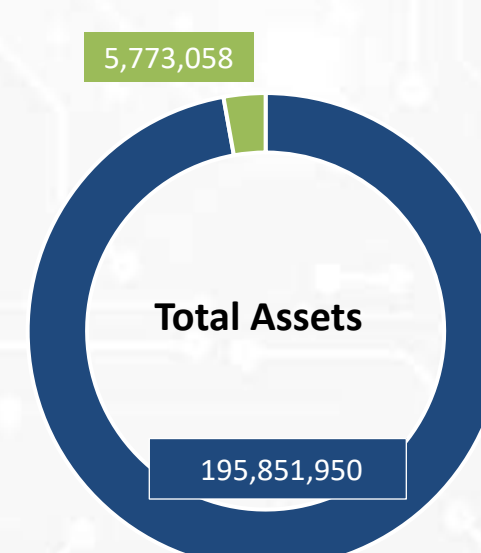
■ KSA ■ Algeria



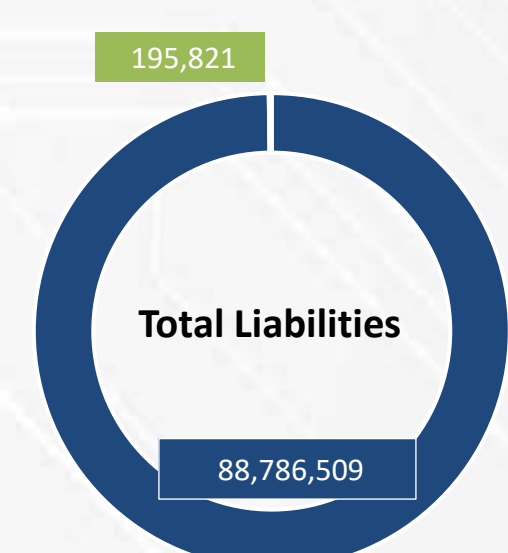
■ KSA ■ Algeria



■ KSA ■ Algeria



■ KSA ■ Algeria



■ KSA ■ Algeria

### 3.3 Related Party Transactions

The Company has no related party transactions during the year.

### 3.4 Accounting Standards

The Group has consistently applied the International Financial Reporting Standard (“IFRS”) Accounting Standards as endorsed in the Kingdom of Saudi Arabia (“KSA”) and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

There was no difference from the accounting standards approved by the Saudi Authority for Auditors and Accountants for the annual financial statements for the year ended December 31, 2025

### 3.5 Auditors’ Report

The auditors’ report on the financial statements ended December 31, 2025, is unmodified.

### 3.6 Dividends

#### 3.6.1 Dividends Distribution Policy

The Company's dividend distribution policy is in accordance with the requirements of the regulations of the Capital Market Authority, the Companies Law, and the Company's Bylaws, and regulates the processes and procedures related to dividends distribution, declaration and determination of their payment schedule. The Company seeks to achieve a fixed Dividend Policy in general.

1. The General Assembly may, upon the proposal of the Board of Directors, set aside a percentage of the net dividends to form reserves and allocate them for the purposes specified by the General Assembly.
2. The Ordinary General Assembly may - when determining the portion of shares in net dividends - decide to form reserves, to the extent that achieves the interest of the Company or ensures the distribution of fixed dividends - as much as possible - to the shareholders. The aforementioned assembly may also deduct some amounts from the net dividends in order to achieve social purposes for the Company's employees.
3. The General Assembly shall determine the percentage that to be distributed to the shareholders from the net dividends after deducting reserves, if any.
4. The Company may distribute interim profits to its Shareholders on a semi-annual or quarterly basis by a resolution of the Board of Directors based on an authorization by the General Assembly of the Company, if the financial position of the Company allows and the Company's cash position, capital adequacy ratios and total equity shall be reviewed and, if sufficient, the remainder shall then be distributed to the shareholders.

The Company does not provide any guarantees that it will distribute dividends for any year, nor does it guarantee the value of those dividends that can be distributed in any specific year. The profit distribution process is subject to certain restrictions in accordance with the Company’s bylaws.

### 3.6.2 Eligible Shareholders and Payment of Dividends

Shareholders shall be entitled to their share of dividends in accordance with the resolution issued by the General Assembly in this regard, provided that such resolution specifies the eligibility date and the distribution date. The eligibility of dividends for the shareholders of the Company who own shares and registered in the Securities Depository Center Company (Edaa) at the end of the second trading day following the specified eligibility date.

The Board of Directors, after obtaining authorization from the General Assembly, shall have the authority to distribute interim dividends to shareholders on a semi-annual or quarterly basis, in accordance with the relevant regulatory requirements and procedures.

### 3.6.3 Tax Implications on Payment of Dividends to Non-resident Shareholders

A withholding tax of 5% will be deducted on the payment of dividends to the Non-resident shareholders (Company / Individual).

### 3.6.6 Dividends Paid

Since the company registered in Nomu market in 2022, the Company has declared and paid the following dividends:

Distribution Date	Percentage of Dividend to the Share Par Value (%)	Dividend Amount	# of shares	Total Div Paid
25/09/2025	20%	2.00	6,000,000	12,000,000
10/04/2025	23.50 %	2.35	6,000,000	14,100,000
17/10/2024	20%	2.00	6,000,000	12,000,000
07/07/2024	23.50 %	2.35	6,000,000	14,100,000
22/10/2023	20%	2.00	6,000,000	12,000,000
19/06/2023	23.50 %	2.35	6,000,000	14,100,000

### 3.6.4 Unclaimed Dividends

When the Board of Directors decides the dividends and recommends them to the General Assembly, it shall immediately declare the details of the dividends, indicating the amount of the distribution, the percentage of the dividends to be distributed to the dividends achieved, the Company's capital, the total amounts of dividends, the method of payment and the date of distribution, if available at the time of the declaration after its meeting at which the dividends were approved in Tadawul.

### 3.6.5 Dividends Distribution Announcements

The company will make due announcements of dividends as applicable.

### 3.7 Penalty, Fines and Precautionary Procedure or Preventive Measures

The following table shows a detailed description of the penalties, sanctions and fines issued by the Capital Market Authority (CMA) or a supervisory, regulatory or judicial authority against the Company during the year:

Violation Type	Violation Issuer	Violation Amount (SAR)	Violation Cause	Violation Handling
Job localization requirement	Ministry of human resources and social development	96,000	Non-compliance with the localization rates for professions and activities for which ministerial decisions have been issued.	The company continuously takes the necessary steps to avoid this violation in the future by complying with the job localization requirement.

### 3.8 Statement of Statutory Payments Recorded

SNS is committed to settling all statutory fees payable to government entities in compliance with the applicable laws and regulations in force in the Kingdom of Saudi Arabia, as outlined in the table below

Regulatory Authority	Description	Amount	Description
General Organization for Social Insurance	General Organization for Social Insurance Fees	15,770,215	In accordance with the provisions and rules of GOSI
Government Entities Fees	Fees for Various Governmental Entities	882,510	All fee paid by the company for Government services
Zakat Tax and Customs Authority	VAT	71,837,623	In accordance with the provisions and rules of the Zakat obligation and the tax system.
	WHT	911	
	Zakat	2,785,634	
Total		<b>91,276,893</b>	



# Corporate

# GOVERNANCE

Leadership · Oversight · Accountability

## 4.1 About The Board

- The Board of Directors of SNS is composed of six members, who are appointed by the General Assembly for a four-year term in accordance with the Company's bylaws. The previous Board of Directors' term concluded on 13 October 2025. Accordingly, the General Assembly appointed the new Board of Directors for the new term, which began on 14 October 2025 and ends on 13 October 2029. In 2025, the Board of Directors held a total of Seven (7) board meetings.
- The Board consists of two non-executive members and four independent members. Currently, the Board has two Committees: Audit; and Nomination; and Remuneration. Each Committee meets regularly throughout the year, reports its actions and recommendations to the Board, and receives reports from management. All Board Committees have their respective charters that identify each Committee's roles, powers, and responsibilities.
- The Board of Directors meet at a minimum of four times a year or when required as per applicable regulations.
- The decisions and discussions of the Board of Directors are documented in the minutes of meetings and signed by the Chairman, Board of Directors & Board Secretary.

The Company's Board of Directors consists of  
**highly qualified and respected** individuals in the  
**local, regional, and international** business community

*The Board members and their brief profiles are given below:*

**4.2 Board of Directors** *Current term started 14 October 2025*



**Mr. Abdulmohsen Ibrahim  
AlTouq**

**Chairman**

Non-Executive  
37.25% Company Ownership



**Eng. Osama Mohammed  
AlSabeg**

**Vice Chairman & NRC Chairman**

Non-Executive  
36.83% Company Ownership



**Dr. Abdullah AlHussaini**

**Board Member & Audit  
Committee Chairman**

Independent



**Dr. Mohammed Abdulkarim  
AlMohimeed**

**Board Member & NRC Member**

Independent



**Mr. Musab Husain AlKhodairi**

**Board Member & NRC Member**

Independent



**Mr. Mohammed Samir Ghonaim**

**Board Member & Audit Committee**

**Member  
Independent**

## 4.2 Board of Directors *Previous term Ended 13 October 2025*



**Mr. Abdulmohsen Ibrahim  
AlTouq**

**Chairman**

Non-Executive

37.25% Company Ownership



**Eng. Osama Mohammed  
AlSabeg**

**Vice Chairman, NRC Member &  
Managing Director**

Executive

36.83% Company Ownership



**Dr. Abdullah AlHussaini**

**Board Member, Audit Committee  
Chairman & NRC Member**

Independent



**Eng. Alwaleed Abdulrazaq  
AlDryaan**

**Board Member & NRC Chairman**

Independent



**Mr. Adel Mohammad Mallawi**

**Board Member & Audit  
Committee member**

Independent

## Board Members' Profile



### Mr. Abdulmohsen Ibrahim AlTouq

<b>Nationality</b>	Saudi
<b>Post</b>	Chairman
<b>Education</b>	- Bachelor of Business Administration, with specialty in Finance - King Saud University, Riyadh, Saudi Arabia, 1995.

Name of Companies in which a Board member is a member of their current Board or a manager	Inside/ outside Kingdom	Legal entity	Currently/ Previously
Member of Shoura Council since 2024 to date	Inside Kingdom	Shoura Council	Currently
Arab National Bank Board Membership Detail: - Vice Chairman of the Board 2020G to date - Board member since 2017G to date. - Member of Executive Committee - Member of Strategy Committee	Inside Kingdom	Listed Joint Stock	Currently
Tourism Development Fund - Board Member - 2022 to date - Chairman Risk Committee - 2023 to date - Chairman Audit Committee - 2023 to date - Member Credit Committee - 2023 to date	Inside Kingdom	Government Entity	Currently
Board Chairman, AlTouq Company Ltd. since 2013G to date.	Inside Kingdom	Limited Liability	Currently
AlUqair Development Company - Board Member Since 2020 G to date - Audit & Risk Committee Since 2023 G to date	Inside Kingdom	Government Entity	Currently
DAN Company - Board Member since 2022 G to date - Vice Chairman of Executive Committee	Inside Kingdom	Government Entity	Currently

## Board Members' Profile



### Eng. Osama Mohammed AlSabeg

<b>Nationality</b>	Saudi
<b>Post</b>	Vice Chairman, and NRC Chairman
<b>Education</b>	- Bachelor of Science in Electrical Engineering - King Fahd University of Petroleum and Minerals, Dhahran, Kingdom of Saudi Arabia, 1995.

Name of Companies in which a Board member is a member of their current Board or a manager	Inside/ outside Kingdom	Legal entity	Currently/ Previously
Board Chairman, Wataniya Finance Company and the member of the Executive Committee from 2023 and since 2020 to date respectively. Member of the Board of Directors of the Wataniya Finance Company since 2020 to 2023.	Inside Kingdom	Non-Listed Joint Stock	Currently
Board member of Bayader Al Aryaf Telecommunication Systems in the Kingdom of Saudi Arabia since 2006G to date.	Inside Kingdom	Limited Liability Company	Currently
Member of the board of directors of the Mutakamela Insurance (Formally called as Allianz Saudi Fransi Cooperative Insurance Company) Member of the nomination and remuneration committee and member of the risk committee since 2022 to 2025	Inside Kingdom	Listed joint stock	Previously

## Board Members' Profile



### Dr. Abdullah AlHussaini

<b>Nationality</b>	Saudi
<b>Post</b>	Independent Board Member, AC Chairman
<b>Education</b>	- Bachelor of Accounting, King Abdulaziz University, Jeddah, Kingdom of Saudi Arabia, 1990. - Master of Science in Accounting - King Saud University, Riyadh - Kingdom of Saudi Arabia, 1997. - Ph.D. in Financial Accounting and Audit - University of Kent, Canterbury, United Kingdom – 2005.

Name of Companies in which a Board member is a member of their current Board or a manager	Inside/ outside Kingdom	Legal entity	Currently/ Previously
Board Chairman, Sadu Capital.	Inside Kingdom	Non-Listed Joint Stock	Currently
Board Member, Al Khaleej Training and Education Company Chairman of Audit Committee Al Khaleej Training and Education Company, Member NRC Al Khaleej Training and Education Company,	Inside Kingdom	Listed Joint Stock	Currently
Board Member, Mouwast Medical Services Company, since 2024 to date.	Inside Kingdom	Listed Joint Stock	Currently
. Board Member, Masar Al-Numou Finance Co, from 2021 to date. . Audit Committee Member Masar Al-Numou Finance Co., . Chairman NRC Masar Al-Numou Finance Co., . Credit & Risk Committee Member Masar Al-Numou Finance Co.	Inside Kingdom	Non-Listed Joint Stock	Currently
Professor of Financial Accounting and Auditing, Prince Sultan University, since 2010 to date.	Inside Kingdom	Non-Profit Organization	Currently
Board Member, Deutsche Gulf Finance Company, from 2017 to 2020	Inside Kingdom	Non-Listed Joint Stock	Previously
Board Member, of Mutakamela Insurance (Formally called as Allianz Saudi Fransi Cooperative Insurance Company), since 2016 to 2024. - Risk Committee Member of Mutakamela Insurance (Formally called as Allianz Saudi Fransi Cooperative Insurance Company), - NRC Chairman of Mutakamela Insurance (Formally called as Allianz Saudi Fransi Cooperative Insurance Company),	Inside Kingdom	Listed Joint Stock	Previously
Board Member, Al-Mutatorah, Saudi Advanced Industrial Company, 2017-2021 Chairman of Audit Committee	Inside Kingdom	Listed Joint Stock	Previously
Board Member, Al-Babtain, Power and Communications Company, 2021-2024 Chairman of Audit Committee, Chairman of NRC	Inside Kingdom	Listed Joint Stock	Previously

## Board Members' Profile



### Dr. Mohammed Abdulkarim AlMohimeed

<b>Nationality</b>	Saudi
<b>Post</b>	Independent Board Member & NRC Member
<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelors in Electrical Engineering from King Saud University, Riyadh, Saudi Arabia, 1985.</li> <li>- Masters in Electrical and Computer Engineering from Syracuse University, Syracuse, New York, USA, 1988</li> <li>- PHD in Electrical and Computer Engineering from University of Pittsburgh, Pennsylvania, USA, 1997</li> </ul>

Name of Companies in which a Board member is a member of their current Board or a manager	Inside/ outside Kingdom	Legal entity	Currently/ Previously
Board member of Qimah Green Shield Company.	Inside Kingdom	Limited Liability Company	Currently
<ul style="list-style-type: none"> <li>• Vice President and Head of Digital Transformation Office from February 2022G to May 2024G.</li> <li>• Vice President, Chief Technology Officer (CTO), and Head of Digital Projects Group from November 2017G to January 2022G.</li> <li>• Vice President and Head of Digital Solutions Sector from May 2016G to October 2017G.</li> <li>• Executive Director – Emerging Business Unit from April 2014G to May 2016G. at Elm Company.</li> </ul>	Inside Kingdom	Government	Previously
Executive Director of the Electronic Services Program for Individuals (Absher Program) at the Ministry of Interior, Elm Company, from September 2010G to March 2014G.	Inside Kingdom	Government	Previously
<ul style="list-style-type: none"> <li>• IT Sector Manager from January 2010G – August 2010G.</li> <li>• General Manager of Information Technology from 2009G to 2010G.</li> <li>• General Manager of E-Learning from 2006G to 2009G.</li> <li>• Director of E-Learning and Training from 2005G to 2006G. at Obeikan Research and Development Company.</li> </ul>	Inside Kingdom	Limited Liability Company	Previously
<ul style="list-style-type: none"> <li>• Vice Dean of the College of Computer and Information Sciences from 2000G to 2002G.</li> <li>• Assistant Professor, Computer Engineering Department, College of Computer and Information Sciences from 1997G to 2005G. at King Saud University</li> </ul>	Inside Kingdom	Educational Institution	Previously

## Board Members' Profile



**Mr. Musab Husain AlKhodairi**

**Nationality** Saudi  
**Post** Independent Board Member and NRC Member  
**Education**

- Bachelor of Science in Civil Engineering, PURDUE University, USA, 2005
- Family Governance Program Creating Family Charter, INSEAD University, Singapore, 2007.
- Project Management Program (PMP), McGill University, Canada, 2010.
- 5 Consecutive courses for the Executive Education Program, How to grow a business as an entrepreneur, London Business School, 2017.
- Real Estate and Finance Program, Finance for Non financials, London School of Economics, 2022

Name of Companies in which a Board member is a member of their current Board or a manager	Inside/ outside Kingdom	Legal entity	Currently/ Previously
Senior Director, Head of Center of Excellence Department at Public Investment Fund (PIF) from 2023G to date.	Inside Kingdom	Government Entity	Currently
Board member of Saudi Hospitality Company (SHC).	Inside Kingdom	Limited Liability Company	Currently
Board member of Depa PLC.	Inside Kingdom	Public shareholding	Currently
Board member of Saudi TAAB Company.	Inside Kingdom	Private Ownership	Currently
Executive Committee and member of asset management committee of Saudi Cruise.	Inside Kingdom	Limited Liability Company	Currently
Managing Partner at Saudi Taab Contracting Company 2018-2023	Inside Kingdom	Limited Liability Company	Previously
Chief Executive Officer – Project Operation & Business Development 2013-2017 Site Engineer, Planning Engineer, Procurement Manager & Project Manager 2013-2025 At Al Latifah contracting company	Inside Kingdom	Limited Liability Company	Previously

## Board Members' Profile



### Mr. Mohammed Samir Ghonaim

<b>Nationality</b>	Saudi
<b>Post</b>	Independent Board Member and AC Member
<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor in Manufacturing Engineering and Management, University of Manchester, June 2006</li> <li>- Masters in Business Administration (MBA), Harvard Business School, May 2011.</li> </ul>

Name of Companies in which a Board member is a member of their current Board or a manager	Inside/ outside Kingdom	Legal entity	Currently/ Previously
Audit Committee Member - Nomination and Remuneration Committee Member at SICO Capital.	Inside Kingdom	Closed Joint Stock Company	Previously
Chief Executive Officer (CEO) at D360 Bank from 2018G to 2024G.	Inside Kingdom	Closed Joint Stock Company	Previously
Engagement Manager at McKinsey & Company from 2012G to 2018G.	Inside Kingdom	Limited Liability Company	Previously
General Manager at Rocket from 2011G to 2012G.	Inside Kingdom	Limited Liability Company	Previously
Project Engineer at Saudi Aramco from 2006G to 2008G.	Inside Kingdom	Listed joint stock	Previously
Board Member at SICO Capital.	Inside Kingdom	Closed Joint Stock Company	Previously

## Board Members' Profile



### Eng. Alwaleed Abdulrazaq AlDryaan

<b>Nationality</b>	Saudi
<b>Post</b>	Independent Board member and NRC Chairman
<b>Education</b>	- B.S Electrical Engineering, University of Wisconsin, USA - M.S Electrical Engineering, University of Wisconsin, USA

Name of Companies in which a Board member is a member of their current Board or a manager	Inside/ outside Kingdom	Legal entity	Currently/ Previously
Board Member in Al Khaleej Training & Education. Riyadh. Saudi Arabia Since 1993 to date.	Inside Kingdom	Listed Joint Stock	Currently
Chairman of Mutakamela Insurance (Formally called as Allianz Saudi Fransi Cooperative Insurance Company) Since 2010 to date.	Inside Kingdom	Listed Joint Stock	Currently
Board Member of Care Medical Company, Riyadh, Saudi Arabia Since 2000 to date.	Inside Kingdom	Non-Listed Joint Stock	Currently
Board Member of Malaz Capital Group, Saudi Arabia Since 2014 to date.	Inside Kingdom	Limited Liability	Currently
Board of Trustees of the Financial academy, Saudi Arabia Since 2021 to date.	Inside Kingdom	Limited Liability	Currently
Chairman of Al Khaleej Training & Technology, Cairo. Egypt Since 2003 to date.	Outside KSA	Limited Liability	Currently
Managing Director of Fast Lane Company, Dubai. UAE Since 2004 to date.	Outside KSA	Limited Liability	Currently
Chairman of Franklin Covey Company, Dubai. UAE since 2006 to date.	Outside KSA	Limited Liability	Currently
Chairman of Linguaphone/Direct English Company, London UK, Since 2011 to date.	Outside KSA	Limited Liability	Currently
Young President Organization (YPO/WPO) since 2004	Inside Kingdom		Currently
General Manager, Al-Khaleej Computers & Electronic Systems (Al-Khaleej and Al-Falak Group of Companies) Institute of Electronic Industries Department. (From 1992 to 1993)	Inside Kingdom	Non-Listed Joint Stock	Previously
Board member of Arabian Cement Company, Saudi Arabia Since 2015 to Dec 2023.	Inside Kingdom	Listed Joint Stock	Previously
Board Member of New Horizons Computer Learning Centre, PA, USA Since 2005 to Nov 2023	Outside KSA	Non-Listed Joint Stock	Previously

## Board Members' Profile



### Mr. Adel Mohammad Mallawi

<b>Nationality</b>	Saudi
<b>Post</b>	Independent Board Member
<b>Education</b>	<ul style="list-style-type: none"> <li>- Diploma in Board Directorship - GCC Board Directors Institute &amp; FA Sep 2021</li> <li>- Certificate in Board Directorship - GCC BDI &amp; Financial Academy Oct 2020</li> <li>- Master of Business Administration - University of Liverpool Online June 2019</li> <li>- High Performance Board - IMD - Lausanne Nov. 2019</li> <li>- Strategic Management in Banking - INSEAD, France 2015</li> <li>- Assets &amp; Liability Management – MERC, Dubai UAE 2010</li> <li>- Advance Swaps - New York Institute of Finance, USA 2001</li> <li>- Derivatives Boot camp- Euromoney, Cambridge, UK 1998</li> <li>- Bachelor of science – chemistry. King Saud University, 1993</li> </ul>

Name of Companies in which a Board member is a member of their current Board or a manager	Inside/ outside Kingdom	Legal entity	Currently/ Previously
Board and Chairman of Audit Committee – Tamweel Aloula since 2022 to date.	Inside Kingdom	Non-Listed Joint Stock	Currently
Chairman of Risk Committee – Tweek Fintech since 2022 to date.	Inside Kingdom	Non-Listed Joint Stock	Currently
Member of Advisory board at GCCBDI Riyadh (GCC Board of Directors Institute), from 2023 to date.	Inside Kingdom	Non-Profit Organization	Currently
Board Member, Saudi Pro League (SPL), from 2023 to date.	Inside Kingdom	Sporting League	Currently
Board Member, AION Digital KSA, from 2023 to date.	Inside Kingdom	Limited Liability	Currently
Board and Chairman of Audit Committee Saudi Construtioneers, From Oct 2023 to date	Inside Kingdom	Limited Liability	Currently
Banque Saudi Fransi - Member of the following committees: - General Management Committee – 2017 - 2022 - Market Risk Committee 2011 - 2022 - Asset & Liability Committee – Deputy Chairman 2011 - 2022 - Treasury and Investment Committee 2011 - 2022 - Business Continuity Committee 2011 - 2022 - Compliance Committee 2017 - 2022	Inside Kingdom	Listed joint stock	Previously
Risk Committee member – Mutakamela Insurance (Formally called as Allianz Saudi Fransi Cooperative Insurance Company) 2019 - 2022.	Inside Kingdom	Listed joint stock	Previously
Investment Committee member- Mutakamela Insurance (Formally called as Allianz Saudi Fransi Cooperative Insurance Company) 2019 – 2024.	Inside Kingdom	Listed joint stock	Previously
Board and Executive Committee – Mutakamela Insurance (Formally called as Allianz Saudi Fransi Cooperative Insurance Company) 2017 – 2019.	Inside Kingdom	Listed joint stock	Previously
Board member – Mutakamela Insurance (Formally called as Allianz Saudi Fransi Cooperative Insurance Company) 2022-2024.	Inside Kingdom	Listed joint stock	Previously
Audit Committee member – Saudi Fransi Capital 2017 – 2022	Inside Kingdom	Non-Listed Joint Stock	Previously
Executive Committee member – Saudi Fransi Capital 2017 – 2022	Inside Kingdom	Non-Listed Joint Stock	Previously
Chairman of the Board – SAKAN Real Estate Financing 2017 – 2019	Inside Kingdom	Non-Listed Joint Stock	Previously
Chairman of Audit Committee – Saudi Telecommunication Systems (SAT) 2020 to 2023.	Inside Kingdom	Non-Listed Joint Stock	Previously



## Board Remuneration

Board members	Annual remuneration	Specific amount	Total allowance for attending committee meetings	Total allowance for attending General Assemblies	Remunerations for technical, managerial and consultative work	Remuneration for technical, managerial and consultative work	Remuneration of the Chairman, Managing Director or Secretary, if a member	In-kind benefits	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares	Expenses	Total	End of service reward	Aggregate amount	Expenses allowance
<b>First: Independent Board Members</b>																			
Dr. Abdullah Alhussaini	100,000	-	21,000	-	-	-	-	-	121,000	-	-	-	-	-	-	-	-	121,000	-
Mr. Musab Husain AlKhodairi	21,644	-	6,000	-	-	-	-	-	27,644	-	-	-	-	-	-	-	-	27,644	-
Mr. Mohammed Samir Ghonaim	21,644	-	6,000	-	-	-	-	-	27,644	-	-	-	-	-	-	-	-	27,644	-
Dr. Mohammed Abdulkarim AlMohimeed	21,644	-	6,000	-	-	-	-	-	27,644	-	-	-	-	-	-	-	-	27,644	-
Eng. Alwaleed Abdulrazaq Aldryaan	78,356	-	12,000	-	-	-	-	-	90,356	-	-	-	-	-	-	-	-	90,356	-
Mr. Adel Mohammad Mallawi	78,356	-	12,000	-	-	-	-	-	90,356	-	-	-	-	-	-	-	-	90,356	-
<b>Sub-Total</b>	<b>321,644</b>	<b>-</b>	<b>63,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>384,644</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>384,644</b>	<b>-</b>
<b>Second: Non-Executive and Non-Independent Board Members</b>																			
Mr. AbdulMohsen Ibrahim AlTouq	100,000	-	21,000	-	-	-	-	-	121,000	37.25%	-	-	-	-	-	-	-	121,000	-
Eng. Osama Mohammed AlSabeg	21,644	-	6,000	-	-	-	-	-	27,644	36.83%	-	-	-	-	-	-	-	27,644	-
<b>Sub-Total</b>	<b>121,644</b>	<b>-</b>	<b>27,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148,644</b>	<b>74.08%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148,644</b>	<b>-</b>
<b>Third: Executive and Non-Independent Board Members</b>																			
Eng. Osama Mohammed AlSabeg	78,356	-	15,000	-	-	-	-	-	93,256	36.83%	-	-	-	-	-	-	-	93,256	-
<b>Sub-Total</b>	<b>78,356</b>	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93,256</b>	<b>36.83%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93,256</b>	<b>-</b>
<b>Total</b>	<b>521,644</b>	<b>-</b>	<b>105,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>626,644</b>	<b>74.08%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>626,644</b>	<b>-</b>

## Board Meetings And Attendance

Member Name	Boad of Directors Meetings (Previous term)							
	Executive	Non-Executive	Independent	5-Mar-25	18-Mar-25	22-May-25	19-Aug-25	3-Sep-25
Mr. Abdulmohsen Ibrahim AlTouq	-	✓	-	Attended	Attended	Attended	Attended	Attended
Eng. Osama Mohammed AlSabeg	✓	-	-	Attended	Attended	Attended	Attended	Attended
Dr. Abdullah Alhussaini	-	✓	✓	Attended	Attended	Attended	Attended	Attended
Eng. Alwaleed Abdulrazaq AlDryaan	-	✓	✓	Attended	Attended	Attended	Absent	Attended
Mr. Adel Mohammad Mallawi	-	✓	✓	Attended	Attended	Attended	Attended	Absent

Member Name	Boad of Directors Meetings (Current term)				
	Executive	Non-Executive	Independent	14-Oct-25	10-Dec-25
Mr. Abdulmohsen Ibrahim AlTouq	-	✓	-	Attended	Attended
Eng. Osama Mohammed AlSabeg	-	✓	-	Attended	Attended
Dr. Abdullah AlHussaini	-	✓	✓	Attended	Attended
Dr. Mohammed Abdulkarim AlMohimeed	-	✓	✓	Attended	Attended
Mr. Musab Husain AlKhodairi	-	✓	✓	Attended	Attended
Mr. Mohammed Samir Ghonaim	-	✓	✓	Attended	Attended

### 4.3 Board Committees

The Company in its policy adopts corporate governance, including the segregation of the responsibilities and functions of the Board of Directors, committees executive management and the policies that ensure that the Company works to achieve the interests of shareholders and follow the applicable Corporate Governance requirements.

### 4.3.1 Audit Committees

It is a committee formed by a resolution of the Board of Directors of the Company, which operates in accordance with its authorities included in the Committee's charter and the approved authority matrix, with a minimum number of members of three and not more than five.

The Audit Committee comprises four members: two Board members and two members from outside the Board.



**Dr. Abdullah Alhussaini**

**Chairman**



**Mr. Khalid Mohammed Al Eid**

**Member**



**Mr. Mohammad Abdulhakim  
Salem**

**Member**



**Mr. Mohammed Samir  
Ghonaim**

**Member**

*The biographies of Dr. Abdullah Alhussaini & Mr. Mohammed Samir Ghonaim  
are stated in section 4.2 as part of the biographies of board members.*

*The biography of Mr. Khalid Mohammed Al Eid & Mr. Mohammad Abdulhakim Salem are as follows:*

## Audit Committee Members' Profile



### Mr. Khalid Mohammed Al Eid

<b>Nationality</b>	Saudi
<b>Post</b>	Audit Committee Member
<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor's degree in Accounting from King Faisal University.</li> <li>- Master's degree in Business Administration from the University of Manchester.</li> </ul>

Name of Companies in which a Board member is a member of their current Board or a manager	Inside/ outside Kingdom	Legal entity	Currently/ Previously
Audit Committee Member in East Gas Company	Inside Kingdom	Closed Joint Stock	Currently
Audit Committee Member in Al Jaber Financing	Inside Kingdom	Closed Joint Stock	Currently
Audit Committee Member in Advanced Petrochemical	Inside Kingdom	Public Joint Stock	Currently
Audit Committee Member in Al Khaleej Training and Education Co.	Inside Kingdom	Public Joint Stock	Currently
Audit Committee Member in Wala Insurance Company.	Inside Kingdom	Public Joint Stock	Currently
Audit Committee Member in Bena	Inside Kingdom	Public Joint Stock	Currently
General Manager of Internal Audit at King Fahd Causeway Authority.	Inside Kingdom	Government	Currently
Audit Committee Member in Cash In	Inside Kingdom	Limited Liability Company	Previously
Audit committee member in Imam Abdul Rahman Ibn Faisal University	Inside Kingdom	Government	Previously

## Audit Committee Members' Profile







### Mr. Mohammad Abdulhakim Salem

<b>Nationality</b>	Jordanian
<b>Post</b>	Audit Committee Member
<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor's degree in International Accounting from the German Jordanian University.</li> <li>- Certified Financial Consultant (CFC), the American Association for Investment and Financial Management</li> <li>- Certified Public Accountant (CPA) issued by the Guam State Board of Accountancy.</li> </ul>

Name of Companies in which a Board member is a member of their current Board or a manager	Inside/ outside Kingdom	Legal entity	Currently / Previously
Finance Director at Al Touq Limited	Inside Kingdom	Limited Liability Company	Currently

## Scope of The Committee's Work

### The main role of the Committee is to assist the Board of Directors in supervising:

-  The soundness, integrity, effectiveness and accuracy of the Company's financial statements and reports.
-  The Company's compliance with legal and regulatory rules and requirements.
-  The qualifications, independence, and performance of the Company's external auditor.
-  The performance, integrity, and effectiveness of the Company's internal control and audit systems, and financial reports.

## Committee Duties And Responsibilities

The audit committee shall be competent in reviewing the Company's activities and ensuring the integrity and effectiveness of the reports, financial statements and internal control systems. The duties of the audit committee shall particularly include the following:

### A. Financial Statement & Reports

- Studying the Company's interim and annual financial statements before they are submitted to the Board of Directors, expressing its opinion, and making recommendations thereon before the Board of Directors to ensure their integrity, fairness, and transparency
- Providing a technical opinion—upon request from the Board of Directors—on whether the Board's report and the Company's financial statements are fair, balanced, understandable, and include information that enables shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
- Studying any significant or unusual matters included in the financial reports.
- Thoroughly investigating any issues raised by the Company's CFO or its representative, the Company's compliance officer, or the external auditor.
- Verifying the accounting estimates in material issues included in the Company's financial statements and reports
- Studying the accounting policies followed by the Company and expressing opinions and recommendations to the Board of Directors thereon.

### B. Internal Audit

- Review the Company's internal control, financial control, and risk management.
- Reviewing the Company's internal, financial, and risk management control systems and assessing their effectiveness.
- Reviewing internal audit reports and following up on corrective actions.
- Monitoring the performance and activities of the internal auditor and internal audit department to ensure adequate resources and effectiveness.
- Recommending to the Board the appointment and remuneration of the head of internal audit or internal auditor.
- Annually evaluating internal audit performance and recommending remuneration adjustments to the Board.t systems and assess their effectiveness.

The company has internal audit department since 2021

### C. External Audit

- Recommending auditor nomination or dismissal, setting fees, and assessing performance after confirming independence and scope.
- Reviewing the auditor's professional qualifications and assigned team.
- Monitoring auditor performance and supervising activities with Board recommendations.
- Verifying auditor independence, objectivity, fairness, and audit effectiveness per regulations.
- Reviewing proposed audit scope, methodology, and plan with feedback.
- Ensuring auditor work remains within audit scope and advising the Board.
- Responding to auditor inquiries.
- Reviewing auditor reports and reservations on financial statements and following up actions.

## Committee **Duties And Responsibilities**

### **D. Ensuring Compliance**

- Ensuring the Company's compliance with relevant laws, regulations, policies, and instructions.
- Reviewing the outcomes of reports and investigations from supervisory or regulatory bodies, ensuring the Company takes the necessary measures regarding them.
- Reviewing the contracts and transactions proposed to be conducted by the Company with related parties, providing its feedback, and making recommendations to the Board of Directors.
- Ensuring mechanisms that allow employees to confidentially report concerns on financial, accounting, audit, or compliance matters.
- Submitting matters requiring Board attention and providing related recommendations.

### **E. Reports**

- Informing the Board of Directors regarding the procedures of the Committee meetings, the recommendations it reaches, and the decisions it takes after each Committee meeting.
- Preparing a written annual report on its opinion regarding the adequacy and effectiveness of the Company's internal control, financial, and risk management systems, along with its recommendations in this regard, in addition to other works it has undertaken within its scope of competences. Copies are made available at the Company's head office for shareholders upon request and published on the Company and Tadawul websites at least twenty-one days before the scheduled meeting date, The report shall be read during the meeting.

### **F. Other Provisions**

- Initiating and supervising special investigations, as appropriate.
- Performing other related works as requested by the Board of Directors.

The Committee, in performing its role, shall consider the division of responsibilities and competences between itself, the Board of Directors, the Company management, the internal auditor, and the auditor. In the event of a conflict between the Committee's recommendations and the Board of Directors' decisions, or if the Board rejects the Committee's recommendation with regard to appointing, dismissing, or determining the fee of the auditor or appointing the internal auditor, the Board's report shall include a summary of the Committee's related recommendations, its justifications, and reasons for the Board for not considering them.

### **G. Power**

- The Committee has the necessary powers to perform its competences and duties

## Audit Committee Members' Remuneration

Name	Fixed Remuneration	Allowance for attending the meeting	Expense claim & per diem	Total
Dr. Abdullah Alhussaini	100,000	21,000	-	<b>121,000</b>
Mr. Mohammad Abdulhakim Salem	100,000	21,000	-	<b>121,000</b>
Mr. Khalid Mohammed Al Eid	100,000	21,000	1,374	<b>122,374</b>
Mr. Mohammed Samir Ghonaim	21,644	6,000	-	<b>27,644</b>
<b>Total</b>	<b>321,644</b>	<b>69,000</b>	<b>1,374</b>	<b>392,018</b>

## Audit Committee Meetings And Attendance

Name	Fixed Remuneration	Audit Committee Meetings (Previous term)				
		3-Feb-25	17-Mar-25	13-May-25	26-May-25	28-Aug-25
Dr. Abdullah Alhussaini	Chairman	Attended	Attended	Attended	Attended	Attended
Mr. Khalid Mohammed Al Eid	Member	Attended	Attended	Attended	Attended	Attended
Mr. Mohammad Abdulhakim Salem	Member	Attended	Attended	Attended	Attended	Attended

Name	Fixed Remuneration	Audit Committee Meetings (Current term)	
		03-Dec-25	23-Dec-25
Dr. Abdullah Alhussaini	Chairman	Attended	Attended
Mr. Khalid Mohammed Al Eid	Member	Attended	Attended
Mr. Mohammad Abdulhakim Salem	Member	Attended	Attended
Mr. Mohammed Samir Ghonaim	Member	Attended	Attended

### 4.3.2 Nominations and Remunerations Committee (NRC)

The NRC is a committee formed by a resolution of the Board of Directors of the Company, which operates in accordance with its authorities included in the Committee's charter and the approved authority matrix, with a minimum number of members of three and not more than five.

The NRC comprises three members which are also Board members.



**Eng. Osama Mohammed  
AlSabeg**

**Chairman**



**Mr. Musab Husain AlKhodairi**

**Member**



**Dr. Mohammed Abdulkarim  
AlMohimeed**

**Member**

*The biographies of members of the NRC are stated in section 4.2 as part of the biographies of board members.*

## **NRC Committee Duties And Responsibilities**

The functions and responsibilities of the NRC include the following:

### **A. Nomination:**

- Proposing rules and standards for membership in the Board of Directors and Executive Management.
- Recommending to the Board of Directors the nomination and re-nomination of members in accordance with the approved policies and standards, taking into account not to nominate any person who has previously been convicted of a professional crime or a crime that violates honor or honesty.
- Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and holding executive management positions.
- Determine the time that a Board member must devote to the work of the Board.
- The Committee shall review the structure of the Board of Directors, Executive Management and make recommendations to the Board regarding the changes that may be made.
- The Committee shall annually verify the independence of independent members and the absence of any conflict of interest if the member is a member of the Board of Directors of another company.

## **NRC Committee Duties And Responsibilities**

The functions and responsibilities of the NRC include the following:

### **A. Nomination:** *Cont..*

- Develop job descriptions for executive members, non-executive members, independent members and senior executives.
- Develop special procedures in the event of a vacancy in the position of a member of the Board or the Executive Management.
- The Committee assesses the Board's strengths and weaknesses and submits proposals to address them in line with the Company's interests.
- The Committee ensures that the necessary policies are in place for the purpose of evaluating the work of employees annually and approving them before presenting them to the Board of Directors for final approval and ensuring their subsequent implementation.
- The Committee ensures that the necessary criteria are adopted to determine employee salaries in line with the employment market and general economic conditions in terms of inflation rates, competition, etc.
- The Committee ensures that there is a policy for end-of-fiscal-year bonuses and how to distribute them before presenting them to the Board of Directors for final approval and ensuring their subsequent implementation.

## **NRC Committee Duties And Responsibilities**

The functions and responsibilities of the NRC include the following:

### **B. Remuneration:**

- Preparing a clear list of rewards for the members of the Board, the committees emanating from the Board, and the Executive Management, as well as for the employees of the Company, and submitting it to the Board of Directors for review and then to the General Assembly for approval, provided that the list Management and the adoption of standards related to performance, and verifying their implementation.
- Clarify the relationship between the remuneration granted and the applicable remuneration regulation, and state any material deviation from this policy, if any.
- Periodically reviewing the remuneration regulations for the Board members, the committees emanating from the Board and the Executive Management and evaluating their effectiveness in achieving the desired objectives.
- Recommending to the Board of Directors the remuneration of Board members, Board committees and Executive Management in accordance with the approved regulation.

## NRC Committee Members' Remuneration

Name	Fixed Remuneration	Allowance for attending the meeting	Total
Eng. Osama Mohammed AlSabeg	25,000	-	25,000
Dr. Abdullah AlHussaini	19,589	-	19,589
Mr. Musab Husain AlKhodairi	5,411	-	5,411
Dr. Mohammed Abdulkarim AlMohimeed	5,411	-	5,411
Eng. Alwaleed Abdulrazaq AlDryaan	19,589	-	19,589
<b>Total</b>	<b>75,000</b>	<b>-</b>	<b>75,000</b>

## NRC Committee Meetings And Attendance

Name	Fixed Remuneration	NRC Meetings (Previous term)					
		20-Apr-25	29-Apr-25	6-May-25	21-May-25	22-Jun-25	18-Aug-25
Eng. Alwaleed Abdulrazaq AlDryaan	Chairman	Attended	Attended	Attended	Attended	Attended	Attended
Eng. Osama Mohammed AlSabeg	Member	Attended	Attended	Absent	Attended	Attended	Attended
Dr. Abdullah AlHussaini	Member	Absent	Attended	Attended	Absent	Absent	Attended

Name	Fixed Remuneration	NRC Meetings (Current term)	
		03-Nov-25	02-Dec-25
Eng. Osama Mohammed AlSabeg	Chairman	Attended	Attended
Dr. Mohammed Abdulkarim AlMohimeed	Member	Attended	Attended
Mr. Musab Husain AlKhodairi	Member	Attended	Absent

## Remuneration Policy

### Objectives and Principles of the Policy

1. The remuneration of Board Members, Committee Members and Senior Executives shall be determined in line with achieving the following objectives:
  - a) Enabling the Company to maintain the Board Members, Committee Members and Senior Executives who possess the required level of experience and qualifications.
  - b) The long-term success and development of the Company in order to achieve the interests of its shareholders while attracting, retaining and motivating the talents that the Company needs to achieve its business objectives.
  - c) Supporting the Company in the process of adapting to the competitive pressures of the sectors in which the Company operates.
2. The NRC is responsible for recommending to the Board of Directors the remuneration of the Board members, committee members, and Executive Management. The following criteria must be observed:
  - a) The remuneration must be proportionate to the company's activities and the skills required for its management.
  - b) The remuneration must align with the company's strategy, objectives, and the magnitude, nature, and level of risks associated with it.
  - c) The company must consider the practices of other companies and prevailing market trends in determining remuneration, while avoiding any unjustifiable increases in remunerations and compensations that may arise from such comparisons.
  - d) The remuneration must be fair and proportionate to the member's or executive's duties and responsibilities, as well as the tasks and responsibilities they undertake, in addition to the objectives set by the Board of Directors to be achieved during the financial year.
  - e) The remuneration should be reasonably sufficient to attract competent and experienced Board members and Executive Management, and ensure their motivation and retention.

## Remuneration Policy (Continued..)

### Remuneration Determination Rules

1. The remuneration of a Board member for their work on the Board of Directors may consist of a fixed amount, an allowance for attending meetings, in-kind benefits, or a percentage of the net profits. It is permissible to combine two or more of the aforementioned, and the Company's Bylaws may also set the maximum amount of such remuneration.
2. The Board may determine remuneration for Board members for their participation in the committees formed by the Board.
3. The remuneration received by a Board member must be fair and proportionate to the responsibilities undertaken by the member, as well as the tasks carried out and the objectives set by the Board to be achieved during the financial year.
4. The remuneration must be based on the recommendation of the NRC and proportionate to the company's activities and the required skills for its management, taking into consideration the sector in which the company operates, its size, and the experience of the Board members.
5. The remuneration must be reasonably sufficient to attract, motivate, and retain highly qualified and experienced Board members.
6. The remuneration of Board members and Board committees shall be disbursed according to the standards approved by the General Assembly, and the company's annual report must include all disbursed remunerations.
7. Board members are not permitted to vote on the item regarding Board members' remuneration in the General Assembly meeting.

### Rules for Determining the Remuneration of Committee Members

1. The Board of Directors shall determine and approve the remuneration for membership in its committees and attendance allowances based on the recommendation of the NRC.
2. If the Board of Directors assigns any of its members to perform an official mission outside the city of Riyadh, such member shall be compensated in accordance with the actual cost, and in accordance with the Company's policy for travel rules.

### Rules for Determining the Remuneration of Senior Executives

1. Based on the recommendations of the NRC, the Board of Directors shall determine the remuneration of Senior Executives in accordance with the relevant employment contracts, policies, remuneration plans and internal compensation.
2. The Board of Directors shall review and approve employment contracts with Senior Executives, including those ones that are to be concluded with newly recruited employees. It shall also review and approve any contract concluded with any employee against a wage or remuneration that is equivalent to the remuneration of the Senior Executives.

## 4.4 Senior Executive

The Executive Management is entrusted with executing the strategies, policies, and decisions approved by the Board of Directors, overseeing the Company's operational activities, and ensuring adherence to relevant laws and regulations, as well as internal policies and controls, to support the achievement of the Company's strategic and financial objectives.



**Ahmad Abu Nemeah**

CEO

Appointed  
18/02/2024



**Tareq Nasereddin**

Financial Controller

Appointed  
02/02/2025



**Bander Aldahash**

Chief Human Resources Officer

Appointed  
21/09/2025



**Muhammad Imran Malik**

Board Secretary &  
Chief Audit Executive

Appointed  
02/11/2021



**Arwa AlQahtani**

Legal, Compliance & Governance Manager

Appointed  
07/01/2025



**Hasan Mustafa**

Key Accounts Manager

Appointed  
05/05/2014

Following is an overview of the senior management members

#### 4.4 Senior Executives' Profile



**Ahmad  
Abu Nemeh**

<b>Nationality</b>	Jordanian
<b>Post</b>	Chief executive Officer
<b>Education</b>	- BSC Accounting and Finance, University of Yarmouk and Allsraa University, Jordan, 2004.
<b>Experiences</b>	<ul style="list-style-type: none"> <li>- Chief Executive Officer, Saudi Networkers Services since (2025 – present)</li> <li>- Chief Financial Officer, Saudi Networkers Services since (2024 – 2025)</li> <li>- Chief Strategy and Transformation Officer at Naizak Global Group (2022-2024).</li> <li>- Director of Finance at Inma Steel Fabricators (2020-2022).</li> <li>- Chief Financial Officer at Gulf Specialized Works (2017-2020).</li> <li>- Group Finance Manager at Pan Gulf Industrial Investments Group (2011-2017).</li> <li>- Audit Manager at Deloitte &amp; Touche (2006-2011).</li> <li>- Senior Auditor at Talal Abu-Ghazaleh &amp; Co. International (2004-2006).</li> </ul>



**Tareq  
Nasereddin**

<b>Nationality</b>	Jordanian
<b>Post</b>	Financial Controller
<b>Education</b>	<ul style="list-style-type: none"> <li>- Certified Public Accountant, New Hampshire, 2017</li> <li>- Bachelor Degree in Accounting, Lebanese American University, 2009</li> </ul>
<b>Experiences</b>	<ul style="list-style-type: none"> <li>- Financial Controller at Saudi Networkers Services (2025 – present)</li> <li>- Financial Controller at Koushan Real Estate (2024 – 2025)</li> <li>- Financial Director at TAJ Events (2022 – 2024)</li> <li>- Financial Team Leader at Red Sea Cruise Company (2021 – 2022)</li> <li>- Group Financial Reporting Manager at Ahmad Hamad AlGosaibi (2015 – 2020)</li> <li>- Senior Auditor at Deloitte Bakr Abu AlKhair (2009 – 2015)</li> </ul>

#### 4.4 Senior Executives' Profile



**Bander  
Aldahash**

<b>Nationality</b>	Saudi
<b>Post</b>	Chief Human Resources Officer
<b>Education</b>	- Computer programing Diploma, Institute of Public Administration, Riyadh,KSA,2005.
<b>Experiences</b>	<ul style="list-style-type: none"> <li>- Chief Human Resources Officer, SNS (2025 – present).</li> <li>- VP Shared Services, Tamkeen Human Resource (THR), Riyadh, KSA from 2024 to 2025.</li> <li>- Shared Services General Manager) Saudi Manpower Solutions Company, SMASCO, Riyadh, KSA from 20214 to 2024</li> <li>- Operations &amp; HR Director Maximus Gulf, Riyadh, KSA from 2011 to 2014</li> <li>- HR Manager, Integrated Networks, Riyadh, KSA –2011 to 2012</li> <li>- HR Manager, Multi Forms KSA, Riyadh, KSA –2010 to 2011</li> </ul>



**Muhammad  
Imran Malik**

<b>Nationality</b>	Pakistani
<b>Post</b>	Board Secretary and Chief Audit Executive
<b>Education</b>	Fellow of the Association of Chartered Certified Accountants (FCCA) – Association of British Chartered Accountants, Glasgow, UK, 2003G.
<b>Experiences</b>	<ul style="list-style-type: none"> <li>- Board Secretary &amp; Chief Audit Executive SNS (2021 – present).</li> <li>- Board secretary &amp; Chief Audit Executive of Bayader Al-Aryaf Telecommunications Systems in the Kingdom of Saudi Arabia (2019-2021).</li> <li>- General Manager Finance, MTN Group (2008-2018).</li> <li>- Assistant Manager, Ernst &amp; Young KSA (2007-2008).</li> <li>- Reporting &amp; Reconciliation Specialist, Ooredoo Group (2005-2006).</li> <li>- Audit Supervisor Ernst &amp; Young Oman, UAE, Pakistan (1998-2004)</li> </ul>

#### 4.4 Senior Executives' Profile



**Arwa  
AlQahtani**

**Nationality** Saudi

**Post** Manger- legal compliance & corporate governance

**Education**

- Masters of Law - European Law, Governance & Regulation from university of Bonn Germany 2018 G.
- Bachelor in Law, King Abdu Aziz university Saudi Arabia Jeddah, in LAW from the faculty of Law and regulations.2012G.
- Professional Certificates Governance, Risk, & Compliance (GRCO) certificate - Investment Academy of Saudi Arabia

**Experiences**

- Manger- legal compliance & corporate governance (2025 – present).
- Legal Associate Hourani & Partners 2022 to 2024
- Legal Advisor, Petro Rabigh (Rabigh Refining and Petrochemical Company) (2020 -2024) Saudi Aramco and Sumitomo joint veture 2020 – 2024
- Lecturer University of Jeddah, Saudi Arabia College of Law and Judicial Studies 2019 –2020
- Trainee – Legal Researcher Al Shamel Law Firm 2015 – 2016



**Hasan  
Mustafa**

**Nationality** Jordanian

**Post** Customers' Key Accounts Manager

**Education**

High Diploma in Computers and Digital Systems – Al-Balqa Applied University - Amman, Jordan, 1989

**Experiences**

- Customers' Accounts Manager , SNS (2014 – present)
- Sales Manager, Central Province, Hardware Solutions Builders – Hasoub, (2012-2013).
- Sales Manager, CISCO Systems (2010-2012).
- Sales Manager, Getronics Saudi Arabia Ltd, (2002-2010).
- Senior Sales Representative, Jordan Data Systems (1996-2002).
- Supervisor, Maintenance Division, Special Systems Company, (1990-1996).

#### 4.4 Senior Executives' Remuneration

Name	Fixed remuneration								Shares granted	Total	End of Service Gratuity	Total remunerations paid to Executives, if any	Grand total
	Salaries	Allowances	In kind benefits	Total	Periodic remunerations	Dividend	Short - term incentive plan	Long-term incentive plans					
Ahmad Abu Nemeh	650,376	233,631	-	<b>884,007</b>	220,370	-	-	-	-	<b>220,370</b>	42,139	-	<b>1,146,516</b>
Tareq Nasereddin	362,593	132,408	-	<b>495,001</b>	-	-	-	-	-	-	20,563	-	<b>515,564</b>
Mohammed Imran Malik	570,208	201,688	-	<b>771,896</b>	226,111	-	-	-	-	<b>226,111</b>	34,880	-	<b>1,032,887</b>
Hasan Mustafa	379,988	138,996	-	<b>518,984</b>	730,004	-	-	-	-	<b>730,004</b>	57,214	-	<b>1,306,202</b>
Raed Arafeh *	288,000	152,000	-	<b>440,000</b>	5,688,948	-	-	-	-	<b>5,688,948</b>	36,667	-	<b>6,165,615</b>
Mustafa Odeh	389,774	142,421	-	<b>532,195</b>	475,952	-	-	-	-	<b>475,952</b>	44,090	-	<b>1,052,237</b>

\* Raed Arafeh : former CEO

## 4.5 Board of Directors Declarations

### The Board of Directors declares the following

That the accounting records were prepared correctly.

The internal control system was properly developed and implemented effectively.

There is no doubt about the company's ability to continue its activity.

In compliance with the law and rules on the Offers of Securities and Continuing Obligations, there are no sanctions, precautionary measure or reserve restrictions, imposed on the company by the CMA or any other supervisory regulatory or judicial body.

The Company's financial statements were prepared in accordance with the accounting standards approved by the Saudi Organization for Chartered and Professional Accountants and no inconsistencies were observed during the year.

There are no other investments or reserves created for the benefit of the company's employees.

There are no arrangements or agreements, under which a shareholder waives any right to dividend.

There is no interest, contractual securities and underwriting rights belonging to members of the Board of Directors.

There is no interest in the category of shares with the rights to vote belonging to persons (except for the disclosure of board members, senior executives and their relatives) who have informed the company of these rights during the year 2025.

There is no interest held by any person in a class of voting shares (other than the company's directors, senior executives, & their relatives) who notified the Company of their holdings under Article 85 of the Rules on the Offer of Securities and Continuing Obligations, including any changes during the last fiscal year.

#### 4.5 Board of Directors Declarations *(Continued..)*

There is no refund, purchase or cancellation by the Company, for any refundable debt instruments.

There are no Board members, who are directly or indirectly involved in any competing business with the Company or any of its activities.

There is no conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the company.

There is no interest, contractual securities or rights issue of the Board members, Senior Executives and their relatives on shares or debt instruments of the Company or its affiliates, and any change on these interest or rights during the last fiscal year.

There is no redemption, purchase or cancellation by the Company of any redeemable debt instruments and the value of such securities outstanding, distinguishing between those listed securities purchased by the Company and those purchased by its affiliates.

There is no shares or debt instruments issued to a subsidiary.

The Board of Directors recommended changing the external auditor during the year, based on the recommendation of the Audit Committee, following the expiry of the auditor's appointment term.

There are no arrangements or agreements, under which a board member or a senior company executive waives any salary or compensation.

The Company has no related party transactions during the year.

There is no overdue statutory payment on account of any zakat, taxes, fees or any other charges that have not been paid until the end of the annual financial period.

There are no categories or numbers of convertible debt instruments, contractual securities, subscription rights, or similar rights issued or granted by the Company during fiscal year 2025, nor any related compensation obtained.

The company does not have retained treasury shares.

The report provided by the external auditors does not contain any reservations of any sort on the financial statements for the year ended 31 December 2025.

#### 4.6 Audit Committee and The Board

The Audit committee has not issued any recommendations that conflict with the resolutions of the Board of Directors. And the Board of Directors has not rejected any recommendations submitted by the Audit Committee.

#### 4.7 Board of Directors' General Assembly Attendance

18 May 2025
8 Oct 2025

Name	Capacity	General Assembly Meetings		
Mr. Abdulmohsen Ibrahim AlTouq	Chairman	-	-	✓ Attended - Absent
Eng. Osama Mohammed AlSabeg	Vice Chairman & Managing Director	✓	✓	
Eng. Alwaleed Abdulrazaq AlDryaan	Member	-	-	
Dr. Abdullah Alhussaini	Member	✓	✓	
Mr. Adel Mohammad Mallawi	Member	✓	✓	

#### 4.8 Recommendations From The Board of Directors To The General Assembly

The Board of Directors invites the Company's shareholders to convene and attend Ordinary and Extraordinary General Assembly meetings as and when required

#### 4.9 Shareholder Capital Structure

As of December 31, 2025, shareholders and related details are as below:

Current Shareholders	No. of Shares	Nominal Value (SAR)	Direct ownership percentage
Mr. Abdulmohsen Ibrahim AlTouq	2,235,000	22,350,000	37.25%
Eng. Osama Mohammed AlSabeg	2,209,955	22,099,550	36.83%
The Public	1,555,045	15,550,450	25.92%
<b>Total</b>	<b>6,000,000</b>	<b>60,000,000</b>	<b>100.00%</b>

During the year the company announced the decision of its Board of Directors recommendation to increase the company's capital by 25%, by granting bonus shares through capitalizing ₪ 15,000,000 from the retained earnings account. This was decided by granting 1,500,000 bonus shares to shareholders by granting (1) bonus share for every (4) share owned by shareholders Subsequent to the reporting date 31 December 2025, the Company obtained the necessary approvals from the relevant authorities and general assembly meeting approval dated 08 March 2026.

#### 4.10 Company Requests for Shareholders' Register

Numbers of company's requests of shareholders records, dates and reasons thereof.

Date	Reasons of Request
23/12/2025	Others – Main Market Transition purposes
08/10/2025	AGM
19/08/2025	Others – Main Market Transition purposes
03/08/2025	Others – Main Market Transition purposes
23/07/2025	Others – Main Market Transition purposes
26/05/2025	Others – Main Market Transition purposes
18/05/2025	AGM
17/04/2025	Others
15/04/2025	Others
07/04/2025	Others
17/01/2025	Others
14/01/2025	Others

## 4.11 The Company Announcement on Tadawul

In 2025, Saudi Networkers Services (SNS) announced a total of 18 announcements on the Tadawul official website, ranging from significant company events to shareholder notices. Here's a summary of these announcements in order from oldest to newest, according to their date and subject:

**11/12/2025** Saudi Networkers Services Company announces the conclusion of the CEO's acting assignment and his appointment as the CEO

**15/10/2025** Saudi Networkers Services Co. Announces the formation Of Audit Committee

**15/10/2025** Saudi Networkers Services Co announces resolutions of the board of directors to appoint, The Chairman, Vice Chairman, The formation of Board committees, The appointment of the company's representatives to the capital market authority, the Saudi stock exchange (Tadawul), The securities depository center company (EDAA) and the appointment of Board's Secretary.

**09/10/2025** Saudi Networkers Services Co. Announces the Results of the Ordinary General Assembly Meeting, ( First Meeting )

**28/09/2025** Saudi Networkers Services Co. announces the board of director's decision to transfer from parallel market to main market

**08/09/2025** Saudi Networkers Services Co. Announces the Board's Recommendation to Increase the Capital by Granting Bonus Shares

**08/09/2025** Saudi Networkers Services Co. announces the board of director's decision to distribute cash dividends for first half of the fiscal year 2025.

**07/09/2025** Saudi Networkers Services Co. Board invites its shareholders to attend the Ordinary General Assembly Meeting the (First Meeting)

**31/08/2025** Saudi Networkers Services Co. announces its interim Financial Results for the Period Ended on 2025-06-30 (Six Months)

**02/07/2025** Saudi Networkers Services Co announces the opening of the Nomination Period for the board of directors' Membership for the Next Term

**19/05/2025** Saudi Networkers Services Co. Announces the Results of the Ordinary General Assembly Meeting, ( First Meeting )

**30/04/2025** Saudi Networkers Services Company announces the appointment of the Acting CEO

**30/04/2025** Saudi Networkers Services Co. announces the latest developments regarding the termination of the contract with the CEO by mutual consent and the appointment of a new CEO

**23/04/2025** Saudi Networkers Services Co. Board invites its shareholders to attend the Ordinary General Assembly Meeting the (First Meeting)

**26/03/2025** Saudi Networkers Services Co. announces the termination of the contract with the CEO by mutual consent and the appointment of a new CEO

**26/03/2025** Saudi Networkers Services Co. announces the board of director's decision to distribute cash dividends for second half of the fiscal year 2024.

**26/03/2025** Saudi Networkers Services Co. announces its Annual Financial Results for the year ended on 31-12-2024

**15/01/2025** Saudi Networkers Services Co. Announces the (Renewal) of the Sharia-compliant Credit Facilities Agreement with Saudi Awwal Bank

## 4.12 Actions Taken By The Board of Directors To Inform Of The Shareholders' Suggestions And Observations About The Company

During the 1st Board of Directors meeting, after General Assembly the Chairman informs the members of the Board of Directors, especially the non-executive members, of the shareholders observations and suggestions about the company and its performance.

## 4.13 Risk Management

### **ADEQUACY OF THE INTERNAL CONTROL SYSTEM**

The Audit Committee regularly reviews the effectiveness of the Company's internal control and monitoring systems through a risk-based audit plan conducted by the internal audit function. Based on annual confirmations and disclosures from executive management, the Audit Committee believes that the current internal control, finance, and risk management systems operate with acceptable effectiveness. However, some areas require improvement. It is important to note that no internal control system, regardless of its design and application, can provide absolute assurance. The Company does not currently have a Risk Management Committee and will establish one once it becomes mandatory.

### 4.13.1 Risks

The Company recognizes that effective risk management is essential to achieving its strategic objectives and maintaining sustainable growth. The Board of Directors, through its governance and oversight responsibilities, monitors the key risks that may affect the Company's operations, financial performance, and reputation.

Management, internal audit and audit committee are responsible for identifying, assessing, and managing risks across the organization through appropriate internal controls, policies, and monitoring mechanisms. The Company continues to strengthen its risk management practices by regularly evaluating its risk exposure and implementing mitigation measures designed to safeguard the Company's assets, operations, and stakeholders' interests.

The following section outlines the principal risks that may affect the Company's business and the key measures implemented by management to mitigate these risks.

### 4.13.1 Risks

#### MARKET COMPETITION RISK

The IT services sector is highly competitive, with new entrants, evolving technologies, and pricing pressures. Intensified competition could reduce market share and compress profit margins.

**Response :** The Company maintains high service quality, strengthens client relationships, & invests in innovative solutions. Market trends are monitored, and new service offerings are explored to sustain competitiveness and profitability.

#### CLIENT CONCENTRATION RISK

Dependence on a limited number of key clients may expose the Company to revenue fluctuations if contracts are reduced or terminated.

**Response :** The Company diversifies its client base across sectors and geographies. Contract renewal and retention plans are actively managed, while business development initiatives target new market segments.

#### REVENUE VOLATILITY RISK

Fluctuations in client demand or project delays may impact revenue stability and operational planning.

**Response :** The Company actively manages its project pipeline, pursues long-term contracts, and continuously updates revenue forecasts. Contingency plans maintain operational stability during revenue fluctuations.

#### LIQUIDITY RISK:

Delays in client payments or unforeseen financial obligations may affect the Company's ability to meet short-term obligations.

**Response :** Cash flows are closely monitored, financial planning is prudent, and liquidity buffers are maintained. Effective receivables management mitigates potential liquidity pressures.

#### INFORMATION SYSTEMS RISK:

Limitations or disruptions in information systems and other critical systems may affect operational efficiency and financial reporting accuracy.

**Response :** Investments in information systems controls, system monitoring, and staff training are maintained. Regular audits, backups, and contingency plans ensure operational continuity and data integrity.

#### CREDIT RISK:

The failure of clients to meet payment obligations could result in financial loss and cash flow disruption.

**Response :** Ongoing credit assessments are conducted for all clients. Receivable balances are monitored, and timely collection procedures are enforced to minimize exposure.

### 4.13.1 Risks (Continued..)

#### REGULATORY AND COMPLIANCE RISK:

Changes in laws, regulations, or reporting requirements may expose the Company to penalties or operational restrictions.

**Response :** The Company works closely with legal and regulatory advisors to anticipate changes. Policies, internal controls, and employee training are continuously updated to ensure compliance.

#### LEGAL RISK:

Potential disputes arising from contracts, employment, or third-party claims may lead to financial or reputational impact.

**Response :** Management proactively manages contractual obligations and legal exposures. Legal advice is sought for high-risk matters, disputes are resolved promptly, & insurance coverage is maintained.

#### HUMAN CAPITAL RISK:

Dependence on skilled personnel and consultants makes the Company vulnerable to talent shortages or high turnover, which may affect service delivery.

**Response :** The Company invests in competitive compensation, career development, and engagement programs. Succession planning and talent pipelines ensure continuity and support growth.

#### OPERATIONAL EFFICIENCY RISK:

Inefficient processes could increase costs, delay service delivery, and reduce client satisfaction.

**Response :** Operational processes are continuously reviewed, & improvement initiatives are implemented. Standard procedures, performance metrics, & internal audits enhance efficiency and effectiveness.

#### TECHNOLOGY INFRASTRUCTURE RISK:

Reliance on IT systems may expose the Company to disruptions that could affect operations and reporting.

**Response :** Investments in IT infrastructure, redundancy systems, and maintenance programs support operational continuity. Disaster recovery and business continuity plans are regularly tested.

#### CYBERSECURITY RISK:

Threats such as hacking, ransomware, or unauthorized access could compromise data, disrupt services, or cause financial and reputational damage.

**Response :** A comprehensive cybersecurity program includes firewalls, intrusion detection, regular vulnerability assessments, and employee training. Incident response plans mitigate potential impact.

### 4.13.1 Risks (Continued..)

#### DATA PROTECTION RISK:

Unauthorized access to sensitive company or client data could result in regulatory penalties and reputational harm.

**Response :** Robust data protection policies, encryption standards, and access controls are enforced. Regular audits and monitoring ensure compliance with data privacy regulations.

#### ECONOMIC ENVIRONMENT RISK:

Macroeconomic changes, inflation, or shifts in government spending may affect demand and financial performance.

**Response :** Economic indicators are monitored, and business strategies are adjusted accordingly. Sector diversification and flexible pricing mitigate exposure to market fluctuations.

#### REPUTATION RISK:

Decline in service quality, client dissatisfaction, or negative publicity could harm the Company's brand and future growth.

**Response :** Client engagement, quality assurance, and continuous improvement initiatives maintain trust and market credibility. Timely issue resolution and proactive communication are prioritized.

## 4.14 Implemented and Non-implemented Provisions of the Corporate Governance Regulations

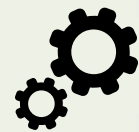
Guided by the Corporate Governance Regulations issued by the Capital Market Authority, the Board of Directors of SNS is committed to adhering to best governance practices and implementing rules and standards that safeguard rights and obligations while promoting credibility and transparency.

The Company confirms its compliance with all provisions as applicable of the Corporate Governance Regulations issued by the Authority, except for the provisions specified below.

Article/Paragraph #	Test of the Article/ Paragraph	Implementation status	Reasons
Article 37	Training	Not Implemented	This article is indicative
Article 39	The Assessment	Not Implemented	This article is indicative
Article 67	Composition of the Risk Management Committee	Not Implemented	This article is indicative
Article 68	Competencies of the Risk Management Committee	Not Implemented	This article is indicative
Article 69	Meetings of the Risk Management Committee	Not Implemented	This article is indicative
Article 92	Formation of a Corporate Governance Committee	Not Implemented	This article is indicative

## 4.15 Social Responsibility

Saudi Networkers Services (SNS) remains committed to fulfilling its social responsibility through initiatives that support sustainable development and contribute to the advancement of the Kingdom's human capital ecosystem. The Company continues to align its efforts with the objectives of Saudi Arabia's Vision 2030, with a focus on developing national talent, supporting digital transformation, and creating long-term value for the community.



### Program Framework

SNS implemented a structured On-the-Job Training (OJT) Program during 2025, aimed at equipping Saudi graduates with practical experience and industry-relevant capabilities in the fields of information technology and cybersecurity.

- On-the-job training in real projects
- Mentorship by experienced professionals
- Collaboration with national institutions



### Program Objectives

The program combines hands-on training within a real business environment with structured learning, enabling participants to develop both technical and professional competencies. Trainees are integrated into live operational and client-based projects under the supervision of experienced professionals, while also benefiting from specialized theoretical training delivered in collaboration with leading national institutions

- On-the-job training in real projects
- Mentorship by experienced professionals
- Collaboration with national institutions



### Impact & Contribution

SNS seeks to enhance the employment process of Saudi talent, bridge the gap between academic outcomes and labor market requirements, and support the development of a sustainable and skilled national workforce. The program also contributes to Ambassadors of SNS in the market building a pipeline of qualified professionals in high-demand technology domains.

- Build national talent pipeline
- Strengthen knowledge transfer
- Improve workforce scalability
- Support economic growth

SNS believes that investing in people is a key driver of sustainable growth and remains committed to expanding its social responsibility initiatives through continuous investment in training, capability development, and knowledge transfer, reinforcing its role as a strategic partner in supporting the Kingdom's economic and digital transformation

# ACKNOWLEDGMENT

At the end of our report, the Board of Directors of SNS are pleased to thank the shareholders for their trust and continued support. We also extend our thanks to the Company's management and employees for their fruitful efforts.


Regards,


Board of Directors  
30 March 2026


*For more information, please contact Investor Relation Department via 00966112939595 or by email [ir@saudinetworkers.com](mailto:ir@saudinetworkers.com)*


# THANK YOU

Building the Kingdom's Digital Backbone

 +966 11 293 9595

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 [info@saudinetworkers.com](mailto:info@saudinetworkers.com)

 8228 King Abdulaziz Road, Al Sulimaniyah,  
P.O.Box 25141, Riyadh, 11466, Saudi Arabia.



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## Agenda Item # 2

### The Company's Consolidated Financial Statements for the Year Ended on 31 December 2025.

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**SAUDI NETWORKERS SERVICES COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
**TOGETHER WITH THE**  
**INDEPENDENT AUDITOR'S REPORT**

**SAUDI NETWORKERS SERVICES COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
(All amounts are in Saudi Riyal (ﷲ) unless otherwise stated)

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Independent auditor's report	1 - 5
Consolidated statement of financial position	1
Consolidated statement of profit or loss and other comprehensive income	2
Consolidated statement of changes in equity	3
Consolidated statement of cash flows	4
Notes to the consolidated financial statements	5 - 40



## KPMG Professional Services Company

Roshn Front, Airport Road  
P.O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
Commercial Registration No 1010425494

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

# Independent Auditor's Report

To the Shareholders of Saudi Networkers Services Company Saudi Joint stock Company

## Opinion

We have audited the consolidated financial statements of **Saudi Networkers Services Company**, (the "Company") and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

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

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including the International Independence Standards) that are endorsed in the Kingdom of Saudi Arabia as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

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



# Independent Auditor's Report

To the Shareholders of Saudi Networkers Services Company Saudi Joint stock Company (continued)

## Key audit matters (continued)

### Revenue recognition

Refer to Note (7&8) for the accounting policy and accounting judgements related to revenue recognition, and Note (23) for the related disclosures to the consolidated financial statements.

#### Key audit matter

The Group's revenue from continuing operations mainly comprises of providing direct, managed hosting and other services on an individual basis to customers, amounting to ~~٥٤٥~~ 591.9 million for the year ended 31 December 2025.

As required under IFRS 15 'Revenue from Contracts with Customers', for contracts with customers the management determines the performance obligations that exist under the contract and the transaction price. The revenue is then allocated to the performance obligations under the contract.

IFRS 15 requires management to apply significant judgement when assessing whether the Group acts as a principal or agent. The assessment whether the Group acts as a principal or agent affects whether revenue is presented on a gross or a net basis.

Due to the judgements involved in the principal versus agent consideration according to IFRS 15 and the consequential effect on the Group's presentation of revenues on a gross or net basis, we consider this a key audit matter.

#### How the matter was addressed in our audit

Our audit procedures performed included, among other audit procedures, the following:

- Assessed the Group's revenue recognition policy for compliance with IFRS 15 and relevant regulatory guidance endorsed by the Saudi Organization for Chartered and Professional Accountants.
- Assessed the design and implementation and tested the operational effectiveness of key internal control related to revenue recognition.
- Assessed the management judgment whether it acted as a principal or as an agent;
- Performed test of detail on sample of recorded revenue transactions and compared them with supporting documents to verify the occurrence of recorded revenue.
- Tested on sample basis revenue transactions before and after the reporting date to ensure that the revenue is properly recorded in the correct accounting period.
- Evaluated the adequacy of relevant disclosures presented by the management in the consolidated financial statements.



# Independent Auditor's Report

To the Shareholders of Saudi Networkers Services Company Saudi Joint stock Company (continued)

## Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2024 and the consolidated statement of financial position as at 1 January 2024, excluding the adjustments described in note (35) to the consolidated financial statements were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 25 Ramadan 1446H (Corresponding to 25 March 2025).

## Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# Independent auditor's report

To the Shareholders of Saudi Networkers Services Company Saudi Joint stock Company (continued)

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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



## Independent auditor's report

To the Shareholders of Saudi Networkers Services Company Saudi Joint stock Company (continued)

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### KPMG Professional Services Company

**Naif Abdulrahman Edrees**  
License No. 457



Riyadh, 17 Shawwal 1447 H  
Corresponding to: 5 April 2026

**SAUDI NETWORKERS SERVICES COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**

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

	Notes	31 December 2025	31 December 2024 (Reclassified note 35)
<b>Assets</b>			
Property and equipment	9	1,689,670	1,943,434
Contract assets	10	5,369,479	3,723,561
Right-of-use assets	11	1,645,548	2,131,571
<b>Non-current assets</b>		<b>8,704,697</b>	<b>7,798,566</b>
Trade and other receivables	12	145,466,469	134,522,959
Prepayments and other assets	14	8,351,762	9,453,557
Cash and cash equivalents	15	39,102,080	42,072,427
<b>Current assets</b>		<b>192,920,311</b>	<b>186,048,943</b>
<b>Total assets</b>		<b>201,625,008</b>	<b>193,847,509</b>
<b>Equity</b>			
Share capital	16	60,000,000	60,000,000
Retained earnings		52,609,660	44,201,664
<b>Equity attributable to owners of the company</b>		<b>112,609,660</b>	<b>104,201,664</b>
Non-controlling interest		33,018	34,204
<b>Total equity</b>		<b>112,642,678</b>	<b>104,235,868</b>
<b>Liabilities</b>			
Defined benefits liabilities	17	29,980,175	32,057,073
Lease liabilities	11	1,124,708	1,650,645
<b>Non-current liabilities</b>		<b>31,104,883</b>	<b>33,707,718</b>
Lease liabilities	11	557,507	479,641
Accounts payable	18	393,381	347,517
Accrued expenses and other liabilities	19	53,772,497	48,971,741
Loans and borrowings	20	-	2,615,250
Provision for zakat	22	3,154,062	3,489,774
<b>Current liabilities</b>		<b>57,877,447</b>	<b>55,903,923</b>
<b>Total liabilities</b>		<b>88,982,330</b>	<b>89,611,641</b>
<b>Total equity and liabilities</b>		<b>201,625,008</b>	<b>193,847,509</b>

  
 Financial Controller  
 Tareq Nasereddin

  
 Chief Executive Officer  
 Ahmad Abu Nemeh

  
 Chairman of Board of Directors  
 Abdulmohsen AlTouq

The accompanying notes from 1 to 39 are integral part of these consolidated financial statements.

**SAUDI NETWORKERS SERVICES COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE**  
**INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)

	Notes	For the year ended 31 December	
		2025	2024 (Reclassified note 55)
<b>Continuing operation</b>			
Revenue	23	591,781,176	571,064,038
Cost of revenue	24	(520,677,180)	(492,834,825)
<b>Gross profit</b>		<b>71,103,996</b>	<b>78,229,213</b>
<b>Expenses</b>			
Selling and marketing expenses	25	(11,913,567)	(11,159,886)
General and administrative expenses	26	(25,732,030)	(21,710,738)
Reversal / (Impairment) loss on trade receivables	10,12	892,389	(5,153,776)
Other income	28	213,603	333,782
<b>Operating profit</b>		<b>34,564,391</b>	<b>40,538,595</b>
Finance cost	27	(681,562)	(2,207,697)
<b>Profit before zakat</b>		<b>33,882,829</b>	<b>38,330,898</b>
Zakat	22	(2,449,922)	(2,700,000)
<b>Profit from continuing operation</b>		<b>31,432,907</b>	<b>35,630,898</b>
<b>Discontinued operation</b>			
Loss from discontinued operation	34	(118,577)	(4,838,835)
<b>Profit for the year</b>		<b>31,314,330</b>	<b>30,792,063</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Actuarial gain/(loss) on remeasurement of defined benefit plan	17	3,192,480	(731,484)
<b>Total other comprehensive income /(loss) for the year</b>		<b>3,192,480</b>	<b>(731,484)</b>
<b>Total comprehensive income for the year</b>		<b>34,506,810</b>	<b>30,060,579</b>
<b>Profit attributable to:</b>			
Owners of the company		31,315,516	30,840,451
Non-controlling interest		(1,186)	(48,388)
		<b>31,314,330</b>	<b>30,792,063</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the company		34,507,996	30,108,967
Non-controlling interest		(1,186)	(48,388)
		<b>34,506,810</b>	<b>30,060,579</b>
<b>Earnings per share for profit attributable to the owners of the company:</b>			
Basic and diluted earnings per share	29	4.18	4.11
Basic and diluted earnings per share - continuing operation	29	4.19	4.75

  
Financial Controller  
Feroq Nazareddin

  
Chief Executive Officer  
Ahmad Abu Nemeh

  
Chairman of Board of Directors  
Abdulmohsen AlTouq

The accompanying notes from 1 to 39 are integral part of these consolidated financial statements.

**SAUDI NETWORKERS SERVICES COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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

	Share capital	Statutory reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
As at 1 January 2024 (As issued)	60,000,000	11,213,169	38,407,362	(9,427,834)	100,192,697	82,592	100,275,289
Reclassification	-	-	(9,427,834)	9,427,834	-	-	-
As at 1 January 2024 (reclassified Note 35)	60,000,000	11,213,169	28,979,528	-	100,192,697	82,592	100,275,289
Profit for the year	-	-	30,840,451	-	30,840,451	(48,388)	30,792,063
Other comprehensive loss	-	-	(731,484)	-	(731,484)	-	(731,484)
Total comprehensive income for the year	-	-	30,108,967	-	30,108,967	(48,388)	30,060,579
Dividend (Note 21)	-	-	(26,100,000)	-	(26,100,000)	-	(26,100,000)
Transfer of statutory reserve	-	(11,213,169)	11,213,169	-	-	-	-
As at 31 December 2024 (reclassified Note 35)	60,000,000	-	44,201,664	-	104,201,664	34,204	104,235,868
Profit for the year	-	-	31,315,516	-	31,315,516	(1,186)	31,314,330
Other comprehensive income	-	-	3,192,480	-	3,192,480	-	3,192,480
Total comprehensive income for the year	-	-	34,507,996	-	34,507,996	(1,186)	34,506,810
Dividend (Note 21)	-	-	(26,100,000)	-	(26,100,000)	-	(26,100,000)
As at 31 December 2025	60,000,000	-	52,609,660	-	112,609,660	33,018	112,642,678

  
Financial Controller  
Tareq Nasereddin




  
Chief Executive Officer  
Ahmad Abu Nemeh

  
Chairman of Board of Directors  
Abdulmohsen Al Touq

The accompanying notes from 1 to 39 are integral part of these consolidated financial statements.

**SAUDI NETWORKERS SERVICES COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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

	Notes	2025	2024 (Reclassified note 35)
<b>Operating activities</b>			
Profit before zakat from continuing operation		33,882,829	38,330,898
Loss from discontinued operation before tax	34	(118,577)	(4,838,835)
<b>Adjustments for:</b>			
Depreciation of property and equipment and right-of-use assets	9,11	1,116,291	1,277,123
Gain on termination of lease		(781)	-
Provision for employee's defined benefits liabilities	17	10,143,707	18,882,692
Interest expense	11,20	681,562	2,207,697
(Reversal of) / Impairment loss on trade receivables and contract assets	10,12	(892,389)	5,153,776
Operating cashflows before working capital changes		44,812,642	61,013,351
<b>Changes in operating assets and liabilities:</b>			
Trade and other receivables		(10,042,473)	17,227,921
Contract assets		(1,654,566)	(3,723,561)
Prepayments and other assets		1,101,795	(428,043)
Accounts payables		45,864	297,984
Accrued expenses and other liabilities		4,800,756	(873,324)
Cash generated from operations		39,064,018	73,514,328
Employee end of service benefits paid	17	(9,028,125)	(12,287,029)
Interest expense paid	11,20	(681,562)	(2,966,027)
Zakat paid	22	(2,785,634)	(2,965,629)
Net cash flows from operating activities		26,568,697	55,295,643
<b>Investing activity</b>			
Purchase of property and equipment	9	(282,887)	(216,970)
Net cash used in investing activity		(282,887)	(216,970)
<b>Financing activities</b>			
Proceeds from short-term borrowings	20	27,380,423	59,776,844
Repayments of short-term borrowings	20	(29,995,673)	(87,115,490)
Dividends paid	21	(26,100,000)	(26,100,000)
Repayment of lease liabilities	11	(540,907)	(547,060)
Net cash used in financing activities		(29,256,157)	(53,985,706)
Net (decrease) / increase in cash and cash equivalents		(2,970,347)	1,092,967
Cash and cash equivalents at the beginning of the year		42,072,427	40,979,460
Cash and cash equivalents at the end of the year		39,102,080	42,072,427
<b>Non-Cash transactions:</b>			
Acquisition of right-of-use assets and lease liabilities		166,429	80,623
			
		Financial Controller Tareq Nasereddin	Chief Executive Officer Ahmad Abu Nemeih
			Chairman of Board of Directors Abdulmohsen AlFouq

The accompanying notes from 1 to 39 are integral part of these consolidated financial statements.

**SAUDI NETWORKERS SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)

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**1. General Information**

Saudi Networkers Services Company (the “Company”) is a Saudi joint stock company. Registered in Riyadh city, Kingdom of Saudi Arabia (“KSA”) under commercial registration number 1010173733 dated 19 Dhul-Qadah 1422H (corresponding to 2 February 2002). The unified number for the company 7001436612 The Company’s registered address is PO Box: 25141 Riyadh 11466, Kingdom of Saudi Arabia. The Company has an authorized and issued share capital of Saudi Riyals (ﷲ) 60,000,000 divided into 6,000,000 with a nominal value of ﷲ 10 per share (Note 16).

The principal activities of the Company are implementing, establishing, maintaining, operating, installing and managing telecommunication networks. The Company is also involved in providing the consulting, technical, administrative, marketing, customer care services and technical support for sales centers.

The consolidated financial statements include the financial position, results of operations and cash flows of the Company and SNSALG SARL (the “subsidiary”), a limited liability company registered in People’s Democratic Republic of Algeria, under commercial registration (CR) number 0971273 B06 dated 26 Jumaada II 1427H (collectively refer as the “Group”), the subsidiary is 99% owned by the Company and is engaged in providing technical consultants on an individual basis to telecommunications, oil and gas and IT vendors, operators and sub-contracting companies.

As at 31 December 2025, the Group’s Algerian subsidiary is in the process of winding up, following a Board decision to cease its operations. However, the liquidation process remains ongoing, and the subsidiary had not been fully dissolved as of the reporting date. For financial reporting purposes, the subsidiary has been classified as a discontinued operation, reflecting the winding-up status and cessation of its core business activities.

**2. Basis of preparation and statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (“IFRS”) Accounting Standards as endorsed in the Kingdom of Saudi Arabia (“KSA”) and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

**3. Basis of measurement**

The consolidated financial statements have been prepared on a historical cost basis and the going concern concept, except for the following:

- Employees’ defined benefits obligations that have been actuarially evaluated and measured at the present value using the projected unit credit method.

**4. Functional and presentation currency**

These consolidated financial statements are presented in Saudi Riyals (ﷲ) which is the Company’s functional currency and Group’s presentation currency. All amounts have been rounded to the nearest ﷲ, unless otherwise indicated.

**SAUDI NETWORKERS SERVICES COMPANY**  
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**FOR THE YEAR ENDED 31 DECEMBER 2025**  
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**5. Basis of consolidation**

**Subsidiaries**

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Impairment losses are immediately recognized in profits or losses.

Subsidiaries are entities controlled by the Group. Control is achieved when the Group has rights to the returns, and its involvement in the investee has the ability to affect those returns through its control over the investee. Specifically, the Group controls an investee if, and only if, the Group has all the following:

- Power over the investee (i.e., existing rights that give it the ability to direct the activities of the investee);
- Exposure, or rights, to variable returns from its involvement in the investee; and
- The ability to use its power over the investee to affect its returns.

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

- The contractual arrangements with the other holders of the voting rights of the investee;
- Rights arising from other contractual arrangements. and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes in one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

**Non – controlling interest (“NCI”)**

NCIs are measured initially at their proportionate share of the acquirer's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions

The share of profits or losses and the net assets that the Group does not control if they exist is presented separately in the consolidated statement of profit or loss and within equity in the consolidated statement of financial position. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date when control is lost.

**Loss of Control**

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

**SAUDI NETWORKERS SERVICES COMPANY**  
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**5. Basis of consolidation (continued)**

**Transactions eliminated on consolidation**

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Accounting policies of subsidiary are changed, where necessary, to ensure consistency with the policies adopted by the Group.

**6. New accounting standards or amendments for 2025 and forthcoming requirements**

Number of accounting standards, amendments to or interpretations of accounting standards have been issued. However, which did not have a material impact on the group financial statements for the year ended 31 December 2025.

- **New currently effective requirements:** This table lists the recent changes to the Accounting Standards that are required to be applied with an annual reporting period beginning on 1 January 2025.

Effective date	New Accounting Standards or Amendments
1 January 2025	<i>Lack of Exchangeability – Amendments to IAS 21</i>

- **Forthcoming requirements:** This table lists the recent changes to the Accounting Standards that are required to be applied for annual reporting periods beginning after 1 January 2025 and that are available for early adoption in annual reporting periods beginning on 1 January 2025.

Effective date	New Accounting Standards or Amendments
1 January 2026	<i>Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7</i>
	<i>Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7</i>
	<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>
1 January 2027	<i>IFRS 18 Presentation and Disclosure in Financial Statements</i>
	<i>IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>
Available for optional adoption/ effective date deferred indefinitely	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28</i>

The Group is currently evaluating the impact of the adoption of these standards on the Consolidated Financial Statements.

**7. Summary of material accounting policies**

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements unless otherwise stated.

**Revenue from contracts with customers**

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group has concluded that it is the principal in its revenue arrangements, because it controls the services before provided to the customer.

**SAUDI NETWORKERS SERVICES COMPANY**  
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(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)

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**7. Summary of material accounting policies (continued)**

**Revenue from contracts with customers (continued)**

The Group has applied the following accounting policy for revenue recognition: the Group recognizes revenue from contracts with customers based on a five-step model as set in IFRS 15:

- Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties (if any).
- Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognizes revenue over time (through input method based on the time spent by the consultants), as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Revenues of the group are derived from three types of streams.

Direct: based on the nature of the projects and customer's needs for certain services from the Company, the customer requests the Company to delegate consultants to provide their service to them; where the Company goes through the process of hiring and interviewing qualified and capable consultants on the top of its existing consultants as per the service specification to be provided to its customer;

Managed-Hosting: customer request for a specific skill set for certain projects with the specified job description for which certain consultants are arranged and assigned by the Company for the provision of services to the customer; and

Other: as per the contractual agreement (direct and managed-hosting agreements) between the Company and its customers, and after a specific period of service by the consultant, the client may request the Company to have a direct employment with the consultant where the Company will charge a one-time fixed fee covering no billing of future services.

**SAUDI NETWORKERS SERVICES COMPANY**  
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**7. Summary of material accounting policies (continued)**

**Foreign currency**

**A. Foreign currency transactions**

Foreign currency transactions are initially recorded by the Group's entities denominated in the functional currency of each of them according to the exchange rate prevailing on the date when the transaction becomes qualified for recognition for the first time. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

**Conversion of the financial statements of the Group's subsidiary**

Foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

**B. Foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into ﷲ at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into ﷲ at the exchange rates at the dates of the transaction.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

**Contract assets**

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs the obligation by transferring services to a customer before the customer pays the consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

**SAUDI NETWORKERS SERVICES COMPANY**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**7. Summary of material accounting policies (continued)**

**Trade and other receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 90 days and therefore are all classified as current. Trade and other receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade and other receivables with the objective to collect the contractual cash flows.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

**Zakat and Income tax**

**Zakat**

The Group is subject to Zakat in accordance with the Zakat regulations issued by the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is recognized in the consolidated statement of profit or loss and comprehensive income. The Group's management establishes provisions where appropriate on the basis of amounts expected to be paid to the ZATCA and periodically evaluates positions taken in the Zakat returns with respect to situations in which applicable Zakat regulation is subject to interpretation.

**Income Tax**

Income tax for subsidiary is calculated in accordance with laws and regulations as applicable in People's Democratic Republic of Algeria.

**Cash dividend**

The Group recognizes a liability to pay a dividend when the distribution is authorized, and the distribution is no longer at the discretion of the Group. As per the laws of KSA, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

**SAUDI NETWORKERS SERVICES COMPANY**  
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**7. Summary of material accounting policies (continued)**

**Property and equipment**

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. An item of property and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is calculated using the straight-line method over the estimated lives of the assets as follows:

	Lease period or economic life of improvements
Leasehold improvements	6 to 7 years
Furniture and fixtures	2 to 4 years
Computers	2 to 5 years
Tools and equipment	

**Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, and less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

**SAUDI NETWORKERS SERVICES COMPANY**  
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**7. Summary of material accounting policies (continued)**

**Leases (continued)**

**Lease liabilities**

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

**Financial instruments**

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

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade and other receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and other receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

**SAUDI NETWORKERS SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
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**7. Summary of material accounting policies (continued)**

**Financial instruments (continued)**

**Initial recognition and measurement (continued)**

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flow. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the assets.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

**Financial assets at amortized cost (debt instruments)**

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include trade and other receivables.

**SAUDI NETWORKERS SERVICES COMPANY**  
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**7. Summary of material accounting policies (continued)**

**Financial instruments (continued)**

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

**Impairment**

Further disclosures relating to impairment of financial assets are also provided in Note 10 & 12.

For trade and other receivables, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**SAUDI NETWORKERS SERVICES COMPANY**  
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**7. Summary of material accounting policies (continued)**

**Financial instruments (continued)**

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts payable, dividend payable, lease liabilities and short-term borrowings.

**Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

The Group does not have any financial liabilities which falls in first category.

**Financial liabilities at amortized cost (loans and borrowings)**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income.

This category generally applies to interest-bearing loans and borrowings.

**Derecognition**

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

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**7. Summary of material accounting policies (continued)**

**Financial instruments (continued)**

**Impairment of non-financial assets**

Further disclosures relating to impairment of non-financial assets are also provided in Note 12.

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of comprehensive income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss and comprehensive income, unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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**7. Summary of material accounting policies (continued)**

**Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**Defined benefit liabilities**

The Group operates a defined benefit scheme for its employees in accordance with labor regulations applicable in the Kingdom of Saudi Arabia. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to consolidated statements of profit or loss and comprehensive income, in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under 'cost of revenue', 'Selling and marketing expenses' and 'General and administration expenses' in the consolidated statement of profit or loss and comprehensive income (by function):

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and
- Non-routine settlements
- Net interest expense or income

**Expenses**

Selling and marketing expenses and general and administrative expenses are operational expenses which are not directly related to the production of any goods or services. These also include allocations of general overheads, which are not specifically attributed to cost of revenue.

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**7. Summary of material accounting policies (continued)**

**Segmental reporting**

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

Segment results that are reported to the Group's relevant business heads include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, bank balances and short-term deposits with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

**Prepayments**

Prepayments are employee benefits paid in advance, which are to be recovered through employment services provided by employees, or through a final salary deduction upon termination of the employment contract.

**8. Significant accounting judgements, estimates and assumptions**

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements**

In the process of applying the Group's accounting policies, management has made the judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements.

**Revenue from contracts with customers**

The satisfaction of performance obligation typically does not involve any judgment or estimate. The Group, however, has made a judgement in relation to principal versus agent considerations.

**Principal versus agent consideration**

The Group has concluded that it is the principal in all of its revenue arrangements due to the following factors:

- The Group has the primary responsibility and is the primary obligor for the services delivered by the consultants.
- The Group has a direct relationship with the customer and controls the underlying services and deliverables provided to the end customers.

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**8. Significant accounting judgements, estimates and assumptions (continued)**

**Judgements (continued)**

- The Group has the sole responsibility in deciding which consultants are allocated for delivering the services to the customers; and
- The Group has latitude in determining the prices with all parties.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contract that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**Provision for expected credit losses of trade and other receivables**

The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the service sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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**8. Significant accounting judgements, estimates and assumptions (continued)**

**Estimates and assumptions (continued)**

**Provision for expected credit losses of trade and other receivables (continued)**

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and other receivables is disclosed in Note 12.

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

**Defined benefit liabilities**

The cost of the defined benefit liabilities and the present value of the defined benefit liabilities are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Leases - Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

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**9. Property and equipment**

	<u>Leasehold improvements</u>	<u>Furniture and fixtures</u>	<u>Computers</u>	<u>Tools and equipment</u>	<u>Total</u>
<b>Cost</b>					
As at 1 January 2024	1,933,048	645,181	1,385,588	80,891	4,044,708
Additions	-	26,021	184,509	6,440	216,970
Disposals	-	-	(30,692)	-	(30,692)
<b>As at 31 December 2024</b>	<b>1,933,048</b>	<b>671,202</b>	<b>1,539,405</b>	<b>87,331</b>	<b>4,230,986</b>
Additions	-	5,878	272,186	4,823	282,887
<b>As at 31 December 2025</b>	<b>1,933,048</b>	<b>677,080</b>	<b>1,811,591</b>	<b>92,154</b>	<b>4,513,873</b>
<b>Accumulated depreciation</b>					
As at 1 January 2024	247,155	391,129	994,560	42,327	1,675,171
Charge for the year	294,216	48,059	295,904	4,894	643,073
Disposals	-	-	(30,692)	-	(30,692)
<b>As at 31 December 2024</b>	<b>541,371</b>	<b>439,188</b>	<b>1,259,772</b>	<b>47,221</b>	<b>2,287,552</b>
Charge for the year	293,824	49,977	181,481	11,369	536,651
<b>As at 31 December 2025</b>	<b>835,195</b>	<b>489,165</b>	<b>1,441,253</b>	<b>58,590</b>	<b>2,824,203</b>
<b>Netbook value</b>					
<b>As at 31 December 2025</b>	<b>1,097,853</b>	<b>187,915</b>	<b>370,338</b>	<b>33,564</b>	<b>1,689,670</b>
As at 31 December 2024	1,391,677	232,014	279,633	40,110	1,943,434

The allocation of the depreciation charge for the years ended 31 December is as follows:

	<u>2025</u>	<u>2024</u>
Cost of revenue (Note 24)	58,264	124,570
Selling and marketing expenses (Note 25)	9,003	11,969
General and administration expenses (Note 26)	469,384	506,534
	<b>536,651</b>	<b>643,073</b>

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**10. Contract assets**

	<u>31 December 2025</u>	<u>31 December 2024</u>
Contract assets	5,378,127	3,723,561
Less: Allowance for expected credit losses	<u>(8,648)</u>	<u>-</u>
	<u>5,369,479</u>	<u>3,723,561</u>

Movement in the allowance for expected credit losses is as follows:

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	<u>Receivables</u>	<u>Loss rates</u>	<u>Receivables</u>	<u>Loss rates</u>
Current – Not due	<u>5,378,127</u>	0.14%	<u>3,723,561</u>	0.0%
	<u>5,378,127</u>		<u>3,723,561</u>	

Contract assets relate to end-of-service benefits accrued on staff deployed to customers. Under IFRS 15, these amounts are recognized as contract assets because the Company has performed services but does not yet have an unconditional right to bill until the contract ends. The amount is measured based on management's estimate of end of service obligations in accordance with applicable labor laws and contractual terms. Management assesses recoverability under IFRS 9 and concludes no impairment is required.

**11. Leases**

The Group has lease contracts for motor vehicles and office building. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and sub-leasing the leased assets.

<b>Right-of-use assets</b>	<u>Motor vehicles</u>	<u>Office Building and Warehouse</u>	<u>Total</u>
<b>Cost</b>			
As at 1 January 2024	166,429	4,299,712	4,466,141
Additions	-	80,623	80,623
As at 31 December 2024	<u>166,429</u>	<u>4,380,335</u>	<u>4,546,764</u>
Additions	166,429	-	166,429
Disposals*	<u>(249,643)</u>	<u>-</u>	<u>(249,643)</u>
<b>As at 31 December 2025</b>	<u>83,215</u>	<u>4,380,335</u>	<u>4,463,550</u>
<b>Accumulated Depreciation</b>			
As at 1 January 2024	62,411	1,718,732	1,781,143
Charge for the year	104,018	530,032	634,050
As at 31 December 2024	<u>166,429</u>	<u>2,248,764</u>	<u>2,415,193</u>
Charge for the year	52,009	527,631	579,640
Disposals*	<u>(176,831)</u>	<u>-</u>	<u>(176,831)</u>
<b>As at 31 December 2025</b>	<u>41,607</u>	<u>2,776,395</u>	<u>2,818,002</u>
<b>Net book value</b>			
<b>As at 31 December 2025</b>	<u>41,608</u>	<u>1,603,940</u>	<u>1,645,548</u>
As at 31 December 2024	<u>-</u>	<u>2,131,571</u>	<u>2,131,571</u>

\* Disposals/derecognition of the right-of-use assets includes cancelation of two motor vehicles contract.

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**11. Leases (continued)**

The allocation of the depreciation charge for the year ended 31 December is as follows:

	<u>2025</u>	<u>2024</u>
Cost of revenue (Note 24)	55,368	43,993
Selling and marketing expenses (Note 25)	85,876	117,403
General and administration expenses (Note 26)	438,396	472,654
	<u>579,640</u>	<u>634,050</u>

Following is the carrying amounts of lease liabilities and the movements during the year:

	<u>31 December 2025</u>	<u>31 December 2024</u>
As at beginning of the year	2,130,286	2,596,723
Additions	166,429	80,623
Interest expense	159,002	193,495
Principal repayment	(540,907)	(547,060)
Interest expense paid	(159,002)	(193,495)
Lease termination	(73,593)	-
As at end of the year	<u>1,682,215</u>	<u>2,130,286</u>

Lease liabilities are presented as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Current portion of lease liabilities	557,507	479,641
Non-current portion of lease liabilities	1,124,708	1,650,645
	<u>1,682,215</u>	<u>2,130,286</u>

The maturity analysis of lease liabilities is disclosed in Note 31.

The following are the amounts recognized in the consolidated statement of comprehensive income for the years ended 31 December:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Depreciation expense of right-of-use assets	579,640	634,050
Interest expense on lease liabilities	159,002	193,495
Total amount recognized in the statement of comprehensive income	<u>738,642</u>	<u>827,545</u>

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**12. Trade and other receivables**

	<b>31 December 2025</b>	31 December 2024
Accounts receivables	<b>103,056,488</b>	122,613,470
Unbilled Revenue*	<b>50,746,139</b>	21,146,684
	<b>153,802,627</b>	143,760,154
Less: allowance for expected credit losses	<b>(8,336,158)</b>	(9,237,195)
	<b>145,466,469</b>	134,522,959

\* Unbilled receivables represent the amount for which services have been rendered but not yet been invoiced to customers. Unbilled receivables are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues the invoice to the customer.

Movement in the allowance for expected credit losses is as follows:

	<b>31 December 2025</b>	31 December 2024
As at beginning of the year	<b>9,237,195</b>	4,083,419
(Reversal) / provided during the year	<b>(901,037)</b>	5,153,776
As at end of the year	<b>8,336,158</b>	9,237,195

Refer to Note 31 to the consolidated financial statements for Further details.

**13. Related party transactions and balances**

For the purpose of these consolidated financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, and vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or entities. The transactions with related parties are made on terms approved by the Board of Directors of the Group. The Group and its related parties transact with each other in the ordinary course of business. The transactions and the balances between the Company and its subsidiaries and those between the subsidiary have been eliminated in preparing these consolidated financial statements. The following are the most significant transactions with related parties and the resulting balances:

<b>Related parties</b>	<b>Nature of related parties</b>
Saudi Networkers Services Algeria (“SNSALG”) AITouq Limited	Subsidiary Entity controlled by KMP

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**13. Related party transactions and balances (continued)**

**a. Related party transactions**

Following are the details of significant related party transactions during the year:

<u>Related party</u>	<u>Nature of transactions</u>	<u>For the year ended</u>	
		<u>31 December</u>	<u>31 December</u>
		<u>2025</u>	<u>2024</u>
AlTouq Limited	Consultancy services	-	182,012

**b. Key management personnel**

Key management includes Board of Directors, members of the Executive Committee, Audit Committee and the directors of business functions.

Key management personnel compensation comprised the following:

	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>
Short term benefits	3,198,008	5,081,556
Termination benefits	234,911	166,776
<b>Board of directors' fee:</b>		
Director's remunerations	521,644	536,986
Committee remunerations	398,017	375,548
Meeting attendance allowances of Directors	174,000	93,000
	<u>4,526,580</u>	<u>6,253,866</u>

Compensation to key management personnel includes salaries, allowances, provision for defined benefits liabilities and contribution to General Organization for Social Insurance.

**14. Prepayments and other assets**

	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>
Prepaid expenses	7,526,495	7,991,270
Other receivables	825,267	1,462,287
	<u>8,351,762</u>	<u>9,453,557</u>

**15. Cash and cash equivalents**

	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>
Cash at bank	19,013,379	42,032,975
Cash in hand	88,701	39,452
Term deposits*	20,000,000	-
	<u>39,102,080</u>	<u>42,072,427</u>

\* This represents the Term Deposits balances in the bank, having a standard maturity term of less than three months. These carry interest rate of SAIBOR plus market prevalent rates.

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**16. Share capital**

The Company's share capital as at 31 December 2025 amounted to ﷲ 60 million (2024: ﷲ 60 million), consists of 6 million shares (2024: 6 million shares) of ﷲ 10 each.

During the year the company announced the decision of its Board of Directors recommendation to increase the company's capital by 25%, by granting bonus shares through capitalizing ﷲ 15,000,000 from the retained earnings account. This was decided by granting 1,500,000 bonus shares to shareholders by granting (1) bonus share for every (4) share owned by shareholders.

Subsequent to the reporting date 31 December 2025, the Company obtained the necessary approvals from the relevant authorities and general assembly meeting approval dated 08 March 2026.

**17. Defined benefits liabilities**

The Group operates a defined benefit plan in line with the Labor Law requirement in the Kingdom of Saudi Arabia. The end-of-service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labor Laws of the Kingdom of Saudi Arabia. Employees' end-of-service benefit plans are unfunded plans and the benefit payment obligation are met when they fall due upon termination of employment.

The amounts recognized in the consolidated statement of profit or loss and other comprehensive income related to employee benefit obligations are as follows:

	<b>31 December 2025</b>	31 December 2024
As at beginning of the year	<b>32,057,073</b>	24,732,908
Recognized in P&L:		
Current service cost	<b>8,798,044</b>	17,939,548
Interest cost	<b>1,345,663</b>	943,144
Recognized in OCI:		
Actuarial (gain) / loss on remeasurement of defined benefit plan	<b>(3,192,480)</b>	728,502
Benefits paid	<b>(9,028,125)</b>	(12,287,029)
As at end of the year	<b>29,980,175</b>	32,057,073

The actuarial (gain) / loss consists of the following:

	<b>31 December 2025</b>	31 December 2024
(Gain) / loss from change in financial assumptions	<b>(116,187)</b>	335,066
(Gain) / loss from change in experience assumptions	<b>(3,076,293)</b>	393,436
	<b>(3,192,480)</b>	728,502

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**17. Defined benefits liabilities (continued)**

Break-up of current service cost and interest cost:

	<b>31 December 2025</b>	31 December 2024
Cost of revenue (Note 24)	<b>8,292,446</b>	17,325,089
Selling and marketing expenses (Note 25)	<b>586,578</b>	363,858
General and administration expenses (Note 26)	<b>1,264,683</b>	1,193,745
	<b>10,143,707</b>	18,882,692

Summary of economic assumptions:

	<b>31 December 2025</b>	31 December 2024
Discount rate	<b>5.00%</b>	4.93%
Salary growth rate	<b>2.00%</b>	2.00%

**Sensitivity analysis:**

A quantitative sensitivity analysis for significant assumption on the defined benefit obligation is shown below:

	<b>31 December 2025</b>	31 December 2024
Discount rate (1% Decrease)	<b>3,084,007</b>	2,381,709
Discount rate (1% Increase)	<b>(3,083,677)</b>	(2,216,336)
Salary growth rate (1% Decrease)	<b>(185,965)</b>	(2,216,702)
Salary growth rate (1% Increase)	<b>185,298</b>	2,380,949

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

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**17. Defined benefits liabilities (continued)**

The weighted average duration of the defined benefit obligation is 6 years (31 December 2024: 8 years). The expected maturity analysis of undiscounted post-employment benefits is as follows:

	<b>31 December 2025</b>	31 December 2024
Within the next 12 months	<b>3,509,235</b>	2,403,197
Between 2 to 5 years	<b>22,914,055</b>	19,100,428
Beyond 5 years	<b>37,050,161</b>	35,952,823
Total expected payments	<b>63,473,451</b>	57,456,448

The Company acts as the principal employer and is legally obligated to settle their defined benefit liabilities in accordance with IAS 19, recognizing both the liability and related expenses. However, with certain customers in respect of certain consultants, under standard contractual terms, the Company has a contractual right to reimbursement of defined benefit costs from its customers at the end of the service period.

Accordingly, for these employees, the Company records a defined benefit liability, a corresponding contract asset representing the right to reimbursement from the customer, ensuring proper reflection of this arrangement. The corresponding impacts are recorded in revenue and expenses accordingly.

As at 31 December 2025, the amount of this contract asset amounted to ﷲ 5.3 million (31 December 2024: ﷲ 3.7 million).

**18. Accounts payable**

	<b>31 December 2025</b>	31 December 2024
Accounts payables	<b>393,381</b>	347,517
	<b>393,381</b>	347,517

The average credit period taken for trade payables is 45 to 90 days (31 December 2024: 45 to 90 days).

**19. Accrued expenses and other liabilities**

	<b>31 December 2025</b>	31 December 2024
Accrued expenses	<b>42,509,327</b>	37,492,427
VAT payable, net	<b>7,332,573</b>	7,020,909
Customer advances	<b>213,404</b>	213,404
Accrued bonus	<b>3,717,193</b>	4,245,001
	<b>53,772,497</b>	48,971,741

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**20. Loans and borrowings**

Details of loans and borrowings are as follows:

	<b>31 December 2025</b>	31 December 2024
<b>Current</b>		
Re-financing facilities	-	2,615,250
	<u>-</u>	<u>2,615,250</u>

Movement of loans and borrowings are as follows:

	<b>31 December 2025</b>	31 December 2024
Balance at beginning of the year	<b>2,615,250</b>	30,712,226
Interest expense	<b>522,560</b>	2,014,202
Proceeds during the year	<b>27,380,423</b>	59,776,844
Repayments during the year	<b>(29,995,673)</b>	(87,115,490)
Interest expense paid during the year	<b>(522,560)</b>	(2,772,532)
Balance at end of the year	<u>-</u>	<u>2,615,250</u>

The Group had bank facilities in the form of short terms loans, and progress payment finance facility from commercial banks to finance its working capital requirements. The short-term loans and progress payment finance facility borrowings are subject to an interest rate of SAIBOR plus market prevalent rates.

**21. Dividend payable**

Following is the movement of dividend payable:

	<b>31 December 2025</b>	31 December 2024
Balance at beginning of the year	-	-
Dividend declared	<b>26,100,000</b>	26,100,000
Payments	<b>(26,100,000)</b>	(26,100,000)
Balance at end of the year	<u>-</u>	<u>-</u>

Following is the dividend per share for the years:

	<b>31 December 2025</b>	31 December 2024
Dividend declared for the year	<b>26,100,000</b>	26,100,000
Number of ordinary shares outstanding	<b>6,000,000</b>	6,000,000
Dividend per share	<b>4.4</b>	4.4

The shareholders approved and distributed dividends of ﷲ 26.1 million during the year (2024: ﷲ 26.1 million).

During the year 2025, the Group announced the final dividend of ﷲ 14.1 million at the rate of ﷲ 2.35 per share for the year 2024 while interim dividend of ﷲ 12 million at the rate of ﷲ 2 per share for the year 2025, hence, a total dividend of ﷲ 26.1 million was paid during the year 2025.

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**22. Zakat**

For the year ended 31 December 2025, in accordance with the regulations of ZATCA, zakat is payable at 2.578% of the zakat base which is attributable to the Saudi shareholder (2024: 2.585% of the zakat base).

The zakat provision is based on the following:

	<u>2025</u>	<u>2024</u>
Profit before zakat	<b>33,882,829</b>	38,330,898
Adjustments related to provisions, depreciation and others	-	21,000
Adjusted profit for the year	<b>33,882,829</b>	38,351,898
Share capital	<b>60,000,000</b>	60,000,000
Provisions and other adjustments	<b>62,360,334</b>	87,790,689
Zakat base prior to adjusted profit for the year	<b>122,360,334</b>	147,790,689
Zakat charge for the year at 2.578% of zakat base	<b>3,154,062</b>	3,820,013
Zakat charge for the year at 2.5% of adjusted profit	<b>847,071</b>	958,797
Zakat charge for the year	<b>3,154,062</b>	3,820,013
Prior year charge	-	(330,239)
	<b>3,154,062</b>	3,489,774

Zakat is payable at 2.578% of the approximate zakat base, excluding the adjusted net profit for the year, attributable to the Saudi shareholder. Zakat on adjusted net profit for the year attributable to the Saudi shareholder is payable at 2.5%.

The movement in provision for zakat is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at beginning of the year	<b>3,489,774</b>	3,755,403
Provided during the year	<b>2,449,922</b>	2,700,000
Payments	<b>(2,785,634)</b>	(2,965,629)
Balance at end of the year	<b>3,154,062</b>	3,489,774

**Status of assessment**

The Company has finalized its zakat status with the Zakat, Tax and Customs Authority ("ZATCA") till 31 December 2018. During the last year, the Company elected to participate in the new Zakat Implementing Regulations ("MR1007") initiative approved by ZATCA in 2024. Accordingly, due to opting of the new regulations the zakat and income tax returns for the financial years 2019 through 2023 remain under review by ZATCA. The zakat return for the year 2024 has been submitted and formally accepted by ZATCA.

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**23. Revenue**

The Group's revenue is derived from three types / streams of services, namely direct, managed-hosting and other services.

**Disaggregation of revenue**

In the following table, revenue from contracts with customers is disaggregated by primary nature of services provided, types of customers and timing of revenue recognition as shown below:

	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
<b>Types of projects / services</b>		
Direct	<b>160,125,343</b>	162,632,431
Managed-Hosting	<b>431,294,240</b>	408,344,747
Other	<b>361,593</b>	86,860
	<b>591,781,176</b>	571,064,038
<b>Types of customers</b>		
Non-government	<b>550,900,450</b>	531,146,595
Government	<b>40,880,726</b>	39,917,443
	<b>591,781,176</b>	571,064,038
<b>Timing of revenue recognition</b>		
Overtime	<b>591,781,176</b>	571,064,038
	<b>591,781,176</b>	571,064,038

The Group's customer contracts generally require payment within 15 days to 90 days (2024: 15 days to 90 days) from the date on which the related invoice is issued. These payment terms are consistent across the Group's major revenue streams and do not include any financing components.

The Group has assessed its customer contracts and, as at the reporting date, has no obligations related to sales returns, refunds, or customer warranties/guarantees. All revenue recognized in the current period relates to performance obligations satisfied during the period for which consideration was not included in the opening contract liability balance.

**24. Cost of revenue**

	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
Employees' cost	<b>506,345,461</b>	485,028,271
Depreciation and amortization (Note 9, 11)	<b>113,632</b>	168,563
Others	<b>14,218,087</b>	7,637,991
	<b>520,677,180</b>	492,834,825

**25. Selling and marketing expenses**

	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
Employees' cost	<b>7,343,521</b>	6,330,967
Commission	<b>4,291,098</b>	4,490,906
Printing and advertising	<b>95,059</b>	59,910
Depreciation and amortization (Note 9, 11)	<b>94,879</b>	129,372
Others	<b>89,010</b>	148,731
	<b>11,913,567</b>	11,159,886

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**26. General and administrative expenses**

	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
Employees' cost	<b>19,556,780</b>	15,816,536
Professional services*	<b>2,270,499</b>	2,385,137
Depreciation and amortization (Note 9, 11)	<b>907,780</b>	979,188
Utilities	<b>347,975</b>	353,783
Remuneration & Compensation for the Board Directors	<b>1,093,661</b>	1,005,534
Others	<b>1,555,335</b>	1,170,560
	<b>25,732,030</b>	21,710,738

\* Professional services include the below: - Auditor's remuneration for the statutory audit of the Group's financial statements for the year ended 31 December 2025 (including translation and qawaem filing) amounted to ﷲ 400,000 and interim review of the Group's financial statements for the period ended 30 June 2025 amounted to ﷲ 119,000.

**27. Finance cost**

	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
Bank charges on short term borrowings	<b>522,560</b>	2,014,202
Finance cost on leases	<b>159,002</b>	193,495
	<b>681,562</b>	2,207,697

**28. Other income**

	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
Interest income	<b>198,300</b>	-
Other income	<b>15,303</b>	333,782
	<b>213,603</b>	333,782

**29. Earnings per share (EPS)**

Basic EPS is calculated by dividing the net income inclusive of discontinued operations for the year attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the year as follows:

	<b>31 December</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
Net income for the year	<b>31,315,516</b>	30,840,451
Net income for the year from continuing operations	<b>31,432,907</b>	35,630,898
Number of ordinary shares outstanding*	<b>7,500,000</b>	7,500,000
Basic and diluted earnings per share	<b>4.18</b>	4.11
Basic and diluted earnings per share from continuing operations	<b>4.19</b>	4.75

During the year the company announced the decision of its Board of Directors recommendation to increase the company's capital by 25%, by granting bonus shares through capitalizing ﷲ 15,000,000 from the retained earnings account. This was decided by granting 1,500,000 bonus shares to shareholders by granting (1) bonus share for every (4) share owned by shareholders.

Subsequent to the reporting date 31 December 2025, the Company obtained the necessary approvals from the relevant authorities and general assembly meeting approval dated 08 March 2026.

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**30. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors (BOD). The BOD assesses the financial performance and position of the Group and makes strategic decisions.

An operating segment is group of assets and operations; engaged in revenue producing activities.

Results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment; and whose financial information is separately available.

The Group has the following strategic geographical locations which represent its reportable segments, Segment assets, liabilities and profit or loss are measured in the same way as in the consolidated financial statements.

Kingdom of Saudi Arabia

Provision of services in the geographical region of Kingdom of Saudi Arabia.

Revenues of approximately ﷲ 169 million (2024: ﷲ 173 million) are derived from three external customers who contribute more than 29% to the total external revenue. These revenues are attributed to the Kingdom of Saudi Arabia segment.

The revenue generated from continuing operations is presented above. No revenue was generated from discontinued operations; refer to Note 34.

Algeria

Provision of services in the geographical region of Algeria.

	<b>Kingdom of Saudi Arabia</b>	<b>Algeria</b>	<b>Total</b>
<b>31 December 2025</b>			
Revenue	591,781,176	-	591,781,176
Cost of revenue	520,677,180	-	520,677,180
Profit/(loss) attributable to owners of the Company	31,432,907	(117,391)	31,315,516
Total assets	195,851,950	5,773,058	201,625,008
Total liabilities	88,786,509	195,821	88,982,330
	<b>Kingdom of Saudi Arabia</b>	<b>Algeria</b>	<b>Total</b>
<b>31 December 2024</b>			
Revenue	571,064,038	-	571,064,038
Cost of revenue	492,834,825	-	492,834,825
Profit/ (loss) attributable to owners of the Company	35,630,898	(4,790,447)	30,840,451
Total assets	184,250,892	9,596,617	193,847,509
Total liabilities	85,202,745	4,408,896	89,611,641

The Group's revenue is derived from contracts with customers for provision of services. Segment assets are measured in the same way as in the Consolidated Financial Statements. These assets are allocated and analyzed based on the operations of the segment.

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**31. Financial instruments**

Financial assets consist of trade and other receivables, and cash at bank. Financial liabilities consist of accounts payable, short-term borrowings and lease liabilities. The fair values of financial assets and financial liabilities approximate their carrying amounts.

Risk management and financial instruments

The Group's activities expose it to a variety of credit risk, liquidity risk, market risk and currency risk.

**(a) Credit risk**

Credit risk is the risk that one party to financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on its cash at bank and trade and other receivables including unbilled receivables as follows.

	<b>31 December 2025</b>	31 December 2024
Trade and other receivables, gross	<b>153,802,627</b>	143,760,154
Cash at bank	<b>19,013,379</b>	42,032,975
Term deposits	<b>20,000,000</b>	-
	<b><u>192,816,006</u></b>	<u>185,793,129</u>

The aging of accounts receivables including unbilled receivables, representing current and overdue but not impaired receivables, is as follows:

	<b>31 December 2025</b>		31 December 2024	
	<b>Receivables</b>	<b>Loss rates</b>	Receivables	Loss rates
Current	<b>99,600,592</b>	<b>0.14%</b>	87,716,859	0.33%
Overdue 1 - 90 days	<b>33,593,949</b>	<b>0.31%</b>	41,975,831	0.69%
Overdue 91 - 180 days	<b>7,470,455</b>	<b>1.39%</b>	6,772,926	2.88%
Overdue 181 - 270 days	<b>3,460,383</b>	<b>3.21%</b>	3,032,648	7.50%
Overdue 271 - 365 days	<b>848,191</b>	<b>15.00%</b>	622,952	17.14%
More than one year*	<b>8,829,057</b>	<b>15.00%</b>	3,638,938	17.14%
	<b><u>153,802,627</u></b>		<u>143,760,154</u>	

\* The management has recorded specific provisions included in the above ECL allowance, against balances of accounts receivable which are considered doubtful. The amount of the specific provision is ﷲ 6.4 million.

The carrying amount of financial assets represents the maximum credit exposure.

Credit risk on cash at bank is limited as the Group seeks to manage its credit risk with respect to banks by only dealing with reputable banks. Cash balances are held with banks with sound credit ratings ranging from BBB+ and above.

The Group manages credit risk with respect to receivables from customers by monitoring them in accordance with defined policies and procedures. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers, monitoring outstanding receivables and ensuring close follow-up on an ongoing basis. The Group's exposure to ECL is not significant.

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**31. Financial instruments (continued)**

**(a) Credit risk (continued)**

Impairment analysis is performed at each reporting date. Collective assessment is made using provision matrix to measure expected credit losses unless objective evidence is available for recoverability. The provision rates are based on days past due to groupings of various customer segments at group levels with similar loss patterns (i.e. by geographical region, product type, customer type, and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions. Typically, trade and other receivables are written off if they are past due for more than one year, except for receivables that are actively being discussed with customers and are in the process of being paid. It's important to note that the written-of receivables are not subject to enforcement activity.

At 31 December 2025, 29% of accounts receivable were due from 3 customers (31 December 2024: 31% from 3 customers). Management believes that this concentration of credit risk is mitigated through historical collections from such customers.

Other financial assets at amortized cost include other receivables. The instruments are considered to be low credit risk when they have a low risk of default, and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. Management considers 'low credit risk' for other receivables. As at 31 December 2025, the ECL allowance on other financial assets carried at amortized cost is immaterial.

**(b) Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. Following are the contractual maturities at the end of the reporting period of financial liabilities. The amounts are grossed and undiscounted and include estimated interest payments.

	<b>As at 31 December 2025</b>				
<b>Carrying amount</b>	<b>On demand or less than 1 year</b>	<b>1 year to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>	
<b>Financial liabilities</b>					
Accounts payable	393,381	393,381	-	-	393,381
Accrued expenses and other liabilities	53,772,497	53,772,497	-	-	53,772,497
Loans and borrowings	-	-	-	-	-
Lease liabilities	1,682,215	852,107	1,124,708	-	1,976,815
	<u>55,848,093</u>	<u>55,017,985</u>	<u>1,124,708</u>	<u>-</u>	<u>56,142,693</u>

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**31. Financial instruments (continued)**

**(b) Liquidity risk (continued)**

	As at 31 December 2024				Total
	Carrying amount	On demand or less than 1 year	1 year to 5 years	More than 5 years	
<b>Financial liabilities</b>					
Accounts payable	347,517	347,517	-	-	347,517
Accrued expenses and other liabilities	48,971,741	48,971,741	-	-	48,971,741
Loans and borrowings	2,615,250	2,615,250	-	-	2,615,250
Lease liabilities	2,130,286	628,413	1,833,360	-	2,461,773
	<u>54,064,794</u>	<u>52,562,921</u>	<u>1,833,360</u>	<u>-</u>	<u>54,396,281</u>

Liquidity risk is managed by monitoring on a regular basis that sufficient funds and banking and other credit facilities are available to meet the Group's future commitments.

**(c) Market risk**

Market risk is the risk that fluctuation in value of a financial instrument as a result of changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The Group is exposed to market risk, in the form of interest rate risk and foreign currency risk as described below. There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

**(d) Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's transactions are primarily in Saudi Riyals, DZD and United States dollars. Since Saudi Riyal is pegged to United States dollars, management of the Group believes that the currency risk for the financial instruments is not significant.

**32. Capital management risk**

The Group's objectives when managing capital are to:

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

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

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**32. Capital management risk (continued)**

The Group's net debt to adjusted equity ratio at 31 December 2025 was as follows:

	<b>31 December 2025</b>	31 December 2024
Total liabilities	<b>88,982,330</b>	89,611,641
Less: cash and cash equivalents	<b>(39,102,080)</b>	(42,072,427)
<b>Net debt</b>	<b>49,880,250</b>	47,539,214
Total equity	<b>112,642,678</b>	104,235,868
<b>Net debt to equity ratio</b>	<b>0.44</b>	0.46

**Net debt reconciliation**

An analysis of net loans and movement in net loans during the current year is as follows:

	<b>31 December 2025</b>	31 December 2024
Cash and cash equivalents	<b>39,102,080</b>	42,072,427
Short-term borrowings	-	(2,615,250)
Lease liabilities	<b>(1,682,215)</b>	(2,130,286)
<b>Net funds</b>	<b>37,419,865</b>	37,326,891

	<b>Net reconciliation</b>			
	<b>Cash and cash equivalents</b>	<b>Short-term loans</b>	<b>Lease liabilities</b>	<b>Total</b>
<b>Net funds as at 1 January 2025</b>	<b>42,072,427</b>	<b>(2,615,250)</b>	<b>(2,130,286)</b>	<b>37,326,891</b>
Repayment of lease liabilities	-	-	<b>614,500</b>	<b>614,500</b>
Additions to lease liabilities	-	-	<b>(166,429)</b>	<b>(166,429)</b>
Proceeds from short-term borrowings	-	<b>(27,380,423)</b>	-	<b>(27,380,423)</b>
Interest expense on short-term borrowings / lease liabilities	-	<b>(522,560)</b>	-	<b>(522,560)</b>
Interest expense paid on short term borrowings / lease liabilities	-	<b>522,560</b>	-	<b>522,560</b>
Repayments of short-term borrowings	-	<b>29,995,673</b>	-	<b>29,995,673</b>
Cashflows for the period	<b>(2,970,347)</b>	-	-	<b>(2,970,347)</b>
<b>Net funds / (loans) as at 31 December 2025</b>	<b>39,102,080</b>	<b>-</b>	<b>(1,682,215)</b>	<b>37,419,865</b>

**SAUDI NETWORKERS SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)

**32. Capital management risk (continued)**

**Net debt reconciliation (continued)**

	Net reconciliation			Total
	Cash and cash equivalents	Short-term loans	Lease liabilities	
Net funds as at 1 January 2024	40,979,460	(30,712,226)	(2,596,723)	7,670,511
Repayment of lease liabilities	-	-	547,060	547,060
Additions to lease liabilities	-	-	(80,623)	(80,623)
Proceeds from short-term borrowings	-	(59,776,844)	-	(59,776,844)
Interest expense on short-term borrowings / lease liabilities	-	(2,014,201)	(193,496)	(2,207,697)
Interest expense paid on short term borrowings / lease liabilities	-	2,772,531	193,496	2,966,027
Repayments of short-term borrowings	-	87,115,490	-	87,115,490
Cashflows for the period	<u>1,092,967</u>	<u>-</u>	<u>-</u>	<u>1,092,967</u>
Net funds / (loans) as at 31 December 2024	<u>42,072,427</u>	<u>(2,615,250)</u>	<u>(2,130,286)</u>	<u>37,326,891</u>

To achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowers. There have been no breaches of the financial covenants of any interest-bearing loans and borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025, 31 December 2024.

**33. Fair value of financial instruments**

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

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

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

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

The Group's financial assets consist of trade and other receivables, contract assets, bank balances and other assets. Its financial liabilities consist of lease liabilities, accounts payable, short-term borrowings and other liability.

The fair values of these financial instruments of the Company are not materially different from their carrying values at the reporting date owing to their short-term duration.

**SAUDI NETWORKERS SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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

**34. Discontinued operations**

In 2021, the Group announced its intention to exit the SNS Algerian business. Accordingly, the subsidiary is reported as a discontinued operation. Financial information relating to the discontinued operation for the period is set out below.

The financial performance and cashflow information presented are for the year ended 31 December 2025 and the year ended 31 December 2024.

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
Revenues	-	-
Cost of revenues	-	-
<b>Gross profit</b>	-	-
General, administrative and marketing expenses*	<b>(408,633)</b>	(4,835,684)
<b>Loss from operations</b>	<b>(408,633)</b>	(4,835,684)
Other income	<b>294,033</b>	-
Finance cost	<b>(3,977)</b>	(3,151)
<b>Loss before income tax</b>	<b>(118,577)</b>	(4,838,835)
Income tax	-	-
<b>Loss from discontinued operations</b>	<b>(118,577)</b>	(4,838,835)
Other comprehensive income / (loss)		
<b>Items that may be reclassified to profit or loss:</b>		
Movement in foreign currency translation reserve	-	-
Remeasurement of defined benefit liabilities	-	-
<b>Total other comprehensive income</b>	-	-
<b>Total comprehensive loss from discontinued operations</b>	<b>(118,577)</b>	(4,838,835)

\* This includes tax based on final notice received for the subsidiary during the year 2024 amounting to ﷲ4.3 million.

The cashflow information for the year ended 31 December 2025 and 31 December 2024 were:

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
<b>Net decrease in cash generated by the subsidiary</b>	<b>(3,347,496)</b>	(454,500)

**35. Reclassification**

The note below sets out the details of adjustments and the line items impacted in the consolidated statements of financial position:

***Reclassification:***

In August 2022, the Group appointed a liquidator to manage the dissolution process for the subsidiary (SNS Algerian). However, the liquidation process remains ongoing, and the subsidiary has not been fully dissolved as of the reporting date, such that the operation is no longer active and there is no plan to recommence operations since 2022. The foreign operations have been in substance liquidated and the Group abandoned the foreign operation since that date. The foreign operations were classified as discontinued operations in the statement of comprehensive income and at the same time the Foreign Currency Translation Reserves (FCTR) was presented in equity as a separate line item. However, under IAS 21 the cumulative foreign currency translation reserve should be reclassified to profit or loss in this case, as the operations in Algeria were substantially abandoned.

**SAUDI NETWORKERS SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)

**35. Reclassification (continued)**

As a result, these consolidated financial statements have been reclassified to reflect the proper presentation.

**Impact of adjustments to consolidated statement of financial position as at 31 December 2024:**

	<b>31 December 2024</b>	<b>Reclassification</b>	<b>31 December 2024</b>
	<b>(as issued)</b>		<b>(as reclassified)</b>
Retained earnings	53,724,707	(9,523,043)	44,201,664
Foreign currency translation reserve	(9,523,043)	9,523,043	-

**36. Contingencies and commitments**

There are contingencies and commitments for the year ended 31 December 2025 amounting to ﷲ 569,630.

**37. Impact of climate change**

In preparing the financial statements, the Group has considered the impact of climate change, particularly in the context of the Kingdom's stated target of net zero carbon emissions by 2060. These considerations did not have a material impact on the financial reporting judgements and estimates in the current year.

**38. Subsequent events**

- The Company's Board of Directors on 30 March 2026, has proposed and approved cash dividends of ﷲ 1.88 per share totaling to ﷲ 14.1 million.
- During the year the company announced the decision of its Board of Directors recommendation to increase the company's capital by 25%, by granting bonus shares through capitalizing ﷲ 15,000,000 from the retained earnings account. This was decided by granting 1,500,000 bonus shares to shareholders by granting (1) bonus share for every (4) share owned by shareholders.

Subsequent to the reporting date 31 December 2025, the Company obtained the necessary approvals from the relevant authorities and general assembly meeting approval dated 08 March 2026.

- The recent regional military escalations have triggered a high-risk conflict environment across the Gulf. The situation is still very fluid, and scenarios can shift very quickly. The escalations have brought about additional uncertainties in the Group's operating environment. With respect to financial statements for the year ended 31 December 2025, the potential financial reporting effects of the conflict are considered to be non-adjusting in nature.

The Group has been closely monitoring the impact of the developments on the Group's businesses and has put in place contingency measures. As a result, depending on how the situation would evolve, the military escalations might result in reduced revenues, increased ECL charge, potential impairment of non-financial assets. As the situation is fast evolving and fluid, the effect of the escalations is subject to significant levels of uncertainty, with the full range of possible effects unknown.

**39. Approval of the Consolidated financial statements**

The consolidated financial statements for the Group for the year ended 31 December 2025 have been approved by the Board of Directors for issuance on 30 March 2026 (corresponding to 11 Shawwal 1447H).



### Agenda Item # 3

## The External Auditor Report for the Fiscal Year Ended on 31 December 2025.



## KPMG Professional Services Company

Roshn Front, Airport Road  
P.O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
Commercial Registration No 1010425494

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

# Independent Auditor's Report

To the Shareholders of Saudi Networkers Services Company Saudi Joint stock Company

## Opinion

We have audited the consolidated financial statements of **Saudi Networkers Services Company**, (the "Company") and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

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

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including the International Independence Standards) that are endorsed in the Kingdom of Saudi Arabia as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

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



# Independent Auditor's Report

To the Shareholders of Saudi Networkers Services Company Saudi Joint stock Company (continued)

## Key audit matters (continued)

### Revenue recognition

Refer to Note (7&8) for the accounting policy and accounting judgements related to revenue recognition, and Note (23) for the related disclosures to the consolidated financial statements.

Key audit matter	How the matter was addressed in our audit
<p>The Group's revenue from continuing operations mainly comprises of providing direct, managed hosting and other services on an individual basis to customers, amounting to <del>٥٤٥</del> ٥٩١.٩ million for the year ended 31 December 2025.</p> <p>As required under IFRS 15 'Revenue from Contracts with Customers', for contracts with customers the management determines the performance obligations that exist under the contract and the transaction price. The revenue is then allocated to the performance obligations under the contract.</p> <p>IFRS 15 requires management to apply significant judgement when assessing whether the Group acts as a principal or agent. The assessment whether the Group acts as a principal or agent affects whether revenue is presented on a gross or a net basis.</p> <p>Due to the judgements involved in the principal versus agent consideration according to IFRS 15 and the consequential effect on the Group's presentation of revenues on a gross or net basis, we consider this a key audit matter.</p>	<p>Our audit procedures performed included, among other audit procedures, the following:</p> <ul style="list-style-type: none"> <li>• Assessed the Group's revenue recognition policy for compliance with IFRS 15 and relevant regulatory guidance endorsed by the Saudi Organization for Chartered and Professional Accountants.</li> <li>• Assessed the design and implementation and tested the operational effectiveness of key internal control related to revenue recognition.</li> <li>• Assessed the management judgment whether it acted as a principal or as an agent;</li> <li>• Performed test of detail on sample of recorded revenue transactions and compared them with supporting documents to verify the occurrence of recorded revenue.</li> <li>• Tested on sample basis revenue transactions before and after the reporting date to ensure that the revenue is properly recorded in the correct accounting period.</li> <li>• Evaluated the adequacy of relevant disclosures presented by the management in the consolidated financial statements.</li> </ul>



# Independent Auditor's Report

To the Shareholders of Saudi Networkers Services Company Saudi Joint stock Company (continued)

## Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2024 and the consolidated statement of financial position as at 1 January 2024, excluding the adjustments described in note (35) to the consolidated financial statements were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 25 Ramadan 1446H (Corresponding to 25 March 2025).

## Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# Independent auditor's report

To the Shareholders of Saudi Networkers Services Company Saudi Joint stock Company (continued)

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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



## Independent auditor's report

To the Shareholders of Saudi Networkers Services Company Saudi Joint stock Company (continued)

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### KPMG Professional Services Company

**Naif Abdulrahman Edrees**  
License No. 457



Riyadh, 17 Shawwal 1447 H  
Corresponding to: 5 April 2026



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## Audit Committee Report to Shareholders for Fiscal Year Ended on 31 December 2025.

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**Saudi Networkers Services  
Listed Company**  
Paid Up Capital : S.R. 80,000,000  
P.O. Box 25141 Riyadh 11465 - Saudi Arabia  
Tel : +966 (1) 290 8088 - Fax : +966 (1) 290 7070  
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**شركة نت وركرس السعودية للخدمات  
مساهمة مدرجة**  
رأس المال المدفوع : ٨٠.٠٠٠.٠٠٠ ريال  
عنوان : ٢٥١٤١ - الرياض ١١٤٦٥ المملكة العربية السعودية  
هاتف : +٩٦٦ ١١ ٢٩٢٩٧٧٠ - فاكس : +٩٦٦ ١١ ٢٩٢٧٧٧٠  
المجلد التجاري : ١٠١٠١٧٣٧٣٣

**SAUDI NETWORKERS SERVICES CO**



**Saudi Networkers Services Co**

**Audit Committee report to the shareholders**

**For the financial year ended on 31 December 2025**

## M/S: The shareholders of Saudi Networkers Services Co

The Audit Committee of **Saudi Networkers Services Co** (the company) is honored to present its report for the year ended 31 December 2025. Audit Committee is established by a resolution of the Board of Directors as per the Company bylaws. The committee consists of four members as follows:

Name	Capacity
1- Dr. Abdullah Al-Hussaini	Chairman
2- Mr. Khalid Mohammed Abdulrahman Aleid	Member
3- Eng. Mohammed Samir Ghonaim	Member
4- Mr. Mohammad Abdulhakim Salem	Member

During the year ended 31 December 2025, the committee held (7) seven meetings.

As per its terms of reference approved by the shareholders general assembly, the committee continuously supervised internal and external audit processes. Through coordination with the internal audit department and the executive management of the company, the committee verifies the competence and effectiveness of the company internal control system. Further, the committee verifies the auditors' observations and recommendations and the soundness of the procedures already taken by management to apply these recommendations through the information it received within the reports issued from internal audit department.

As part of its duty, the company internal audit department examines the competence and effectiveness of the internal control system and verifies its application by various departments of the company. This is done by executing an annual internal audit plan prepared on the basis of risks assessment. Further, the committee prepares & presents reports to the board of directors on the results of its activities during the year.

Below is a summary of the committee activities during the year ended on 31 December 2025.

### First: External audit & financial reports:

- 1- The committee discussed with the executive management of the company results of operations and financial position as appeared in the audited financial statements for the year ended 31 December 2025.
- 2- Through its direct meetings with external auditors, the committee verified auditors' independence and their commitment to carry out examining and auditing in accordance with the relevant standards and in accordance with the agreement and the approved professional fees. In these meetings, the committee presented questions to the auditors and to the company executive management to verify the completion of audit works and the existence of the basis that support the auditors' opinion, as well as discussing the points mentioned in the management letter (if available) and follow-up of their closure (as applicable). The committee separately met with external auditors to freely understand if there are any observations on the cooperation and performance of the company finance department, if there are any restrictions on audit work, the adequacy of various provisions and estimates, the necessary basis on which the opinion of the external auditors is built, and that the data and financial report content is materially complete & consisting of the important financial information.

The committee recommended to SNS board of directors' approval of condensed consolidated interim financial statements as at 30 June 2025 & consolidated annual audited financial statements for the year ended 31 December 2025 along with external auditor report.

Audit committee also recommends to general assembly appointing & approving fees of KPMG as external auditor of the company among the candidates, KPMG & Baker Tilly in order to examine, review, and audit the financial statements for first, second, and third quarters and the annual financial statements for the fiscal year 2026, and the first, second, and third quarters and the annual financial statements for the fiscal year 2027 as well as the first quarter of the fiscal year 2028.

### **Second: Internal audit:**

1- In its meetings, the committee verifies the independence of the company internal auditors, the availability & adequacy of the necessary sources and abilities to perform their tasks properly in the form that serves the company interests. The committee directly supervises the competent personnel to carry out the approved internal audit plan.

2- The committee approved the company's annual internal audit plan prepared by internal audit department. The committee regularly reviewed and verified the implementation of the annual internal audit plan.

3- Through performing its ordinary tasks, the audit committee reviews the company internal control system to make sure of its competence, effectiveness, application and complying with it by the company. This is assessed as well through the implementation of the annual internal audit plan.

4- The committee follows up the implementation of the agreed upon corrective procedures by management especially issues of high risks.

5- The committee held regular meetings with the external auditors, the company management & the internal auditors in 2025.

### **Third: Compliance:**

The committee discussed & reviewed the compliance-related matters and reports prepared by management, followed up on the procedures to enhance compliance & provided its recommendations.

During the financial year ended 31/ 12/ 2025, the Audit Committee reviewed and verified, based on the information and reports submitted by the Executive Management, and the External auditor, the existence of any transactions or contracts with related parties. The Audit Committee concluded that no related party transactions were entered into by the Company during the year.

### **Fourth: Reports:**

The committee issued regular reports to board of directors, informing the Board of Directors regarding the details of the committee meetings, the recommendations & the decisions.

### **The committee's opinion on the company's internal control, financial & risk management system:**

Audit Committee regularly reviews effectiveness of the company's internal control, financial & risk management systems & provide its feedback. The internal audit section conducts risk-based audit plan, which is regularly monitored by the Audit Committee. The audit processes aim to evaluate the internal control, financial & risk management systems. The audit processes carried out by company's internal audit section, the external auditors & data received from executive management show the adequacy of the company's internal control, financial & risk management system & did not present any fundamental weaknesses. Accordingly, the Audit Committee believes that the internal control, financial & risk management system is operating within acceptable effectiveness, with some areas which needs

improvement. Further its stated that any audit, review or assessment cannot give an absolute confirmation as to the effectiveness of any internal control, financial & risk management system.

**For Audit Committee of Saudi Networkers Services Co.**

A handwritten signature in blue ink, consisting of several loops and strokes, positioned above a horizontal line.

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**Dr. Abdullah Alhussaini**  
**Audit committee Chairman**



## Agenda Item # 5

**Voting on the appointment of company's external auditors in accordance with the recommendation of Audit Committee**



عروض مراجعي الحسابات المرشحين لفحص ومراجعة وتدقيق القوائم المالية للربع الأول والثاني والثالث والسنوية من العام المالي ٢٠٢٦م والربع الأول والثاني والثالث والسنوية من العام المالي ٢٠٢٧م، والربع الأول من عام ٢٠٢٨م

الرقم	اسم المراجع الخارجي المرشح
١	كي بي ام جي (KPMG)
٢	شركة بيكر تيلي

External Auditors offer for the financial audit and review of the Company's financial statements for the first, second, and third quarters and the annual financial statements for the fiscal year 2026, and the first, second, and third quarters and the annual financial statements for the fiscal year 2027 as well as the first quarter of the fiscal year 2028,

SN	External Auditors
١	KPMG
٢	Baker Tilly