

**KNOWLEDGE NET COMPUTER COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**KNOWLEDGE NET COMPUTER COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of KNOWLEDGE NET COMPUTER COMPANY (A Saudi Joint Stock Company)

#### Opinion

We have audited the consolidated financial statements of **Knowledge Net Computer Company** ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

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

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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 that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our ethical responsibilities in accordance with these 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 judgement, were of most significance in our audit of the consolidated financial statements for the current period. 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.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>The Group's revenue amounting to SAR 29.02 million for the year ended 31 December 2025 which includes consulting services, maintenance and technical support services, sales of program licenses, and implementation of program licenses.</p> <p>Revenue recognition is a significant audit area due to its complexity, potential for manipulation, and impact on consolidated financial statements. The risk primarily arises from the possibility of inappropriate revenue recognition, including premature revenue recognition, fictitious sales, or incorrect application of accounting standards. As per International Standards on Auditing (ISA) 240 and ISA 315, revenue recognition is often considered a fraud risk area requiring heightened auditor scrutiny.</p>	<p>Based on our professional judgement, our audit procedures among others included the following:</p> <ul style="list-style-type: none"> <li>Assessed the design and implementation of relevant controls in relation to revenue recognition.</li> <li>Reviewed the revenue recognition policy applied by the Group to ensure compliance with IFRS 15 requirements.</li> <li>Obtained the schedule prepared by the management detailing impact of assessment on revenues and assessed the completeness against reported revenue and assessed accuracy of the schedule on a sample basis.</li> <li>Performed a cut-off test and ensured that revenues have been recorded in the appropriate year.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of  
**KNOWLEDGE NET COMPUTER COMPANY**  
(A Saudi Joint Stock Company)

### Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<b>Revenue recognition (continued)</b>	
Refer to note 5 to the consolidated financial statements for the accounting policy, note 24 for the disclosure of revenue.	<ul style="list-style-type: none"> <li>• Tested revenue transactions on a sample basis, traced revenue invoices and other relevant documents.</li> <li>• Assessed the accuracy, completeness, and validity of revenue-related journal entries (JEs) in accordance with applicable accounting standards and to identify potential risks of misstatement or fraud.</li> <li>• Assessed the completeness and adequacy of revenue disclosure in the consolidated financial statements.</li> </ul>

### Other information

Management is responsible for the other information. The other information comprises the information included in the Group's 2025 annual report but does not include the financial statements and our auditor's report thereon. The Group's 2025 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Group's 2025 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### 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 International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**To the Shareholders of  
KNOWLEDGE NET COMPUTER COMPANY**  
(A Saudi Joint Stock Company)

### **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 that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of  
**KNOWLEDGE NET COMPUTER COMPANY**  
(A Saudi Joint Stock Company)

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

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

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

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

### RSM Allied Accountants Professional Services



**Mohammad Abdulmajeed Mohandes**  
**License No. 564**

Riyadh, Kingdom of Saudi Arabia


31 March 2026 (Corresponding to 12<sup>th</sup> Shawwal 1447 H)



**KNOWLEDGE NET COMPUTER COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**  
(Saudi Riyals)

	Notes	2025	2024
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	6	187,086	459,175
Intangible assets	7	19,885,483	19,155,846
Right-of-use assets	8	341,133	696,006
Financial assets at fair value through other comprehensive income (FVOCI)		3,750	28,750
Investment in associate	9	-	32,988,351
Financial assets at fair value through profit or loss (FVTPL)	10	39,194,360	-
<b>Total non-current assets</b>		<b>59,611,812</b>	<b>53,328,128</b>
<b>Current assets</b>			
Prepayments and other assets	11	3,397,349	2,032,089
Due from related parties	12	6,576,819	10,407,568
Contract assets	13	7,182,472	8,800,021
Account receivables	14	10,573,352	11,687,467
Term deposits	15	2,500,000	-
Cash and cash equivalents	16	81,576	448,562
<b>Total current assets</b>		<b>30,311,568</b>	<b>33,375,707</b>
<b>Total assets</b>		<b>89,923,380</b>	<b>86,703,835</b>
<b>Equity</b>			
Share capital	17	35,000,000	35,000,000
Reserve	18	1,217,244	1,217,244
Treasury shares	19	(325,600)	(325,600)
Retained earnings		31,706,451	28,802,118
<b>Equity attributable to the shareholders of the Parent Company</b>		<b>67,598,095</b>	<b>64,693,762</b>
Non-controlling interests	20	(2,644,037)	(2,557,294)
<b>Total equity</b>		<b>64,954,058</b>	<b>62,136,468</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Defined employees' benefit plan obligations	21	3,353,852	5,599,035
Lease liabilities – non-current portion	8	-	340,449
<b>Total non-current liabilities</b>		<b>3,353,852</b>	<b>5,939,484</b>
<b>Current liabilities</b>			
Due to related parties	12	1,289,375	3,520,876
Lease liabilities – current portion	8	378,670	365,000
Contract liabilities	13	4,839,298	3,184,940
Accrued expenses and other liabilities	22	9,932,913	10,426,987
Zakat payable	23	949,620	1,130,080
Bank overdraft	16	4,225,594	-
<b>Total current liabilities</b>		<b>21,615,470</b>	<b>18,627,883</b>
<b>Total liabilities</b>		<b>24,969,322</b>	<b>24,567,367</b>
<b>Total equity and liabilities</b>		<b>89,923,380</b>	<b>86,703,835</b>

  
**Ahmed Fathy**  
(Acting Chief Financial  
Officer)

  
**Mohammad Ahmed Attiya**  
(Managing Director and  
Acting Chief Executive  
Officer)

  
**Mohammed Ibrahim Al-Mansour**  
(Chairman of Board of Directors)

The accompanying notes from (1) to (39) form an integral part of these consolidated financial statements

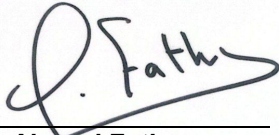


**KNOWLEDGE NET COMPUTER COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
(Saudi Riyals)

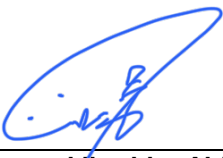
<b><u>Profit or loss</u></b>	Notes	<b><u>2025</u></b>	<b><u>2024</u></b>
Revenue	24	<b>29,002,299</b>	58,693,341
Cost of revenue	25	<b>(14,637,101)</b>	(33,554,911)
<b>Gross profit</b>		<b>14,365,198</b>	25,138,430
General and administration expenses	26	<b>(13,142,616)</b>	(11,340,211)
Selling and marketing expenses	27	<b>(5,865,093)</b>	(9,471,696)
<b>Operating (loss) / profit</b>		<b>(4,642,511)</b>	4,326,523
Finance costs	28	<b>(629,679)</b>	(258,641)
Impairment of investment in associate	9	-	(16,300,569)
Loss on derecognition of investment in associate	9	<b>(1,970,314)</b>	-
Unrealized gain on financial assets at FVTPL	10	<b>7,176,323</b>	-
Other income / (loss)	29	<b>849,761</b>	(3,732,984)
Deals completion bonus	30	<b>2,700,000</b>	(7,000,000)
<b>Profit / (loss) before zakat from continuing operations</b>		<b>3,483,580</b>	(22,965,671)
Zakat	23	<b>(848,921)</b>	(988,848)
<b>Profit / (loss) for the year from continuing operations</b>		<b>2,634,659</b>	(23,954,519)
<b>Discontinued operations</b>			
Profit from discontinued operations	33	-	70,651,838
<b>Net profit for the year</b>		<b>2,634,659</b>	46,697,319
<b><u>Other comprehensive income</u></b>			
<b>Item that will not be reclassified subsequently to consolidated statement of profit or loss:</b>			
Remeasurement of defined employees' benefit plan obligations	21	<b>207,931</b>	(216,586)
Fair value loss on financial assets at FVOCI		<b>(25,000)</b>	(1,058,281)
<b>Other comprehensive income / (loss) for the year from continuing operations</b>		<b>182,931</b>	(1,274,867)
<b>Discontinued operations</b>			
Other comprehensive loss from discontinued operations	33	-	(70,000)
<b>Other comprehensive income / (loss) for the year</b>		<b>182,931</b>	(1,344,867)
<b>Total comprehensive income / (loss) for the year from continuing operations</b>		<b>2,817,590</b>	(25,229,386)
<b>Total comprehensive income for the year</b>		<b>2,817,590</b>	45,352,452
<b>Profit / (loss) for the year attributable from continuing operations to:</b>			
Shareholders of the Parent Company		<b>2,721,402</b>	(23,811,393)
Non-controlling interest	20	<b>(86,743)</b>	(143,126)
		<b>2,634,659</b>	(23,954,519)
<b>Total comprehensive income / (loss) attributable from continuing operations to:</b>			
Shareholders of the Parent Company		<b>2,904,333</b>	(24,504,205)
Non-controlling interest	20	<b>(86,743)</b>	(725,181)
		<b>2,817,590</b>	(25,229,386)

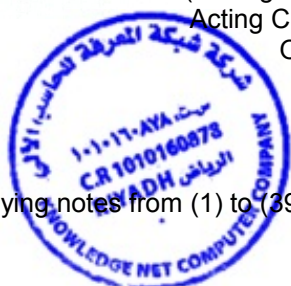
**KNOWLEDGE NET COMPUTER COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
(Saudi Riyals)

	Notes	2025	2024
<b>Profit for the year attributable to:</b>			
Shareholders of the Parent Company		<b>2,721,402</b>	25,939,063
Non-controlling interests	20	<b>(86,743)</b>	20,758,256
		<b>2,634,659</b>	46,697,319
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Parent Company		<b>2,904,333</b>	25,185,071
Non-controlling interests	20	<b>(86,743)</b>	20,167,381
		<b>2,817,590</b>	45,352,452
<b>Earnings / (loss) per share from continuing operations:</b>			
Basic and diluted earnings / (loss) per share attributable to shareholders of the Parent Company from continuing operations			
	31	<b>0.78</b>	(6.80)
<b>Earnings per share:</b>			
Basic and diluted earnings per share attributable to shareholders of the Parent Company			
	31	<b>0.78</b>	7.20

  
**Ahmed Fathy**  
(Acting Chief Financial Officer)

  
**Mohammad Ahmed Attiya**  
(Managing Director and Acting Chief Executive Officer)

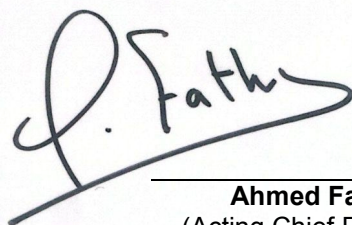
  
**Mohammed Ibrahim Al-Mansour**  
(Chairman of Board of Directors)



The accompanying notes from (1) to (39) form an integral part of these consolidated financial statements

**KNOWLEDGE NET COMPUTER COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
(Saudi Riyals)

	Attributable to the shareholders of the Parent Company				Total	Non-controlling interests	Total equity
	Share Capital	Reserve	Treasury shares	Retained earnings			
<b>For the year ended 31 December 2024:</b>							
Balance as at 1 January 2024	35,000,000	1,217,244	(325,600)	3,617,047	39,508,691	(3,825,605)	35,683,086
Profit for the year	-	-	-	25,939,063	25,939,063	20,758,256	46,697,319
Other comprehensive loss for the year	-	-	-	(753,992)	(753,992)	(590,875)	(1,344,867)
Total comprehensive income for the year	-	-	-	25,185,071	25,185,071	20,167,381	45,352,452
Movement in non-controlling interests	-	-	-	-	-	(18,899,070)	(18,899,070)
Balance as at 31 December 2024	<u>35,000,000</u>	<u>1,217,244</u>	<u>(325,600)</u>	<u>28,802,118</u>	<u>64,693,762</u>	<u>(2,557,294)</u>	<u>62,136,468</u>
<b>For the year ended 31 December 2025:</b>							
Balance as at 1 January 2025	<u>35,000,000</u>	<u>1,217,244</u>	<u>(325,600)</u>	<u>28,802,118</u>	<u>64,693,762</u>	<u>(2,557,294)</u>	<u>62,136,468</u>
Profit for the year	-	-	-	2,721,402	2,721,402	(86,743)	2,634,659
Other comprehensive income for the year	-	-	-	182,931	182,931	-	182,931
Total comprehensive income for the year	-	-	-	2,904,333	2,904,333	(86,743)	2,817,590
Balance as at 31 December 2025	<u>35,000,000</u>	<u>1,217,244</u>	<u>(325,600)</u>	<u>31,706,451</u>	<u>67,598,095</u>	<u>(2,644,037)</u>	<u>64,954,058</u>



**Ahmed Fathy**  
(Acting Chief Financial Officer)



**Mohammad Ahmed Attiya**  
(Managing Director and Acting Chief Executive Officer)



**Mohammed Ibrahim Al-Mansour**  
(Chairman of Board of Directors)




The accompanying notes from (1) to (39) form an integral part of these consolidated financial statements

**KNOWLEDGE NET COMPUTER COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
(Saudi Riyals)

	2025	2024
<b>Cash flow from operating activities</b>		
Profit / (loss) before zakat from continuing operations	3,483,580	(22,965,671)
Profit from discontinued operations		70,651,838
<b>Adjustments for non-cash items:</b>		
Depreciation of property and equipment	335,092	732,458
Amortization of intangible assets	3,029,959	3,321,244
Depreciation of right-of-use assets	354,873	843,946
Expected credit losses	1,237,600	865,276
Loss on disposal of right-of-use assets and lease liabilities	-	156,977
Gain from disposal of subsidiaries	-	(68,472,662)
Impairment of investment in associate	-	16,300,569
Loss on derecognition of investment in associate	1,970,314	-
Defined employees' benefit plan obligations	427,441	363,594
Finance cost	629,679	258,641
Finance cost on discontinued operations	-	22,340
Unrealized gain on financial assets at FVTPL	(7,176,323)	-
<b>Changes in working capital:</b>		
Prepayments and other assets	(1,365,260)	791,809
Contracts assets	968,483	(3,621,380)
Account receivables	525,581	(5,560,247)
Changes in related parties, net	1,599,248	(4,123,592)
Contracts liabilities	1,654,358	(3,348,529)
Accrued expenses and other liabilities	(494,074)	6,427,462
<b>Cash generated from / (used in) operations</b>	7,180,551	(7,355,927)
Defined employees' benefit plan obligations paid	(2,647,712)	(366,316)
Zakat paid during the year	(1,029,381)	(669,426)
Zakat disposed related to discontinued operations	-	(15,021)
Payment of Interest on bank overdraft	(390,189)	-
<b>Net cash generated from / (used in) operating activities</b>	3,113,269	(8,406,690)
<b>Cash flow from Investing activities</b>		
Additions to property and equipment	(63,003)	(1,169,770)
Additions to intangible assets	(3,759,596)	(3,943,017)
Proceeds from sale of property and equipment	-	2,142,380
Proceeds from sale of intangible assets	-	3,728,946
Additions to financial assets at FVTPL	(1,000,000)	-
Disposal of subsidiaries, net of cash	-	(127,338)
Movement in term deposits	(2,500,000)	4,000,000
<b>Net cash (used in) / generated from investing activities</b>	(7,322,599)	4,631,201
<b>Cash flow from financing activities</b>		
Lease liabilities paid	(383,250)	(936,946)
Transactions with non-controlling interests	-	412,010
<b>Net cash used in financing activities</b>	(383,250)	(524,936)
<b>Net change in cash and cash equivalents</b>	(4,592,580)	(4,300,425)
Cash and cash equivalents at beginning of the year	448,562	4,748,987
<b>Cash and cash equivalents at end of the year</b>	(4,144,018)	448,562

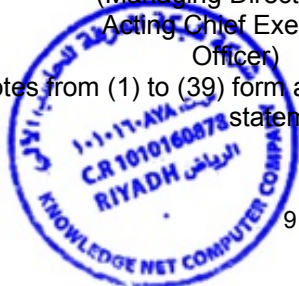
Non-cash flow information (Note 32)

  
**Ahmed Nathy**  
(Acting Chief Financial  
Officer)

  
**Mohammad Ahmed Attiya**  
(Managing Director and  
Acting Chief Executive  
Officer)

  
**Mohammed Ibrahim Al-Mansour**  
(Chairman of Board of Directors)

The accompanying notes from (1) to (39) form an integral part of these consolidated financial statements



**KNOWLEDGE NET COMPUTER COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025  
(Saudi Riyals)**

**1- Organization and activity**

- a. Knowledge Net Computer Company (the "Company" or "Parent Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia ("KSA") under unified registration number 7001406599 and dated 23 Jumada Alula 1421H (corresponding to 23 August 2000).
- b. The Company's Board of Directors approved the management's proposal to transfer the Company's listing from the Parallel Market (Nomu) to the Main Market (TASI) on 19 Jumada Al-Awwal 1447H (corresponding to 10 November 2025).  
The Company has obtained approval the Capital Market Authority (CMA) on 02 Rajab 1447H (corresponding to 22 December 2025) to increase its share capital from SAR 35,000,000 to SAR 52,500,000, representing an increase of 50%.  
The capital increase will be effected through the issuance of one bonus share for every two shares held by shareholders registered in the Company's shareholder register at the Depository Center as at the close of the second trading day following the date of the Extraordinary General Assembly meeting, which will be determined later.
- c. The Company is engaged in wholesale of computers and their accessories including sale of printers and toners, wholesale of software and includes importing, system analysis, designing and programming the specific software, maintenance of software and designing the websites.
- d. The registered Company's address is:  
P.O. 12611, Al Olaya district  
Mecca Road, Riyadh  
Kingdom of Saudi Arabia.
- e. The consolidated financial statements include the financial statements of the Company and its subsidiaries listed below (together "the Group"):

Name of the subsidiary company	Country of incorporation	Direct and indirect ownership (%)	
		2025	2024
Knowledge Net Business Services Company. (1)	KSA United Arab	100%	100%
Softmore FZE LLC (2)	Emirates (UAE)	100%	100%
Propertynet FZE LLC (3)	UAE	50%	50%
Vcentral Holding Ltd (4)	UAE	45%	45%
Amwal Information Technology Company (4) (*)	KSA	45%	45%

**1) Knowledge Net Business Services Company**

Knowledge Net Business Services Company is a Saudi Limited Liability Company that was established with a capital of Saudi riyals (SAR) 100,000 and under Commercial Registration No. 1010680518 dated 14 January 2021. The company is engaged in systems analysis, designing and programming the specific software, biotechnology solutions, providing management and monitoring services for telecommunications and information networks, main offices' activities and senior management consulting services.

**2) Softmore FZE LLC.**

Softmore FZE LLC is a Limited Liability Company that was established with a capital of United Arab Emirates UAE dirhams 101,900 and under license number 5023972 dated 21 May 2021. The company's activity represents trading in computer supplies, data processing, trading in computer systems and programs and communication devices, and wholesale trading of computer systems and programs.

**3) Property Net FZE LLC**

Property Net FZE LLC, registered in United Arab Emirates as a limited liability company that was established with a capital of UAE dirhams 100,000 and under license number 5005444 and dated 22 August 2010. The company's activity represents trading in computer software & equipment requisites. The company has not carried out any activity since its founding until the date of preparing the consolidated financial statements.

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**1- Organization and activity (continued)**

**4) Vcentral Holding Ltd**

Vcentral Holding Ltd (VC), registered in United Arab Emirates a limited liability company that was established with a capital of USD 1,000 and under license number 000003698 and date 05 May 2020. The VC holds 100% of Amwal Information Technology Company, located in Riyadh, Saudi Arabia. The Company's activity represents systems analysis, design and programming of special software, maintenance of software and design of web pages, interface design. Subsequent to the year-end, the Company intends to cease its operations, as approved by the shareholders on 10 February 2026, and proceed with the liquidation of the company. Accordingly, the financial statements have been prepared on a realisation value basis. The carrying value of the company's assets has been presented at the lower of carrying value or their estimated realisable values, and liabilities are presented at the amount for which they are expected to be discharged.

**2- Basis of preparation**

**Statement of compliance**

These consolidated financial statements prepared in accordance with International Financial Reporting Standards that are endorsed in KSA and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

**Basis of measurement**

These Consolidated Financial Statements have been prepared on the historical cost basis except for the following material items in the Consolidated Statement of Financial Position:

- Defined employees' benefit plan obligations are measured at present value of future obligations using the projected unit credit method.
- Valuation of financial assets at fair value through other comprehensive income.
- Valuation of financial assets at fair value through profit or loss.

**Functional and presentation currency**

The consolidated financial statements are presented in Saudi Riyals (SAR), which is the presentation and functional currency of the group, and they are rounded to the nearest SAR unless otherwise indicated.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company at the reporting date.

Control is achieved when the Group:

- Has power over the investee.
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.

- Potential voting rights are held by the Group, other vote holders or other parties.
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous stakeholders' meetings.

The process of consolidation financial statements of a subsidiary begins when the group gains control over the subsidiary and stops when the group loses control of the subsidiary. In particular, the revenues and expenses of a subsidiary acquired, disposed of or sold during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group obtains control until the date that the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is recorded in the consolidated statement of changes in equity.

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**2- Basis of preparation (continued)**

**Basis of consolidation (continued)**

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control over its subsidiary, it derecognizes the related assets, liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognized in the consolidated statement of profit or loss and other comprehensive income

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group accounting policies. All intergroup assets and liabilities, equity, revenues, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

**3- Significant accounting judgement, 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 and assets and liabilities at the reporting date. However, these estimates and assumptions are based upon management's experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The following is information about the assumptions and estimates that have a material impact on the amounts reported in these consolidated financial statements:

Lease interest rate and lease term

The Group cannot easily determine the interest rate implicit in the lease and, therefore, it uses an incremental borrowing rate to measure its lease obligations. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow the necessary financing over a similar term and with the same collateral to obtain an asset of the same value as a "right-of-use" asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group "has to pay" which requires estimation when observable rates are not available or need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available, which requires making some of its own estimates.

Extension and termination options are included in a number of leases. These terms are used to increase operational flexibility in terms of contract management. Most of the extension and termination options held are exercisable by both the Company and the lessor.

In determining the term of a lease, management takes into account all facts and circumstances that create an economic incentive to exercise the extension option or not to exercise the termination option. Extension options (or periods following termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The appraisal is reviewed if a significant event or significant change in circumstances occurs that affects this appraisal and is within the tenant's control.

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**3- Significant accounting judgement, estimates and assumptions (continued)**

Fair value measurement

The Group measures financial instruments at fair value at each consolidated statement of financial position date.

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 the 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 from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Impairment of non-financial assets

The Group's management periodically reviews the book value of non-financial assets to determine whether there is any indication that such assets may be subject to any impairment loss. If there is any indicator, the recoverable amount of assets is estimated to determine the extent of impairment loss. When it is not possible to estimate the recoverable amount of assets individually, the Group estimates the recoverable amount of the cash generating unit to which the assets belong. If the amount of recoverable assets is estimated to be below its book value, the book value of the asset decreases to its recoverable value, and the impairment loss is recognized in the consolidated statement of profit or loss and other comprehensive income.

Provision for expected credit losses of account receivables and contract assets

The Group uses a provision matrix to calculate ECLs for account receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. 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, 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.

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 the customer's actual default in the future.

Defined employees' benefit plan obligations

Post-employment defined benefits and the current value of those benefits are determined through actuarial valuations. The actuarial valuation includes further assumptions regarding variables that are required such as discount rates, rate of salary increase, mortality rates, withdrawal rate, age of retirement. Due to the complexity of the valuation, the underlying assumptions, and its long-term nature, a defined benefit liability is highly sensitive to changes in these assumptions. All actuarial assumptions are reviewed at the date of every statement of financial position.

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**3- Significant accounting judgement, estimates and assumptions (continued)**

**Judgements in applying accounting standards**

The following are the most significant judgements impacting the consolidated financial statements:

Determination of control and significant influence

**Subsidiaries:**

Subsidiaries are all investees over which the Group has control. The Group's management considers that the Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns through its power to direct the relevant activities of the investees.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has equal or less than a majority of the voting or similar rights of an investee, the Group considers all other relevant facts and circumstances in assessing whether it has power over an investee, including any contractual and other such arrangements which may affect the activities which impact investees' return.

**4- New standards, amendments to standards and interpretations**

New standards and a set of amendments to existing standards became effective on 1 January 2025. However, they do not have a material impact on the consolidated financial information.

Currently effective requirements: This table lists the recent changes to the standards that are required to be applied for an annual period beginning after 1 January 2025.

<b>Standards</b>	<b>Title</b>	<b>Effective date</b>
IAS 21	Lack of Exchangeability	1 January 2025

The standards, interpretations and amendments issued, but not yet effective up to the date of issuance of the consolidated financial information are disclosed below. The Group intends to adopt these standards, where applicable, when they become effective.

<b>Standards</b>	<b>Title</b>	<b>Effective date</b>
IFRS 9 & IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards Amendments to	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18	IFRS 1 First-time Adoption of International Financial Reporting Standards. IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7. IFRS 9 Financial Instruments. IFRS 10 Consolidated Financial Statements; and IAS 7 statement of cashflows	1 January 2027
IFRS 19	Presentation and Disclosures in Financial Statements	1 January 2027
	IFRS 19 introduces a reduced disclosure framework that allows eligible subsidiaries without public accountability to apply the recognition and measurement requirements of IFRS Accounting Standards while applying simplified disclosure requirements. The Company is currently assessing whether it qualifies to apply IFRS 19 and evaluating the potential impact of adopting this standard on its financial statement disclosures.	1 January 2027

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**5- Material accounting policy information**

The following is material accounting policy information applied by Group in preparing these consolidated financial statements:

**Current / non-current assets and liabilities classification**

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the date of the consolidated statement of financial position; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months from the date of the consolidated statement of financial position.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within 12 months after the date of the consolidated statement of financial position.; or
- That there is no unconditional right to defer the settlement of the liability for at least twelve months after the date of the consolidated statement of financial position.

All other liabilities are classified as non-current liabilities

**Property and equipment**

Property and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Expenditure on repairs and maintenance are expensed to the consolidated statement of profit or loss and other comprehensive income in the period they are incurred. Improvements that increase the value or materially extend the life of the related assets are capitalized.

Depreciation is calculated from the date the item of depreciable property and equipment is available for its intended use. It is calculated on a straight-line basis over the useful life of the asset as follows:

<b>Item</b>	<b>Number of years</b>
Furniture and fixtures	5 years
Computers	2 years
Leasehold improvements	5 years or lease term, whichever lower

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the consolidated statement of profit or loss and other comprehensive income.

Residual values, useful lives and methods of depreciation of property and equipment are reviewed on an annual basis, and adjusted prospectively, if appropriate, at each consolidated statement of financial position date.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income in the period when the asset is derecognized. The carrying amounts of property and equipment is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

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**5- Material accounting policy information (continued)**

**Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses if any. Research expenses are recognized as an expense at the period when incurred upon fulfilling some terms, development expenses when they meet the criteria as per the international accounting standard are capitalized. When recognition of any intangible assets internally generated is failed, development expenses are recognized in the consolidated statement of profit or loss and other comprehensive income at the period when incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of profit or loss and other comprehensive income under cost of revenues.

Amortization is calculated from the date when the intangible assets are available for their intended use. It is calculated on a straight-line basis over the useful life of the asset as follows:

<b>Item</b>	<b>Number of years</b>
Intangible assets	10

An intangible asset 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 upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income

**Right of use assets and lease liabilities**

The determination of whether an agreement constitutes or contains a lease depends on the substance of the agreement at its inception date. The agreement represents or includes a lease if its fulfillment depends on the use of a specific asset or assets, or that the agreement grants the right to use a specific asset or assets even if this right is not expressly stated in the contract.

**Group as a lessee**

The lease is recognized as a right-of-use asset with its corresponding obligations on the date that the leased asset is ready for use by the Group. Each lease payment is allocated between the obligation and the finance cost. The finance cost is recognized in the consolidated statement of profit or loss and other comprehensive income over the lease term. Right-of-use assets are depreciated over the lease term on a straight-line basis.

Right-of-use assets are initially measured at cost and consist of the following:

- The initial measurement amount of the lease liabilities,
- Any lease payments made on or before the lease commencement date minus any lease incentives received,
- Any initial direct costs, and Recovery costs when applicable.

**Lease liabilities**

On the inception date of the lease, the Group records the lease liabilities measured at the present value of the lease payments made over the term of the lease. Lease payments include fixed payments (including substantially fixed payments) less any lease incentives receivable and variable rent payments based on an index or rate, and amounts expected to be paid under residual value guarantees.

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**5- Material accounting policy information (continued)**

**Right of use assets and lease liabilities (continued)**

The lease payments include the price to exercise the purchase option when there is reasonable certainty that the Group will exercise it and payments for penalties for cancelling the lease if the terms of the lease provide for the Group to exercise the option to cancel. For variable lease payments that are not dependent on an index or rate, they are recorded as an expense in the period in which the payment is made.

Lease payments are discounted using the interest rate included in the lease or the Group's incremental borrowing rate.

Short-term and low value lease contracts

Short-term leases are contracts with a lease term of 12 months or less. Low value leases are those that do not meet the Group's capitalization limits and are not material to the Group's consolidated statement of financial position as a whole. Payments for short-term lease contracts and lease contracts with low value assets are recognized on a straight-line basis in the consolidated statement of profit or loss and other comprehensive income.

**Investment in associates**

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for using the equity method (equity accounted investees) and are recognised initially at cost. Group's share of the profits or losses of the investees are presented in the profit or loss; and the Group's share of other comprehensive income of the investees are presented in other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Dividends received or receivable from the associates are recognised as a reduction in the carrying amount of the investments when the right to receive a dividend is established.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The Group applies IAS 36 "Impairment of Assets" to determine whether an investment in an associate is impaired and accounts for any identified impairment loss. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

**Financial instruments**

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that relate directly to the purchase or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through the statement of profit or loss) are added to the fair value of financial assets and financial liabilities or deducted from them, as appropriate, upon initial recognition. Transaction costs that are directly related to the purchase of financial assets and liabilities and are measured at fair value through the statement of profit or loss are recognized directly in the consolidated statement of profit or loss and other comprehensive income.

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**5- Material accounting policy information (continued)**

**Financial instruments (continued)**

**Financial assets**

Financial assets are classified into the following specified categories: Financial assets 'at fair value through profit or loss' (FVTPL), Financial assets measured at fair value through other comprehensive income, and financial assets measured at amortized cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. A regular way purchase or sale of financial assets is recognized using trade date. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

a) Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through the statement of profit or loss if they have been acquired or held for the purpose or selected to be classified in this category.

Financial assets are classified as held for trading if:

- If they were acquired mainly to be sold in the near future.
- If they represent a known portfolio of financial instruments managed by the Group and include the actual pattern of a financial instrument that generates profits in the short term.
- If they represent a derivative but not classified or effective as a hedging instrument.

Financial assets measured at fair value through the statement of profit or loss are stated at their fair value, and any gain or loss resulting from the revaluation is recognized in the consolidated statement profit or loss and other comprehensive income. Financial assets measured at Fair value through other comprehensive income (FVOCI)

Quoted shares owned by the Group which are traded in an active financial market classified as financial assets at FVOCI. Gains and losses arising from changes in fair value are included in the consolidated statement of other comprehensive income and are added to the consolidated statement of accumulated changes in fair value of investments within equity other than impairment losses which are included in the consolidated statement of profit and loss. If investment is disposed of or suffered an impairment, profits and losses resulted from previous evaluation which were recognized in investment revaluation reserve are included in the consolidated statement of other comprehensive income.

a) Financial assets measured at amortized cost

Accounts receivable, cash and cash equivalents are measured at amortized cost using the effective interest method less any impairment loss and charged to the consolidated statement profit or loss.

Interest income is determined using the effective interest rate, except for short-term receivables when the discount effect is insignificant.

Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI") are measured at amortised cost. A gain or loss on a debt investment subsequently measured at amortised cost and not part of a hedging relationship is recognized in the consolidated statement of profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Derecognition**

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset.

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**5- Material accounting policy information (continued)**

**Financial instruments (continued)**

**Impairment in the value of financial assets**

The Group recognizes an allowance for expected credit losses for all debt instruments not carried at fair value through the statement of comprehensive income. The provision for expected credit losses is recognized in two stages. For a credit exposure that has not experienced a significant increase in credit risk since initial recognition, ECL is recognized for the credit risk arising from a potential default within 12 months (12-month expected credit losses). For a credit exposure that has experienced a significant increase in credit risk since the initial recognition, an allowance for expected credit losses must be recognized over the remaining life of the exposure, regardless of the timing of default (lifetime expected credit losses).

For accounts receivable, the Group applies a simplified approach to the calculation of expected credit losses. Therefore, the Group has used a provision matrix that is based on its historical experience of credit losses, which has been adjusted for future factors specific to the debtors and the economic environment.

**Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified on initial recognition, as financial liabilities at fair value through consolidated statement profit or loss, or loans and payables, or as financial derivatives that are used as hedging instruments for covering risks.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification.

Derecognition of financial liabilities

Financial obligations are derecognised when the obligation is paid, cancelled or the obligation under the contract expires.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated financial statements when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Effective interest rate method**

The effective interest rate method is an accounting practice used for calculating the amortized cost of a debt instrument and for distributing interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (Including all fees and points paid or received, which form an integral part of the effective interest rate, transaction costs, installments or other discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Contract balances**

**Contract assets**

A contract asset is the Group's right to consideration in exchange for services transferred by the Group to the customer. If the Group transfers services to a customer before the customer pays any consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. Contract assets are subject to impairment assessment.

**Contract liabilities**

A contract liabilities are recognized if an advance payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e. transfers control of the related services to the customer).

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**5- Material accounting policy information (continued)**

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and deposits held with banks, all of which are available for use by the Group unless otherwise stated and have maturities of three months or less, which are subject to insignificant risk of changes in values.

**Defined employees' benefit plan obligations**

Defined employees' benefit plan obligations is determined using the projected unit credit method, actuarial valuations being carried out at the end of annual reporting period. Remeasurements, comprising actuarial gain and loss, are recorded in the consolidated statement of financial position with charge of expenses and credit amounts in the consolidated statement of other comprehensive income in the period in which they occur. Remeasurements recognized in the consolidated statement of other comprehensive income are recorded immediately in retained earnings and will not be reclassified to consolidated statement of profit or loss.

**Retirement benefits**

The Group pays retirement contributions for its Saudi Arabian employees to the General Organization for Social Insurance. This represents a defined contribution plan. The payments made are expensed as incurred.

**Short-term employees' benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

**Accrued expenses and other liabilities**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the suppliers or not.

**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. Where 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 consolidated statement of comprehensive income net of any reimbursement.

**Zakat and income tax provision**

The Company and its Saudi Arabian subsidiaries are subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Any differences between the provision and the final assessment are recorded at the approval of the final assessment, when the provision is closed. The foreign subsidiaries are subject to tax regulations in their countries of incorporation.

**Contingent liabilities**

Contingent liabilities are disclosed when the Group has a potential liability as a result of past events, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are not entirely under the control of the Group; or the Group has a present legal or implied obligation arising from past events, but there is no likely outflow of resources that includes economic benefits to settle the obligation, or the amount of adhere to sufficient reliability.

**Discontinued operations**

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and which represents a separate major line of business or geographical area of operations or is a part of single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with a view to resell. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss. When an operation is classified as a discontinued operation, the comparative statement of consolidated profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from start of the comparative year.

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**5- Material accounting policy information (continued)**

**Revenue recognition**

**Contract revenues with customers.**

The Group recognizes revenue from contracts with customers based on five steps as set out in IFRS 15:

**Step 1:** Identify contract(s) with a customer:

A contract is an agreement between two or more parties that creates enforceable rights and obligations and specifies the criteria that must be fulfilled.

**Step 2:** Identify performance obligations in the contract:

A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.

**Step 3:** Determine the transaction's price: The transaction price is the amount of consideration that the Group expects to be entitled to in exchange for transferring the promised goods or services to a customer, except for the amounts collected on behalf of third parties.

**Step 4:** Allocate the transaction's price to the performance obligations in the contract:

For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration which the Group expects to be entitled to in exchange for satisfying each performance obligation.

**Step 5:** Recognize revenue when the Group satisfies a performance obligation:

The Group satisfies a performance obligation and recognizes revenue over a period of time, if one of the following criteria is met:

- The Group's performance of the obligation does not create an asset with an alternate use to the Group, and the Group has an enforceable right to payment for performance completed to date.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where none of the above conditions are met, revenue is recognized at the time the performance obligation is satisfied.

**Revenues from maintenance, technical support services and implementation of program licenses**

The Group provides maintenance, technical support services, and implementation of software licenses to its customers. Maintenance and technical support services primarily include ongoing support and bug fixes throughout the contract term. Revenue from maintenance and technical support services is recognized over time on a straight-line basis over the contract period, as the Group provides a continuous stand-ready service and the customer simultaneously receives and consumes the benefits.

Revenue from implementation services is recognized over time, as the Group has an enforceable right to payment for performance completed to date and the services do not create an asset with alternative use. Progress is measured using an input method, which reflects the transfer of services to the customer. Customers are billed in accordance with the terms of the respective contracts.

**Sales from programs licenses**

Revenue from sale of programs license is recognized at a point in time when the customer obtains control of the program's licenses, and it's probable that the consideration will be recovered, the related costs and the probability of programs licenses return can be measured reliably, and there is no continuing interference by the Group in respect of license, and the revenue amount can be reliably measured. Revenue is measured net of returns, discounts and rebates. The customers are billed in accordance with the agreed contractual terms.

**Revenue from consulting services**

The Group provides consulting services to develop effective external outsourcing models tailored to customer needs. Revenue is recognized over time as the services are rendered, as the customer simultaneously receives and consumes the benefits. Progress is measured using an input method based on effort incurred, which appropriately reflects the transfer of services. Customers are billed in accordance with the agreed contractual terms.

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**6- Property and equipment**

	<b>Furniture and fixtures</b>	<b>Computers</b>	<b>Leasehold improvements</b>	<b>Total</b>
<b><u>Cost</u></b>				
As at 1 January 2024	845,883	878,902	3,525,144	5,249,929
Additions during the year	-	25,687	-	25,687
Additions to discontinued operations	-	7,100	1,136,983	1,144,083
Disposals during the year	(28,462)	-	(1,514,588)	(1,543,050)
Disposals from discontinued operations	-	(23,700)	(1,136,983)	(1,160,683)
<b>As at 31 December 2024</b>	<b>817,421</b>	<b>887,989</b>	<b>2,010,556</b>	<b>3,715,966</b>
Additions during the year	<b>4,813</b>	-	<b>58,190</b>	<b>63,003</b>
<b>As at 31 December 2025</b>	<b>822,234</b>	<b>887,989</b>	<b>2,068,746</b>	<b>3,778,969</b>
<b><u>Accumulated depreciation</u></b>				
As at 1 January 2024	(596,236)	(756,722)	(1,732,728)	(3,085,686)
Charge for the year (Note – 26)	(115,012)	(75,558)	(383,552)	(574,122)
Charge on discontinued operations	-	(6,877)	(151,459)	(158,336)
Disposals during the year	22,770	-	377,605	400,375
Disposal from discontinued operations	-	9,519	151,459	160,978
<b>As at 31 December 2024</b>	<b>(688,478)</b>	<b>(829,638)</b>	<b>(1,738,675)</b>	<b>(3,256,791)</b>
Charge for the year (Note – 26)	<b>(82,835)</b>	<b>(24,553)</b>	<b>(227,704)</b>	<b>(335,092)</b>
<b>As at 31 December 2025</b>	<b>(771,313)</b>	<b>(854,191)</b>	<b>(1,966,379)</b>	<b>(3,591,883)</b>
<b><u>Net book value</u></b>				
<b>As at 31 December 2025</b>	<b>50,921</b>	<b>33,798</b>	<b>102,367</b>	<b>187,086</b>
As at 31 December 2024	128,943	58,351	271,881	459,175

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**7- Intangible assets**

The Group develops four main bundles of programs which represent pivotal programs for business as the Group sells its licenses directly as follows:

- Programs bundle "Tradenet" which includes many components in the automation of financial services sector.
- Programs bundle "Datability" which is specialized in cleaning and transferring data automatically to the most sectors, but extensively in the banking sector.
- Programs bundle "Sofmore" which is a unique platform to create the programs and used to create the Group's programs as well as other companies' programs.
- Programs bundle "Blinq" which is a unique platform used by financial entities to verify the credit worthiness of the customers.

	<u>2025</u>	<u>2024</u>
<b>Cost</b>		
Balance at the beginning of the year	<b>31,819,284</b>	34,702,835
Additions during the year	<b>3,759,596</b>	3,693,529
Additions to discontinued operations	-	249,488
Disposal from discontinued operations	-	(6,826,568)
<b>Balance at the end of the year</b>	<b>35,578,880</b>	31,819,284
<b>Accumulated amortization</b>		
Balance at the beginning of the year	<b>(12,663,438)</b>	(12,439,816)
Charge for the year (Note – 25)	<b>(3,029,959)</b>	(2,772,046)
Charge on discontinued operations	-	(549,198)
Disposal from discontinued operations	-	3,097,622
<b>Balance at the end of the year</b>	<b>(15,693,397)</b>	(12,663,438)
<b>Net book value</b>	<b>19,885,483</b>	19,155,846

**8- Right-of-use assets and lease liabilities**

**Right-of-use assets**

	<u>2025</u>	<u>2024</u>
<b>Cost</b>		
Balance at the beginning of the year	<b>1,035,894</b>	2,438,211
Additions during the year	-	1,035,894
Additions to discontinued operations	-	1,107,048
Disposal during the year	-	(2,438,211)
Disposal from discontinued operations	-	(1,107,048)
<b>Balance at the end of the year</b>	<b>1,035,894</b>	1,035,894
<b>Accumulated depreciation</b>		
Balance at the beginning of the year	<b>(339,888)</b>	(1,219,868)
Charge for the year (Note – 26)	<b>(354,873)</b>	(474,930)
Charge on discontinued operations	-	(369,016)
Disposals during the year	-	1,354,910
Disposals from discontinued operations	-	369,016
<b>Balance at the end of the year</b>	<b>(694,761)</b>	(339,888)
<b>Net book value</b>	<b>341,133</b>	696,006

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**8- Right-of-use assets and lease liabilities (continued)**

**Lease liabilities**

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	705,449	1,094,833
Additions during the year	-	1,035,894
Additions to discontinued operations	-	1,107,048
Finance costs (Note – 28)	56,471	46,636
Finance costs on discontinued operations	-	22,340
Paid during the year	(383,250)	(365,000)
Paid related to discontinued operations	-	(571,946)
Disposals during the year	-	(1,106,914)
Disposals from discontinued operations	-	(557,442)
<b>Balance at the end of the year</b>	<b><u>378,670</u></b>	<b><u>705,449</u></b>

The lease liabilities as per IFRS-16 are presented as follows:

	<u>2025</u>	<u>2024</u>
<b>Current portion</b>	<b>378,670</b>	365,000
<b>Non-current portion</b>	-	340,449
<b>Total</b>	<b><u>378,670</u></b>	<b><u>705,449</u></b>

**9- Investment in associate**

	<u>2025</u>	<u>2024</u>
Saudi Technology Fund (*)	-	32,988,351
	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	32,988,351	-
Additions during the year	-	49,288,920
Loss on derecognition / Impairment during the year	(1,970,314)	(16,300,569)
Transfer to financial assets at FVTPL	(31,018,037)	-
<b>Balance at the end of the year</b>	<b><u>-</u></b>	<b><u>32,988,351</u></b>

\* The Group disposed four of its subsidiaries in exchange for units in Saudi Technology Fund ("STF") amounting to SAR 68.6 million. STF was established as of 01 October 2024 and acquired the subsidiaries from the Group and obtained the control as of 17 December 2024 in line with the requirements of IFRS-10 (Refer to Note 33). The Group had holding of 77% as at 31 December 2024 (2025: Nil).

The units received in 2024 pertaining to STF represent an investment in an equity accounted associate as defined under IAS 28 amounting to SAR 49.3 million as per the assessment done by the management as at the acquisition date of the associate. As of 31 December 2024, management performed an impairment assessment of the equity accounted associate (i.e. the fair valuation of the disposed subsidiaries) resulting in an impairment loss amounting to SAR 16.3 million. During the year dated 9 April 2025, the Group lost significant influence over STF resulting in loss amounting to SAR 1.9 million (Refer to Note 10).

**Principal activity of STF**

STF is a private equity fund aimed at achieving medium to long-term capital growth through the acquisition of assets in the form of controlling interests or minority shares in companies, institutions, or subsidiaries operating in the technology, financial services, and fintech sectors. The goal is to expand, enhance efficiency, and increase revenues. Liquidity is injected through the fund's current account (partner's or shareholder's current account) as part of capital increases in the fund's owned companies and investments to support operational activities and achieve the fund's objectives.

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**9-Investment in associate (continued)**  
**Summarised financial information**

	<u>2025</u>	<u>2024</u>
<b>Summarised statement of financial position</b>		-
Total assets	-	68,600,000
Total liabilities	-	-
Net assets attributable to the unitholders	-	68,600,000

**10- Financial assets at fair value through profit or loss (FVTPL)**

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	-	-
Transfer from Investment in associate	<b>31,018,037</b>	-
Additions during the year	<b>1,000,000</b>	-
Unrealized gain during the year	<b>7,176,323</b>	-
<b>Balance at the end of the year</b>	<b>39,194,360</b>	-

As at 9 April 2025, the Group lost significant influence over the STF (Investment in equity accounted associate) following the resignation of two members of the Board of Directors representing the Group. Accordingly, the investment in equity accounted associate (Note 9) was derecognized from 'Investment in Equity Accounted Associate' and recognized as 'Financial Assets at Fair Value Through Profit or Loss (FVTPL)' in accordance with IFRS.

**11- Prepayments and other assets**

	<u>2025</u>	<u>2024</u>
Receivable from STF and its subsidiaries (A)	<b>2,169,936</b>	-
Cash margin against letters of guarantee	<b>871,560</b>	932,164
Prepaid expenses	<b>223,445</b>	464,494
Value added tax (VAT)	<b>32,487</b>	95,165
Advances to employees	-	422,506
Other assets	<b>99,921</b>	117,760
	<b>3,397,349</b>	2,032,089

(A) During the year, the Group ceased to have significant influence over STF, which was previously accounted for as an associate. Accordingly, STF and its related entities are no longer considered related parties of the Group.

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**12- Related party transactions and balances**

Related parties comprise of shareholders, key management personnel, directors and entities which are controlled directly or indirectly or influenced by these parties. Transactions are entered into with the related parties on terms and conditions approved by either the Group's management or "BOD" in the normal course of business.

**a- Due from related parties**

	<u>2025</u>	<u>2024</u>
The International Company for Project Management and Technology	<b>6,576,819</b>	5,490,035
Knowledge Net Real Estate Company	-	2,790,187
Takharoj for Information Technology Company	-	43,700
Tadud Financial Technology Company	-	620,894
IT Solutions for Financial Technology Company	-	1,462,752
	<u><b>6,576,819</b></u>	<u>10,407,568</u>

The management has assessed the impact of ECL on the balance due from related party and it's not material.

**b- Due to related parties**

	<u>2025</u>	<u>2024</u>
Mr. Muhammad Ibrahim Abdulaziz Al-Mansour	<b>688,000</b>	-
Mr. Muhammad Ahmed Alsaeed Attiya	<b>601,375</b>	-
Mr. Abdulrahman Yahya Abdullah Al-Yahya	-	1,541,404
Watar Business for Trading Co.	-	1,047,178
Mr. Hani Al Mansour	-	678,755
Mr. Khalid Abdulrahman Mohammed Al-Mousa	-	253,539
	<u><b>1,289,375</b></u>	<u>3,520,876</u>

**c-** The remuneration and benefits of key management personnel are presented as follows:

	<u>2025</u>	<u>2024</u>
Salaries and other benefits	<b>2,615,487</b>	3,223,208
Defined employees' benefit plan obligations	<b>156,255</b>	136,038
	<u><b>2,771,742</b></u>	<u>3,359,246</u>

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**12- Related party transactions and balances**

c- The following are the significant transactions with related parties (continued):

Related party name	Nature of relationship	Nature of transaction	Transaction	
			2025	2024
		Advances given	-	414,754
The International Company for Project Management and Technology	Ownership by board member	Programs development and support services received	<b>1,086,784</b>	7,129,041
Mr. Muhammad Ibrahim Abdulaziz Al-Mansour	Chairman BOD	Financing received	<b>(688,000)</b>	-
Mr. Muhammad Ahmed Alsaeed Attiya	BOD Member	Financing received	<b>(601,375)</b>	-
Knowledge Net Real Estate Company	Other related party	Payments and expenses on behalf of the Company	-	2,790,187
Takharoj for Information Technology Company	Other related party	Payments and expenses on behalf of the Company	-	43,700
Tadud Financial Technology Company	Other related party	Payments and expenses on behalf of the Company	-	620,894
IT Solutions for Financial Technology Company	Other related party	Payments and expenses on behalf of the Company	-	1,462,752
KN Technologies L.L.C	Common shareholding	Payments	-	1,234,843
Watar business for Trading Co	Shareholder	Expenses on behalf of the Company	-	(1,392,750)
		Settlement with the Company	<b>1,047,178</b>	-
		Settlement with the Related party / Financing from with the related party	<b>1,541,404</b>	(830,602)
Mr. Abdulrahman Yahya Abdullah Al-Yahya	BOD Member	Settlement from Discontinued operations with the related party	-	360,000
		Settlement with the Related party with the related party	<b>253,539</b>	-
Mr. Khalid Abdulrahman Mohammed Al-Mousa	BOD Member	Settlement from Discontinued operations with the related party	-	360,000
Mr. Raad Abdulaziz Muhammad Al-Abdulqader	BOD Member	Settlement from Discontinued operations with the related party	-	180,000
Mr. Hani Al Mansour	Family member of board member	Settlement with the Related party / Financing from with the related party	<b>678,755</b>	(678,755)

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**13- Contract assets and liabilities**

**Contract assets**

Contract assets primarily related to the Group's right to consideration for services delivered but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

	<b>2025</b>	2024
Contract assets	<b>8,661,857</b>	9,630,340
Less: expected credit losses	<b>(1,479,385)</b>	(830,319)
	<b>7,182,472</b>	8,800,021

Movement in contract assets is as follows:

	<b>2025</b>	2024
Balance at the beginning of the year	<b>9,630,340</b>	6,008,960
Revenue recognized during the year	<b>5,617,143</b>	10,467,208
Invoices issued during the year	<b>(6,585,626)</b>	(6,845,828)
<b>Balance at the end of the year</b>	<b>8,661,857</b>	9,630,340

The movement in expected credit losses (ECL) is as follows:

	<b>2025</b>	2024
Balance at the beginning of the year	<b>(830,319)</b>	(706,728)
Charge for the year (Note – 26)	<b>(649,066)</b>	(123,591)
<b>Balance at the end of the year</b>	<b>(1,479,385)</b>	(830,319)

The lifetime ECL as per ageing of contract assets is as follows:

	Total	< 90 days	90 – 180 days	180-360 days	> 360 days
<b>31 December 2025</b>	<b>8,661,857</b>	-	<b>318,948</b>	<b>4,095,991</b>	<b>4,246,918</b>
<b>Expected loss rate</b>		-	<b>5.56%</b>	<b>6.76%</b>	<b>27.90%</b>
<b>ECL</b>	<b>1,479,385</b>	-	<b>17,729</b>	<b>276,742</b>	<b>1,184,914</b>
<b>31 December 2024</b>	<b>9,630,340</b>	<b>4,815,568</b>	<b>2,163,475</b>	<b>358,265</b>	<b>2,293,032</b>
<b>Expected loss rate</b>		<b>3.85%</b>	<b>3.32%</b>	<b>9.56%</b>	<b>23.50%</b>
<b>ECL</b>	<b>830,319</b>	<b>185,442</b>	<b>71,832</b>	<b>34,243</b>	<b>538,802</b>

**Contract liabilities**

The contract liabilities primarily relate to the advance consideration received from customers and unearned revenues, for which revenue is recognized on satisfaction of performance obligations.

	<b>2025</b>	2024
Balance at the beginning of the year	<b>3,184,940</b>	6,533,469
Advances received during the year	<b>19,399,118</b>	32,077,198
Revenue recognized during the year	<b>(17,744,760)</b>	(34,920,730)
Discontinued operations	-	(504,997)
<b>Balance at the end of the year</b>	<b>4,839,298</b>	3,184,940

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**14- Account receivables**

	<u>2025</u>	<u>2024</u>
Account receivables	12,237,697	12,763,278
Less: expected credit losses	(1,664,345)	(1,075,811)
	<u>10,573,352</u>	<u>11,687,467</u>

The movement in expected credit losses is as follows:

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	(1,075,811)	(334,126)
Charge for the year (Note – 26)	(588,534)	(741,685)
<b>Balance at the end of the year</b>	<u>(1,664,345)</u>	<u>(1,075,811)</u>

The lifetime ECL as per ageing of account receivables is as follows:

	<u>Total</u>	<u>&lt; 90 days</u>	<u>90 – 180 days</u>	<u>180-360 days</u>	<u>&gt; 360 days</u>
<b>31 December 2025</b>	<b>12,237,697</b>	<b>6,633,330</b>	<b>60,522</b>	<b>2,417,730</b>	<b>3,126,115</b>
<b>Expected loss rate</b>		<b>1.62%</b>	<b>5.68%</b>	<b>12.49%</b>	<b>40.04%</b>
<b>ECL</b>	<b>1,664,345</b>	<b>107,469</b>	<b>3,439</b>	<b>301,877</b>	<b>1,251,560</b>
31 December 2024	12,763,278	7,638,674	2,411,770	550,901	2,161,933
Expected loss rate		0.31%	11.78%	1.18%	35.21%
ECL	1,075,811	23,940	284,078	6,493	761,300

**15- Term deposits**

Term deposits represent murabaha deposits with maturity of more than three months from date of deposit and expected to be realized within one year from the reporting date. The variable profit rates on the term deposits as at 31 December 2025 and 31 December 2024 are based on prevailing commercial market rates. The term deposit amounted to SAR 2,500,000 as at 31 December 2025 (2024: Nil). Finance income generated from these deposits for the year ended 31 December 2025 amounted to SAR 61,188 (2024: SAR 418,133) Refer Note - 29.

**16- Cash and cash equivalents**

	<u>2025</u>	<u>2024</u>
Cash at banks (*)	76,143	448,562
Cash in hand	5,433	-
	<u>81,576</u>	<u>448,562</u>
Bank overdraft **	(4,225,594)	-
	<u>(4,144,018)</u>	<u>448,562</u>

(\*) These balances are maintained in current accounts with reputable banks having strong credit rating.

(\*\*) Bank overdraft is obtained from Islamic bank, bear profit rates based on prevailing market rates, and are generally repayable on demand.

**17- Share capital**

The issued and authorised share capital of the Company as at 31 December 2025 consists of 3,500,000 ordinary shares (2024: 3,500,000 ordinary shares), at SAR 10 per share as at 31 December 2025 (2024: SAR 10 each).

**18- Reserve**

In accordance with the requirements of the Company's Bylaws, the General Assembly, when determining the share of profits to be distributed to the shareholders, may decide to form reserves to the extent that serves the Company's interests or ensures the distribution of fixed dividends to the shareholders. The General Assembly did not determine a specific percentage to be allocated from the net profit of the year for the formation of any reserves.

**19- Treasury shares**

The Group holds these ordinary shares in order to support the long-term future incentive plans for the employees..

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**20- Non-controlling interests**

The following is a summary of the financial information for the companies which are not wholly owned by the Group, and which have non-controlling interests:

	<b>2025</b>	<b>2024</b>
<b>Non-controlling interests</b>		
<b>Statement of financial position</b>		
Current assets	<b>46,452</b>	821,753
Non-current assets	-	57,278
Current liabilities	<b>(4,856,143)</b>	(5,528,862)
Non-current liabilities	-	-
Net assets	<b>(4,809,691)</b>	(4,649,831)
<b>Non-controlling interests</b>	<b>(2,644,037)</b>	(2,557,294)
<b>Statement of profit or loss and other comprehensive income</b>		
Net loss for the year	<b>(159,859)</b>	(260,583)
Other comprehensive (loss)	-	(1,058,281)
Total comprehensive loss	<b>(159,859)</b>	(1,318,864)
<b>Net loss related to NCI from continued operations</b>	<b>(86,743)</b>	(143,126)
<b>Total comprehensive loss related to NCI from continued operations</b>	-	(725,181)
<b>Non-controlling interest from total operations</b>		
Revenue	-	2,859,452
Net (loss) / profit for the year / period	<b>(159,859)</b>	70,391,225
Other comprehensive (loss)	-	(1,128,281)
Total comprehensive (loss) / income	<b>(159,859)</b>	69,262,944
<b>Net (loss) / profit related to NCI</b>	<b>(86,743)</b>	20,758,256
<b>Total comprehensive (loss) / income related to NCI</b>	<b>(86,743)</b>	20,167,381

**21- Defined employees' benefit plan obligations**

The Group's policy state that the eligibility of the defined employees' benefit plan obligations for all employees who complete the qualifying service period under the Labor Law in the Kingdom of Saudi Arabia.

The annual provision is based on actuarial valuation. The most recent actuarial valuation was performed by an independent actuary, using the projected unit credit method.

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

	<b>2025</b>	<b>2024</b>
Balance at the beginning of the year	<b>5,599,035</b>	5,173,166
<b>Recognized in the consolidated statement of profit of loss</b>		
Current service cost	<b>427,441</b>	807,011
Current service cost on discontinued operations	-	51,012
Finance cost (Note – 28)	<b>183,019</b>	212,005
	<b>610,460</b>	1,070,028
<b>Recognized in the consolidated statement of other comprehensive income</b>		
Actuarial re-measurement charged to OCI	<b>(207,931)</b>	216,586
Benefits paid during the year	<b>(2,647,712)</b>	(351,759)
Benefits paid during the year from discontinued operations	-	(14,557)
Disposal from discontinued operations	-	(494,429)
<b>Balance at the end of the year</b>	<b>3,353,852</b>	5,599,035
The allocation of the current service cost is as follows:		
	<b>2025</b>	<b>2024</b>
Cost of revenue (Note – 25)	<b>190,521</b>	501,296
General and administration expenses (Note – 26)	<b>122,492</b>	135,515
Selling and marketing expenses (Note – 27)	<b>114,428</b>	170,200
	<b>427,441</b>	807,011

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**21- Defined employees' benefit plan obligations (continued)**

**Significant actuarial assumptions**

The significant actuarial assumptions used in the defined employees' benefit plan obligations computation:

	<u>2025</u>	<u>2024</u>
Discount rate	5.10%	5.50%
Expected salary growth rate	4.00%	4.00%

**Sensitivity analysis**

The results are sensitive to the assumptions used, in particular the withdrawal assumption due the short duration of the plan's liabilities. The table below shows the change in defined employees' benefit plan obligations based on increases or decreases in the base assumption value.

	<b>Impact on defined employees' benefit plan obligations</b>		
	<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
<b>31 December 2025</b>			
Discount rate	1.00%	(165,088)	184,380
Salary growth rate	1.00%	184,582	(168,287)

**31 December 2024**

Discount rate	1.00%	(343,573)	200,317
Salary growth rate	1.00%	202,516	(350,220)

**Maturity profile**

	<u>2025</u>	<u>2024</u>
Year 1	553,085	1,110,180
Year 2	300,166	483,710
Year 3	285,679	542,831
Year 4	266,661	443,560
Year 5	541,886	510,160
Year 6 - 10	812,063	2,213,715
Year 11 & above	1,608,343	1,933,804

**22- Accrued expenses and other liabilities**

	<u>2025</u>	<u>2024</u>
Accrued employees' wages, bonus and benefits	5,081,727	8,889,037
Payable to STF and its subsidiaries (N-11A)	2,360,712	-
Accrued expenses	1,027,950	519,002
Value added tax ("VAT")	692,571	393,958
Accrued commissions	310,189	386,797
Others credit balances	459,764	238,193
	<u>9,932,913</u>	<u>10,426,987</u>

**23- Zakat payable**

Zakat is charged at the higher of net adjusted income or Zakat base as required by the ZATCA. The key elements of zakat base primarily include equity components, net income and liabilities adjusted for zakat purpose. The Company and its subsidiaries submit separate zakat and tax returns.

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	1,130,080	825,679
Charge for the year	797,391	988,848
Prior year adjustment	51,530	-
Paid during the year	(1,029,381)	(669,426)
Disposal from discontinued operations	-	(15,021)
<b>Balance at the end of the year</b>	<u>949,620</u>	<u>1,130,080</u>

**Status of assessments**

The Company and its subsidiaries have submitted its Zakat and tax returns for all previous years until the year ended 31 December 2024. All Zakat assessments for the Company conducted by the Zakat, Tax and Customs Authority ("Authority") have been approved up to 2023, the remaining year are still subject to be assessed by ZATCA. In respect of Zakat and tax assessments of the subsidiaries, years since incorporation date are subject to be assessed by ZATCA and other relevant authorities.

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**24- Revenue**

a- The Group generate revenue as below:

	<u>2025</u>	<u>2024</u>
Maintenance and technical support services	14,826,466	14,729,407
Implementation of program licenses	6,741,267	8,298,972
Sales from program licenses	5,640,396	13,305,403
Consulting services	1,794,170	22,359,559
	<u>29,002,299</u>	<u>58,693,341</u>

b- Timing of revenue recognition:

	<u>2025</u>	<u>2024</u>
Overtime	23,361,903	45,387,938
Point in time	5,640,396	13,305,403
	<u>29,002,299</u>	<u>58,693,341</u>

c- Geographical source of revenue:

	<u>2025</u>	<u>2024</u>
Revenues generated within KSA	21,765,715	49,947,236
Revenues generated outside KSA	7,236,584	8,746,105
	<u>29,002,299</u>	<u>58,693,341</u>

**25- Cost of revenue**

	<u>2025</u>	<u>2024</u>
Salaries, wages and other benefits	7,265,615	22,828,686
Amortization of intangibles assets (Note – 7)	3,029,959	2,772,046
Consulting and support services	2,799,370	5,381,990
Medical insurance	653,627	858,733
Maintenance of programs and computers	489,019	351,184
Defined employees' benefit plan obligations (Note – 21)	190,521	501,296
Social insurance	128,024	342,801
Others	80,966	518,175
	<u>14,637,101</u>	<u>33,554,911</u>

**26- General and administration expenses**

	<u>2025</u>	<u>2024</u>
Salaries, wages and other benefits	6,789,501	5,868,185
Legal and professional fees	2,077,556	634,696
Expected credit losses (Note – 13 & 14)	1,237,600	728,223
Rent expenses	420,292	401,976
Government expenses	388,541	538,835
Depreciation of right-of-use assets (Note – 8)	354,873	474,930
Depreciation on property and equipment (Note – 6)	335,092	574,122
Social insurance	272,035	246,435
Medical insurance	266,760	412,696
Defined employees' benefit plan obligations (Note – 21)	122,492	135,515
Telecommunication expenses	73,003	590,774
Others	804,871	733,824
	<u>13,142,616</u>	<u>11,340,211</u>

**27- Selling and marketing expenses**

	<u>2025</u>	<u>2024</u>
Salaries, wages and other benefits	3,839,358	6,037,523
Marketing and advertising expenses	1,293,088	2,320,627
Medical insurance	201,410	404,250
Commission expenses	122,285	213,279
Defined employees' benefit plan obligations (Note – 21)	114,428	170,200
Social insurance	63,224	191,707
Others	231,300	134,110
	<u>5,865,093</u>	<u>9,471,696</u>

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**28- Finance costs**

	<u>2025</u>	<u>2024</u>
Finance costs related to defined employees' benefit plan obligations (Note – 21)	<b>183,019</b>	212,005
Finance costs related to lease liabilities (Note – 8)	<b>56,471</b>	46,636
Finance costs related to bank overdraft (Note – 16)	<b>390,189</b>	-
	<b><u>629,679</u></b>	<u>258,641</u>

**29- Other income / (loss)**

	<u>2025</u>	<u>2024</u>
Term deposit income (Note – 15)	<b>61,188</b>	418,133
Hadaf program revenue	<b>29,000</b>	118,070
Interest income on short term deposits (Note – 16) (*)	-	18,667
Write-off due from related parties balances	-	(4,500,317)
Income from technical consulting services	<b>759,573</b>	-
Others	-	212,463
	<b><u>849,761</u></b>	<u>(3,732,984)</u>

(\*) Short-term deposits represent deposits with local commercial banks with a maturity period of less than three months from the date of deposit. Variable interest rates on term deposits as at 31 December 2025 and 31 December 2024 are based on the prevailing commercial market rates. Income from these deposits for the year ended 31 December 2025 amounted to SAR Nil (2024: SAR 18,667).

**30- Deals completion bonus**

For the year ended 31 December 2024, the Group recognized a bonus provision expense of SAR 7.0 Million for employees who were part of the team that facilitated the disposal of subsidiaries. During the year ended 31 December 2025, management reassessed the eligibility criteria for the bonus and identified certain employees who were no longer eligible. Accordingly, SAR 2,700,000 was reversed from the previously recognized provision. This expense was incurred as part of an incentive plan to reward key personnel for their contributions to the successful execution of the disposal process. This provision is a one-time expense and is not expected to recur in future periods.

**31- Earnings per share**

Basic earnings per share attributable to the shareholders of the Parent Company is calculated based on the weighted average number of outstanding shares during the year.

There are no potential dilutive ordinary shares.

	<u>2025</u>	<u>2024</u>
Profit / (loss) for the year attributable to shareholders of Parent Company from continuing operations	<b>2,721,402</b>	(23,811,393)
Profit for the year attributable to shareholders of Parent Company	<b>2,721,402</b>	25,185,071
Weighted average number of shares	<b>3,500,000</b>	3,500,000
<b>Basic and diluted earnings / (loss) per share from continuing operations</b>	<b>0.78</b>	(6.80)
<b>Basic and diluted earnings per share</b>	<b>0.78</b>	7.20

**32- Cashflow Information**

**a- Non - cash items**

- Additions to right-of-use assets and lease liabilities during 2024 (Refer Note 8)
- Disposals of subsidiaries in exchange for an interest in an associate during 2024 (Refer Notes 9 and 33)
- Recognition of fair value investment through profit or loss (FVTPL) and derecognition of interest in associate during 2025 (Refer Notes 9 and 10).

**b- Changes in liabilities arising from financing activities**

<u>31 December 2025</u>	<u>1 January 2025</u>	<u>Cashflows</u>	<u>Others</u>	<u>31 December 2025</u>
Lease liabilities	<b>705,449</b>	<b>(383,250)</b>	<b>56,471</b>	<b>378,670</b>
<u>31 December 2024</u>	<u>1 January 2024</u>	<u>Cashflows</u>	<u>Others</u>	<u>31 December 2024</u>
Lease liabilities	1,094,833	(936,946)	547,562	705,449

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**33- Discontinued operations**

During the year ended 31 December 2024 the Group disposed 4 of its subsidiaries Knowledge Net Real Estate Company (A), IT Solutions for Information Technology Company and Takharoj for Information Technology Company (B) and Tadud for Information Technology Company (C) to Saudi Technology Fund for exchange of units in consideration. Accordingly, the results of the subsidiaries have been included with in the discontinued operations in the consolidated statement of profit or loss and other comprehensive income as follows:

	A		B		C		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Revenue	-	2,102,276	-	1,056,607	-	-	-	3,158,883
Cost of revenue	-	(1,918,487)	-	(1,012,721)	-	-	-	(2,931,208)
<b>Gross profit</b>	-	183,789	-	43,886	-	-	-	227,675
General and administrative expenses	-	(1,676,554)	-	(2,350,801)	-	(1,952,038)	-	(5,979,393)
Selling and marketing expenses	-	(337,546)	-	-	-	-	-	(337,546)
Finance costs	-	-	-	(22,340)	-	-	-	(22,340)
<b>Operating loss</b>	-	(1,830,311)	-	(2,329,255)	-	(1,952,038)	-	(6,111,604)
Other income	-	-	-	420,000	-	-	-	420,000
Zakat expense	-	-	-	-	-	-	-	-
<b>Loss for the period / year</b>	-	(1,830,311)	-	(1,909,255)	-	(1,952,038)	-	(5,691,604)
Employees defined benefit obligations	-	-	-	-	-	-	-	-
Financial assets at FVOCI	-	-	-	(70,000)	-	-	-	(70,000)
<b>Total comprehensive loss for the period / year</b>	-	(1,830,311)	-	(1,979,255)	-	(1,952,038)	-	(5,761,604)
Net loss attributable to parent Company	-	(915,155)	-	(1,773,042)	-	(724,694)	-	(3,412,891)
Net loss attributable to non-controlling interest	-	(915,156)	-	(136,213)	-	(1,227,344)	-	(2,278,713)
	-	(1,830,311)	-	(1,909,255)	-	(1,952,038)	-	(5,691,604)
Total comprehensive loss to parent Company	-	(915,155)	-	(1,834,222)	-	(724,694)	-	(3,474,071)
Total comprehensive loss to non-controlling interest	-	(915,156)	-	(145,033)	-	(1,227,344)	-	(2,287,533)
	-	(1,830,311)	-	(1,979,255)	-	(1,952,038)	-	(5,761,604)
Gain attributable to parent Company	-	10,538,512	-	28,189,380	-	14,435,455	-	53,163,347
Gain attributable to non-controlling interest	-	10,538,512	-	1,540,560	-	11,101,022	-	23,180,094
	-	21,077,024	-	29,729,940	-	25,536,477	-	76,343,441
Net profit on discontinued operations to parent Company	-	9,623,357	-	26,416,338	-	13,710,761	-	49,750,456
Net profit on discontinued operations to non-controlling interest	-	9,623,356	-	1,404,348	-	9,873,678	-	20,901,382
<b>Profit from discontinued operations</b>	-	19,246,713	-	27,820,686	-	23,584,439	-	70,651,838
Total comprehensive income on discontinued operations to parent Company	-	9,623,357	-	26,355,158	-	13,710,761	-	49,689,276
Total comprehensive income on discontinued operations to non-controlling interest	-	9,623,356	-	1,395,528	-	9,873,678	-	20,892,562
<b>Total comprehensive income from discontinued operations</b>	-	19,246,713	-	27,750,686	-	23,584,439	-	70,581,838

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**33- Discontinued operations (continued)**

The following are the details of the subsidiaries' assets and liabilities details at the disposal date:

	<b>A</b>	<b>B</b>	<b>C</b>	<b>Total</b>
	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
<b>Assets</b>				
Property and equipment	13,750	985,524	431	999,705
Intangible assets	1,315,535	1,195,918	1,217,493	3,728,946
Right-of-use assets	-	738,032	-	738,032
Prepayments and other assets	10,333	175,270	180,063	365,666
Due from related parties	-	881,180	-	881,180
Account receivables	195,958	184,000	-	379,958
Cash and cash equivalents	9689	117,566	83	127,338
<b>Total assets</b>	<b>1,545,265</b>	<b>4,277,490</b>	<b>1,398,070</b>	<b>7,220,825</b>
<b>Liabilities</b>				
Defined employees' benefits obligations	491,097	3,332	-	494,429
Lease liabilities	-	557,442	-	557,442
Due to related parties	4,151,896	3,710,810	3,168,300	11,031,006
Contract liabilities	906,427	-	-	906,427
Accrued expenses and other liabilities	322,869	1,126,571	510,501	1,959,941
Zakat payable	-	9,275	5,746	15,021
<b>Total liabilities</b>	<b>5,872,289</b>	<b>5,407,430</b>	<b>3,684,547</b>	<b>14,964,266</b>
<b>Net assets book value</b>	<b>(4,327,024)</b>	<b>(1,129,940)</b>	<b>(2,286,477)</b>	<b>(7,743,441)</b>
Net assets attributable to parent Company	(2,163,512)	(862,060)	(848,855)	(3,874,427)
Net assets attributable to non-controlling interest	(2,163,512)	(267,880)	(1,437,622)	(3,869,014)
	<b>(4,327,024)</b>	<b>(1,129,940)</b>	<b>(2,286,477)</b>	<b>(7,743,441)</b>
Disposal proceeds for parent Company	8,375,000	27,327,320	13,586,600	49,288,920
Disposal proceeds for non-controlling interest	8,375,000	1,272,680	9,663,400	19,311,080
	<b>16,750,000</b>	<b>28,600,000</b>	<b>23,250,000</b>	<b>68,600,000</b>
Gain attributable to parent Company	10,538,512	28,189,380	14,435,455	53,163,347
Gain attributable to non-controlling interest	10,538,512	1,540,560	11,101,022	23,180,094
	<b>21,077,024</b>	<b>29,729,940</b>	<b>25,536,477</b>	<b>76,343,441</b>

**34- Segment information**

A segment is a separate and distinct part of the Group that engages in business activities from which it may earn revenue and incur expenses. The operating segments are disclosed on the basis of internal reports that are reviewed by the chief operating decision-maker, who is responsible for allocating resources, assessing performance and making strategic decisions about the operating segments. The operating sectors that show similar economic characteristics, products, services, and similar customer categories, whenever possible, are grouped and recorded.

The following is a summary of financial information about these sectors:

<b>31 December 2025</b>	<b>Sale of programs licenses</b>	<b>Maintenance and technical support and implementation services</b>	<b>Consulting services</b>	<b>Total</b>
Revenue	5,640,396	21,567,733	1,794,170	29,002,299
Cost of revenue	(564,040)	(12,425,462)	(1,647,599)	(14,637,101)
<b>Gross profit</b>	<b>5,076,356</b>	<b>9,142,271</b>	<b>146,571</b>	<b>14,365,198</b>

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**34- Segment information (continued)**

<u>31 December 2024</u>	<u>Sale of programs licenses</u>	<u>Maintenance and technical support and implementation Services</u>	<u>Consulting services</u>	<u>Total</u>
Revenue	13,305,403	23,028,379	22,359,559	58,693,341
Cost of revenue	(5,590,701)	(9,676,127)	(18,288,083)	(33,554,911)
Gross profit	<u>7,714,702</u>	<u>13,352,252</u>	<u>4,071,476</u>	<u>25,138,430</u>

The following is a summary of the annual revenues within and outside of the Kingdom of Saudi Arabia:

<u>31 December 2025</u>	<u>KSA</u>	<u>UAE</u>	<u>Egypt</u>	<u>Total</u>
Revenue	<u>21,765,715</u>	<u>7,161,584</u>	<u>75,000</u>	<u>29,002,299</u>
Percentage	75%	24%	1%	100%
<u>31 December 2024</u>	<u>KSA</u>	<u>UAE</u>	<u>Egypt</u>	<u>Total</u>
Revenue	49,947,236	6,867,460	1,878,645	58,693,341
Percentage	85%	12%	3%	100%

**35- Financial instruments, fair value and risk management**

**Financial instruments by category**

Financial instruments have been categorised as follows:

<u>Financial assets</u>	<u>2025</u>	<u>2024</u>
Financial assets at fair value through other comprehensive income	3,750	28,750
Financial assets at fair value through profit or loss	39,194,360	-
Prepayments and other assets	3,041,496	932,164
Due from related parties	6,576,819	10,407,568
Account receivables	12,237,697	12,763,278
Term deposits	2,500,000	-
Cash and cash equivalents	81,576	448,562
<b>Total financial assets</b>	<b><u>63,635,698</u></b>	<b><u>24,580,322</u></b>
<u>Financial liabilities</u>	<u>2025</u>	<u>2024</u>
Due to related parties	1,289,375	3,520,876
Accrued expenses and other liabilities	3,388,662	519,002
Bank overdraft	4,225,594	-
Lease liabilities	383,250	730,000
<b>Total financial liabilities</b>	<b><u>9,286,881</u></b>	<b><u>4,769,878</u></b>

**Financial risk and risk management**

The Group has an exposure to the following risks from its use of the financial instruments:

- Credit risk
- Liquidity risk
- Capital risk
- Market risk

This note shows information about the group's exposure to each of the risks above, the goals of the group, policies, methods of measurement and risk management.

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(Saudi Riyals)

**35- Financial instruments, fair value and risk management (continued)**

**Risk Management**

The Group's management has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**Credit risk**

Credit risk is the risk of financial Profit to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's policy states that all customers who want to deal on a forward basis are subject to credit check. Financial instruments that are subject to concentration of credit risk consist mainly of customer receivables. The Group deposits bank balances with a number of financial institutions with a good credit rating and has a policy of setting limits on its balances deposited with each financial institution.

Credit risk related to accounts receivable

Customers are evaluated according to the Group's standards before entering into service contracts. The Group does not believe that there is a significant risk of inefficiency of these institutions and does not consider itself exposed to credit risk concentrations in relation to debtors due to the diversity of its customer base operating in various activities and located in multiple regions.

Amounts due from related parties.

An impairment analysis is performed at each reporting date on an individual basis for the major related parties. The maximum exposure to credit risk at the reporting date is the carrying value of the amounts due from related parties. The Group does not hold collateral as a security. This assessment is undertaken each fiscal year through examining the financial position of the related parties and the market in which the related parties operate. The Group evaluates the risk with respect to amounts due from related parties as low, as the same shareholders own majority of the related parties

Credit risk related to time deposit and cash deposit.

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

ECL assessment for account receivables

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

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	<b>81,576</b>	448,562
Term deposit	<b>2,500,000</b>	-
Contract assets	<b>8,661,857</b>	9,630,340
Prepayments and other assets	<b>3,041,496</b>	932,164
Account receivables	<b>12,237,697</b>	12,763,278
Due from related parties	<b>6,576,819</b>	10,407,568
	<b>33,099,445</b>	34,181,912

**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.

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**35- Financial instruments, fair value and risk management (continued)**

The tables below summarize the maturity dates of the Group's financial liabilities based on contractual undiscounted payments:

<u>31 December 2025</u>	<u>Less than one year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Due to related parties	1,289,375	-	-	1,289,375
Accrued expenses and other liabilities	3,388,662	-	-	3,388,662
Bank overdraft	4,225,594	-	-	4,225,594
Lease liabilities	383,250	-	-	383,250
<b>Total</b>	<b>9,286,881</b>	<b>-</b>	<b>-</b>	<b>9,286,881</b>
<u>31 December 2024</u>	<u>Less than one year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Due to related parties	3,520,876	-	-	3,520,876
Accrued expenses and other liabilities	519,002	-	-	519,002
Lease liabilities	365,000	365,000	-	730,000
<b>Total</b>	<b>4,404,878</b>	<b>365,000</b>	<b>-</b>	<b>4,769,878</b>

**Capital risk management**

The Group's objective when managing capital is to safeguard Group's ability to continue as a going concern in order to provide returns for the shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from the previous year. The capital structure of the Group consists of equity comprising share capital, other reserves, statutory reserve and retained earnings.

**Market risk**

Market risk is the risk of Change in the value of financial instruments as a result of changes in market prices. Market risk includes three types of risk: interest rate risk, foreign exchange risk and other price risk such as stock price risk and products price risk.

**Interest rate risk**

Interest rate risk represents the risk caused by the fluctuation of the value of financial instruments due to changes in the prevailing interest rates in the market. The Group is subject to the risk of interest rates on borrowing within the Group.

**Foreign exchange risk**

Foreign exchange risk represents the risk resulting from the fluctuation of the value of a financial instrument due to changes in foreign exchange rates. Management monitors fluctuations in foreign exchange rates and believes that the Group is not exposed to significant currency risks.

**Fair value and fair value hierarchy**

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 Company. 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 considers a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, , maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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**35- Financial instruments, fair value and risk management (continued)**

**Fair value and fair value hierarchy (continued)**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement. External valuers are involved for valuation of significant assets. The involvement of external valuers is decided by the Group after discussion with the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

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**35- Financial instruments, fair value and risk management (continued)**  
**Fair value and fair value hierarchy (continued)**

<b>31 December 2025</b>	<b>Carrying amount</b>			<b>Total Carrying amount</b>	<b>Fair value</b>		
	<b><u>Financial instruments - FVTPL</u></b>	<b><u>Financial instruments - FVOCI</u></b>	<b><u>Financial instruments at amortized cost</u></b>		<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>
<b>Financial assets</b>							
<b>Non-current:</b>							
Financial assets at FVOCI	-	3,750	-	3,750	-	-	3,750
Financial assets at FVTPL	39,194,360	-	-	39,194,360	-	-	39,194,360
<b>Current:</b>							
Prepayments and other assets	-	-	3,041,496	3,041,496	-	-	-
Due from related parties	-	-	6,576,819	6,576,819	-	-	-
Contract assets	-	-	7,182,472	7,182,472	-	-	-
Account receivables	-	-	10,573,352	10,573,352	-	-	-
Term deposits	-	-	2,500,000	2,500,000	-	-	-
Cash and cash equivalents	-	-	81,576	81,576	-	-	-
<b>Total financial assets</b>	<b>39,194,360</b>	<b>3,750</b>	<b>29,955,715</b>	<b>69,153,825</b>	<b>-</b>	<b>-</b>	<b>39,198,110</b>
<b>Financial liabilities</b>							
<b>Current:</b>							
Due to related parties	-	-	1,289,375	1,289,375	-	-	-
Accrued expenses and other liabilities	-	-	3,388,662	3,388,662	-	-	-
Bank overdraft	-	-	4,225,594	4,225,594	-	-	-
Lease liabilities	-	-	378,670	378,670	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>9,282,301</b>	<b>9,282,301</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**35- Financial instruments, fair value and risk management (continued)**

**Fair value and fair value hierarchy (continued)**

<b>31 December 2024</b>	<b>Carrying amount</b>			<b>Total Carrying amount</b>	<b>Fair value</b>		
	<b>Financial instruments - FVTPL</b>	<b>Financial instruments - FVOCI</b>	<b>Financial instruments at amortized cost</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Non-current:</b>							
Financial assets at FVOCI	-	28,750	-	28,750	-	-	28,750
<b>Current:</b>							
Prepayments and other assets			932,164	932,164			
Due from related parties	-	-	10,407,568	10,407,568	-	-	-
Contract assets			8,800,021	8,800,021			
Account receivables	-	-	11,687,467	11,687,467	-	-	-
Cash and cash equivalents	-	-	448,562	448,562	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>28,750</b>	<b>32,275,782</b>	<b>32,304,532</b>	<b>-</b>	<b>-</b>	<b>28,750</b>
<b>Financial liabilities</b>							
<b>Current:</b>							
Due to related parties	-	-	3,520,876	3,520,876	-	-	-
Accrued expenses and other liabilities			519,002	519,002			
Lease liabilities	-	-	705,449	705,449	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>4,745,327</b>	<b>4,745,327</b>	<b>-</b>	<b>-</b>	<b>-</b>

**36- Comparative figures**

Certain comparative amounts for 2024 have been reclassified to conform to the current year presentation.

**37- Contingent liabilities and capital commitments**

The Group has outstanding bank letters of guarantee as at 31 December 2025 amounting to SAR 3,473,335 (2024: SAR 3,399,141) covered by cash margins held at banks as at 31 December 2025 amounting to SAR 871,560 (2024: SAR 932,164) – Note 11.

**38- Events subsequent to the reporting date**

In March 2026, geopolitical instability in the Middle East Region increased, which may have an impact on all the regional countries. The Group's management is closely monitoring the geopolitical developments and has determined that these developments are non-adjusting events and no adjustments to the financial statements are required. While the Group's financial position remains unaffected at present, management continues to assess the potential for future impacts on its business.

**39- Approval of the consolidated financial statements**

The consolidated financial statements were approved by the Group's Board of Directors on 30 March 2026 (Corresponding to 11<sup>th</sup> Shawwal 1447 H).