

**Saudi AZM for Communication and
Information Technology Company
(A Saudi Joint Stock Company)**

**Consolidated financial statements and independent
auditor's report for the year ended 30 June 2025**

<u>Index</u>	Page
Independent auditor's report	1-5
Consolidated statement of financial position	6
Consolidated statement of comprehensive income	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9-10
Notes to the consolidated financial statements	11-50

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF SAUDI AZM FOR COMMUNICATION AND INFORMATION
TECHNOLOGY COMPANY
A SAUDI JOINT STOCK COMPANY
RIYADH, KINGDOM OF SAUDI ARABIA**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(1/5)

OPINION

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Saudi AZM for Communication and Information Technology Company, A Saudi Joint Stock Company (the "Company"), and its subsidiaries (collectively referred to as the "Group") as at 30 June 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 Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the consolidated financial statements of the Group, which comprise of the following:

- The consolidated statement of financial position as at 30 June 2025;
- The consolidated statement of comprehensive income for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended, and;
- The notes to the consolidated financial statements, comprising material accounting policies information and other explanatory information.

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 from 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 financial statements, and we have fulfilled our other 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 judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF SAUDI AZM FOR COMMUNICATION AND INFORMATION TECHNOLOGY COMPANY
A SAUDI JOINT STOCK COMPANY
RIYADH, KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) (2/5)
KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the key audit matter
Revenue from contract with customers	
<p>The Group's consolidated revenues mainly consists of enterprise services, advisory services, proprietary technologies and platforms for third parties amounting to SR 253,158,857 for the year ended 30 June 2025.</p> <p>Revenues are considered as one of the essential indicators for measuring performance and profitability. Revenues involve significant inherent risk due to the judgement and estimation involved. Audit of judgements around the percentage of completion of projects, including the budgeted estimated cost for the completion of the projects are items that require significant audit attention, in particular consideration of:</p> <ul style="list-style-type: none"> • The analysis of whether the contracts comprise of one or more performance obligations; • Determining whether the performance obligations are satisfied over time or at a point in time: and • Estimation of total costs required to meet performance obligations under the contracts with customers. <p>Due to the inherent risks in the revenue recognition process and the significance of revenues value, revenue recognition was considered as a key audit matter.</p> <p>Please refer to the accounting policy related to revenue recognition in Note (3.18) and detailed Note (15) which includes disclosures related to revenue recognition.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the Group's revenue recognition policy in accordance with IFRS 15 – Revenue from Contracts with Customers, with a focus on areas involving significant management judgment, including the determination of whether the Group acts as a principal or as an agent; • Assessed the design and implementation of the internal control system related to management procedures over revenue recognition; • Tested the revenue contracts and transactions recognized over time by obtaining the breakup of costs incurred and inspecting their supporting documents and allocation for the calculation of the stage of completion; • Performed recalculation of percentage of completion and the recognized revenue using this percentage as a weightage, and, on a sample basis, estimated whether the revenue is recorded in the correct periods; • Conducted a retroactive review of the closed projects during the current and prior years to assess the accuracy of estimated costs compared to actual costs and contract values, to determine whether the estimated costs were reasonable in light of the actual costs incurred during the project; • We tested and evaluated, on sample basis, the reasonableness of the estimated costs by comparing them with the actual costs incurred to date and assessing the historical accuracy of management's cost estimates; • We performed variance analysis and comparisons with historical data to identify unusual revenue patterns; and • Assessed and evaluated the adequacy, sufficiency and appropriateness of the disclosures made in the consolidated financial statements related to revenues.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**TO THE SHAREHOLDERS OF SAUDI AZM FOR COMMUNICATION AND INFORMATION
TECHNOLOGY COMPANY
A SAUDI JOINT STOCK COMPANY
RIYADH, KINGDOM OF SAUDI ARABIA**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) (3/5)

OTHER MATTER

The consolidated financial statements of the prior year were audited by another auditor, whose report dated 5 September 2024 (corresponding to 2 Rabi Al-Awwal 1446) expressed an unmodified opinion.

OTHER INFORMATION

The other information consists of the information included in the Group's annual report for the year ended 30 June 2025, other than the consolidated financial statements and the auditor's report thereon, which is expected to be made available to us after the date of the auditor's report. Management is responsible for the other information contained in its annual report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information mentioned above and consider whether, when doing so, it is materially inconsistent with the consolidated financial statements or with the knowledge obtained during the audit, or if it appears to be materially misstated in any other way.

If we conclude that there is a material misstatement in this other information, based on the work we have performed, we are required to report that fact. We have nothing to report in this regard.

**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, Regulations for Companies, the Company's By Laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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.

**TO THE SHAREHOLDERS OF SAUDI AZM FOR COMMUNICATION AND INFORMATION
TECHNOLOGY COMPANY
A SAUDI JOINT STOCK COMPANY
RIYADH, KINGDOM OF SAUDI ARABIA**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) (4/5)

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 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 the International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ 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 evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 and 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 SAUDI AZM FOR COMMUNICATION AND INFORMATION
TECHNOLOGY COMPANY
A SAUDI JOINT STOCK COMPANY
RIYADH, KINGDOM OF SAUDI ARABIA**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) (5/5)
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, related safeguards.

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 year 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 of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For PKF Al-Bassam
Chartered Accountants**



Ahmed Abdulmajeed Mohandis
Certified Public Accountant
License No. 477
Riyadh: 22 Rabi Al Awwal 1447 AH
Corresponding to: 14 September 2025



RIYADH

Tel. +966 11 206 5333 P.O.Box 69658
Fax +966 11 206 5444 Riyadh 11557

JEDDAH

Tel. +966 12 852 5333 P.O.Box 15651
Fax +966 12 852 2894 Jeddah 21454

AL KHOBAR

Tel. +966 13 893 3378 P.O.Box 4836
Fax +966 13 893 3349 Al Khobar 31962

		30 June 2025 ﷲ	30 June 2024 ﷲ
Assets	Note		
Non-current assets			
Property and equipment	6	11,270,807	6,706,128
Right-of-use assets	7	19,620,938	21,538,169
Intangible assets	8	7,798,151	2,790,525
Investment in associates	9	10,668,943	5,438,097
Investment in finance lease	10	2,493,120	3,185,280
Financial assets at fair value through other comprehensive income	11	1,605,541	1,437,496
Financial assets held at amortised cost	12	18,375,249	31,184,988
Total non-current assets		71,832,749	72,280,683
Current assets			
Current portion of investment in finance lease	10	692,160	672,000
Current portion of financial assets held at amortised cost	12	18,483,155	-
Financial assets at fair value through profit or loss	13	102,522,616	26,001,999
Due from related parties	14	881,125	127,034
Contract assets	15	60,477,132	82,694,059
Trade receivables	16	54,768,992	34,422,658
Prepayments and other current assets	17	17,038,799	13,512,079
Cash and cash equivalents	18	18,562,107	11,957,376
Total current assets		273,426,086	169,387,205
Total assets		345,258,835	241,667,888
Equity and liabilities			
Equity			
Share capital	19	30,000,000	30,000,000
Treasury shares	20	(14,551,617)	(16,609,332)
Share based payment reserve		11,245,281	954,555
Retained earnings		114,111,939	74,099,175
Equity attributable to equity holders of the Company		140,805,603	88,444,398
Non-controlling interest	21	1,842,711	3,102,632
Total equity		142,648,314	91,547,030
Liabilities			
Non-current liabilities			
Employees' defined benefits liabilities	22	6,451,830	5,028,340
Lease liabilities	24	18,269,793	19,774,449
Accruals and other liabilities-non-current	25	378,706	692,238
Total non-current liabilities		25,100,329	25,495,027
Current liabilities			
Trade payables		20,584,289	22,528,586
Current portion of long-term loan	23	-	6,094,626
Short-term loan	23	5,033,895	5,084,739
Current portion of lease liabilities	24	4,326,400	4,326,400
Accruals and other liabilities-current	25	46,109,487	44,158,485
Zakat and income tax provision	26	4,326,783	4,420,719
Contract liabilities	15	87,635,209	33,856,094
Due to related parties	14	9,494,129	4,156,182
Total current liabilities		177,510,192	124,625,831
Total liabilities		202,610,521	150,120,858
Total equity and liabilities		345,258,835	241,667,888

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

Chief Financial Officer

Chief Executive Officer

Chairman, Board of Directors

		For the year ended 30 June	
	Note	2025	2024
		ﷲ	ﷲ
Revenue	15	253,158,857	217,638,378
Cost of revenue	27	(179,751,039)	(159,816,161)
Gross profit		73,407,818	57,822,217
General and administrative expenses	28	(38,547,370)	(28,160,247)
Selling and distribution expenses		(1,004,180)	(1,066,702)
Expected credit losses	14,15,16	(1,573,359)	(918,247)
Operating profit		32,282,909	27,677,021
Share of result from investment in associates	9	2,457,811	2,019,933
Finance cost, net	29	(2,769,703)	(1,535,979)
Other income, net	30	9,004,689	5,061,084
Profit before zakat and income tax		40,975,706	33,222,059
Zakat and income tax	26	(1,756,279)	(3,059,516)
Profit for the year		39,219,427	30,162,543
Attributable to:			
Equity holders of the Company		37,445,172	27,948,450
Non-controlling interest	21	1,774,255	2,214,093
		39,219,427	30,162,543
Other comprehensive income/(loss)			
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent years:			
Change in fair value on financial assets at fair value through other comprehensive income	11	168,045	(333,385)
Remeasurement gain on employees' defined benefit liabilities	22	741,148	907,631
Share of other comprehensive loss from associates	9	(39,465)	-
Other comprehensive income for the year		869,728	574,246
Total comprehensive income for the year		40,089,155	30,736,789
Attributable to:			
Equity holders of the Company		38,349,076	28,494,135
Non-controlling interest	21	1,740,079	2,242,654
		40,089,155	30,736,789
Earnings per share attributable to the equity holders of the Company			
Basic earnings per share	31	0.64	0.47
Diluted earnings per share	31	0.62	0.47

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

Chief Financial Officer

Chief Executive Officer

Chairman, Board of Directors

	Total equity attributable to the equity holders of the Company						Non-controlling interest	Total equity
	Share capital	Treasury shares	Statutory reserve	Share based payment reserve	Retained earnings	Equity attributable to equity holders		
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
As at 1 July 2023	30,000,000	(7,243,981)	5,923,890	495,250	39,246,185	68,421,344	859,978	69,281,322
Profit for the year	-	-	-	-	27,948,450	27,948,450	2,214,093	30,162,543
Other comprehensive income for the year	-	-	-	-	545,685	545,685	28,561	574,246
Total comprehensive income for the year	-	-	-	-	28,494,135	28,494,135	2,242,654	30,736,789
Transfer from statutory reserve to retained earnings	-	-	(5,923,890)	-	5,923,890	-	-	-
Share based payment reserves	-	-	-	836,055	-	836,055	-	836,055
Treasury shares purchased during the year (note 20)	-	(12,006,309)	-	-	-	(12,006,309)	-	(12,006,309)
Treasury shares distributed during the year (note 20)	-	2,640,958	-	(376,750)	434,965	2,699,173	-	2,699,173
As at 30 June 2024	30,000,000	(16,609,332)	-	954,555	74,099,175	88,444,398	3,102,632	91,547,030
As at 1 July 2024	30,000,000	(16,609,332)	-	954,555	74,099,175	88,444,398	3,102,632	91,547,030
Profit for the year	-	-	-	-	37,445,172	37,445,172	1,774,255	39,219,427
Other comprehensive income/(loss) for the year	-	-	-	-	903,904	903,904	(34,176)	869,728
Total comprehensive income for the year	-	-	-	-	38,349,076	38,349,076	1,740,079	40,089,155
Share based payment reserves	-	-	-	14,543,897	-	14,543,897	-	14,543,897
Treasury shares purchased during the year (note 20)	-	(234,444)	-	-	-	(234,444)	-	(234,444)
Treasury shares distributed during the year (note 20)	-	2,292,159	-	(4,253,171)	1,663,688	(297,324)	-	(297,324)
Transactions with non-controlling interest (note 21)	-	-	-	-	-	-	(3,000,000)	(3,000,000)
As at 30 June 2025	30,000,000	(14,551,617)	-	11,245,281	114,111,939	140,805,603	1,842,711	142,648,314

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

Chief Financial Officer

Chief Executive Officer

Chairman, Board of Directors

		For the year ended 30 June 2025 ﷲ	2024 ﷲ
	Note		
Operating activities			
Profit before zakat and income tax		40,975,706	33,222,059
Adjustments to reconcile profit before zakat and income tax to net cash flows:			
Depreciation of property and equipment	6	1,378,020	1,115,371
Depreciation of right-of-use assets	7	2,789,412	1,466,794
Provision for employees' defined benefits liabilities	22	4,270,301	2,328,962
Expected credit losses	14,15,16	1,573,359	918,247
Amortisation of intangible assets	8	72,160	-
Impairment loss of intangible assets	8	1,091,975	-
Loss on disposal of property and equipment	30	-	267
Change in fair value of financial assets at fair value through profit or loss	13	(4,133,425)	(1,124,875)
Share of result from investment in associates	9	(2,457,811)	(2,019,933)
Share based payment reserve	20	13,977,788	646,834
Finance income on assets held at amortised cost	30	(1,983,646)	(1,669,794)
Finance cost, net	29	2,769,703	1,535,979
Rental income	30	(1,842,383)	(1,848,547)
		58,481,159	34,571,364
Changes in operating assets and liabilities			
Due from/to related parties, net		4,923,822	(3,358,010)
Contract assets		22,180,837	(62,222,130)
Trade receivables		(21,869,174)	(11,354,530)
Prepayments and other current assets		(3,818,901)	(1,998,076)
Contract liabilities		53,779,115	9,165,067
Accruals and other current liabilities		1,597,468	20,284,767
Trade payables		(1,944,297)	19,276,698
		113,330,029	4,365,150
Employees' defined benefits liabilities paid	22	(1,365,296)	(1,235,391)
Zakat and income tax paid	26	(1,850,215)	(1,125,499)
Finance cost paid		(1,172,943)	(433,686)
Net cash flows generated from operating activities		108,941,575	1,570,574
Investing activities			
Additions to property and equipment	6	(5,942,699)	(755,675)
Proceeds from the disposals of property and equipment		-	2,512
Additions to intangible assets	8	(6,140,670)	(1,951,906)
Addition to investment in associates	9	(2,812,500)	-
Proceeds from financial assets held at amortised cost	12	1,310,230	1,216,323
Purchase of financial assets held at amortised cost	12	(5,000,000)	(5,736,348)
Purchase of financial assets at fair value through profit or loss	13	(157,000,000)	(40,000,000)
Proceeds from disposal of financial assets at fair value through profit or loss	13	84,612,808	40,142,349
Proceed from investment in finance lease	10	672,000	672,000
Rental income received		1,497,424	1,559,451
Net cash flows used in investing activities		(88,803,407)	(4,851,294)
Financing activities			
Transactions with non-controlling interest	21	(3,000,000)	-
Purchase of treasury shares	20	(234,444)	(12,006,309)
Repayment of principal of short and long-term loans		(10,972,593)	(2,150,374)
Addition to short-term loan	23	5,000,000	5,000,000
Principal element of lease payments	24	(2,376,837)	(2,137,382)
Interest element of lease payment	24	(1,949,563)	(1,063,118)
Net cash flows used in financing activities		(13,533,437)	(12,357,183)
Net change in cash and cash equivalents		6,604,731	(15,637,903)
Cash and cash equivalents at the beginning of the year	18	11,957,376	27,595,279
Cash and cash equivalents at the end of the year	18	18,562,107	11,957,376

	Note	For the year ended 30 June	
		2025	2024
		ﷲ	ﷲ
Non-cash transaction:			
Remeasurement gain on employees' defined benefit liabilities	22	(741,148)	(907,631)
Additions to investment in associate	9	-	1,102,000
Transfer from related party	14	-	(1,102,000)
Modifications/additions to right-of-use assets	7	872,181	14,650,395
Modifications/additions to lease liabilities	24	872,181	14,650,395
Capitalised as intangible assets		31,091	31,631


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



Chief Financial Officer



Chief Executive Officer



Chairman, Board of Directors

1. Activities

Saudi AZM for Communication and Information Technology Company (the “Company”) is a Saudi joint stock company registered in the Kingdom of Saudi Arabia on 11 Rabi Awal 1439H (corresponding to 29 November 2017) under Commercial Registration No. 1010918075 and unified number 7008880838. On 22 Shawwal 1442H (corresponding to 3 June 2021), the shareholders decided to change the legal structure of the Company from a limited liability company to a Saudi closed joint stock company, as well as increasing its share capital to ﷲ 30 million by transferring ﷲ 29.5 million from retained earnings to the share capital.

The Company became listed on the parallel market “Nomu” on 1 March 2022. Subsequently, during the current year, the Company submitted a request to transfer its listing from the Parallel Market “Nomu” to the Main Market (TASI), and approval was granted by the relevant regulatory authority on 29 June 2025. The transfer process has been completed on 21 July 2025.

The Company and its subsidiaries (the “Group”) are principally engaged in the designing and programming special software, application development, providing management and control services of communication sale of wire and wireless equipment and devices, design user experience and customer journey, repair and maintenance of personal and portable computers, providing senior management consulting services and information networks and research and development on technology.

The registered office of the Company is as follows:

7999, King Khalid Road, 2280 West Umm Al Hammam District
Riyadh 12329
Kingdom of Saudi Arabia

2. Basis of preparation and presentation

2.1 Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as endorsed in the Kingdom of Saudi Arabia (“KSA”) and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (“IFRS as endorsed in KSA”). The Group has prepared these consolidated financial statements on the basis that it will continue to operate as a going concern.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals (“ﷲ”), which is the Group’s functional currency and all values are rounded to the nearest one Saudi Riyal, except where otherwise indicated.

2.3 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for the following items in the consolidated statement of financial position:

- Financial assets at fair value through profit or loss (“FVPL”) are measured at fair value.
- Financial assets at fair value through other comprehensive income (“FVOCI”) are measured at fair value.
- Employees’ defined benefits liabilities are recognised at the present value of future obligations using the projected unit credit method.

Preparing the consolidated financial statements requires management to use certain judgments, estimates and assumptions that affect the application of accounting policies and the amounts presented for assets and liabilities, revenues, and expenses. Actual results may differ from these estimates. The significant judgments taken by management in applying the Group’s accounting policies and the main sources of uncertainty estimates are the same as those applied to the annual consolidated financial statements for the year ended 30 June 2024.

2. Basis of preparation and presentation (continued)

2.4 New standards and amendments to standards adopted by the Group

Certain new standards and interpretations have been issued which are effective from 1 July 2024 or later, but they do not have a material impact on the Group's consolidated financial statements for the year ended 30 June 2025.

Standard, interpretation, amendments	Description	Effective date
Amendments to IAS 21 Lack of Exchangeability	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.	1 January 2025

2.5 Basis of consolidation

The Group's subsidiaries consolidated in these consolidated financial statements are as follows:

Subsidiary name	Country of incorporation	Percentage of ownership	
		30 June 2025	30 June 2024
AZM Tajrubah for Information Technology Company	Saudi Arabia	75%	75%
Azm Squads Development	Egypt	100%	100%
Wasl Platform Company for Communications and Information Technology	Saudi Arabia	100%	-

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2025.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Income and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Financial statements of subsidiaries are prepared using accounting policies which are consistent with those of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. Basis of preparation and presentation (continued)

2.5 Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in consolidated statement of income. Any investment retained is recognised at fair value.

3. Material accounting policies

The material accounting policies applied by the Group in the preparation of consolidated financial statements are the same applied during the preparation of consolidated financial statements for the year ended 30 June 2024, unless otherwise stated.

3.1 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects to measure the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Contingent consideration, if any, to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

3.2 Investments in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence is similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates is accounted for using the equity method. Under the equity method, the investment in associates is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

3. Material accounting policies (continued)

3.2 Investments in an associate (continued)

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associates. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's other comprehensive income ("OCI"). In addition, when there has been a change recognised directly in the equity of the associates, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates is eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of associates is shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss and non- controlling interests in the subsidiaries of the associate, if any.

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investments in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retaining investment and proceeds from disposal is recognised in consolidated statement of comprehensive income.

3.3 Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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 twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

3.4 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each respective entity operates (the "functional currency"). The consolidated financial statements are presented in Saudi Riyals ("ﷲ"), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of comprehensive income.

3. Material accounting policies (continued)

3.4 Foreign currencies (continued)

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency of the consolidated financial statements are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- Income and expenses for each statement of income and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

3.5 Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes all amounts necessary to bring the asset to the present condition and location to be ready for its intended use by management. Such costs include the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects (qualifying assets), if the recognition criteria are met, and costs incurred during the commissioning period, net of proceeds from sale of trial production.

When parts of property and equipment are significant in cost in comparison to the total cost of the item, and where such parts/ components have a useful life different from the other parts and required to be replaced at different intervals, the Group shall recognise such parts as individual components of the asset with specific useful lives and depreciate them accordingly.

All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated from the date the item of property and equipment is available for their intended use or in respect of self-constructed assets from the date such assets are completed and ready for the intended use. Land and assets under construction, which are not ready for their intended use, are not depreciated.

Depreciation on assets is calculated on a straight-line basis over the useful life of the asset as follows:

Computers and equipments	4 years
Furniture and fixtures	7 years
Leasehold improvements	10 years or lease terms whatever is shorter
Vehicle	5 years

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at each reporting date.

An item of property and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of retired, sold or otherwise derecognised property and equipment are determined by comparing the proceeds with the carrying amount of the asset, and are recognised within "other income/(loss)" in statement of comprehensive income.

An asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3.6 Intangible assets

The Group's intangible assets consist of online platforms established by the Group and Software and IT systems and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets acquired separately are measured at cost upon initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

3. Material accounting policies (continued)

3.6 Intangible assets (continued)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from the development phase of an internal project is recognised only if all of the following conditions are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised is the sum of expenditures incurred from the date when the intangible asset first meets the recognition criteria. If the recognition criteria are not met, development expenditure is recognised in profit or loss as incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite life are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in statement of comprehensive income in the expense category consistent with the function of the intangible asset.

The estimated useful lives for current and comparative periods are 8 years. Intangible assets which are not ready for their intended use, are not amortised.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognising an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

3.7 Leases

The Group assesses whether a contract contains a lease, at inception of the contract. For all such lease arrangements the Group recognises right of use assets and lease liabilities except for the short-term leases and leases of low value assets as follows:

3.7.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

3.7.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

3. Material accounting policies (continued)

3.7 Leases (continued)

3.7.2 Lease liabilities (continued)

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Operating lease income is recognised in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Any benefits granted as an incentive to enter into an operating lease, are distributed in a straight-line basis over the lease term. Total benefits from incentives are recognised as a reduction in rental income on a straight-line basis, unless there is another basis that better represents the period of time in which the economic benefits of the leased asset are exhausted.

The amounts due from the finance leases are recorded as lease receivables at an amount equal to the net investment of the Group in the lease. The lease payments to be received are distributed into two components:

- a reimbursement of the original amount
- a financing income to compensate the Group for its investment and services.

The additional costs directly attributable to negotiating the lease contract are included in the amounts due, which in return, will reduce the finance income portion from the contract.

3.8 Financial instruments

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

i) Financial assets

Classification of financial assets depends on the Group's business model for managing its financial assets and the contractual terms of the cash flows. The Group classifies its financial assets as:

- Financial assets measured at amortised cost; or
- Financial assets measured at fair value

Gains or losses of assets measured at fair value will be recognised in the statement of comprehensive income either in profit or loss or in other comprehensive income ("OCI").

Initial measurement

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

3. Material accounting policies (continued)

3.8 Financial instruments (continued)

i) Financial assets (continued)

Initial measurement (continued)

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

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

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income ("FVOCI") with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income ("FVOCI") with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss ("FVPL")

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in statement of comprehensive income when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and investment in Sukuk.

• FVOCI

Financial assets held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at ("FVOCI"). Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognised in the statement of comprehensive income.

When the financial asset is de-recognised, the cumulative gain or loss previously recognised in ("OCI"), is reclassified from equity to the statement of comprehensive income and recognised in other income/expense. Interest income from these financial assets are included in finance income using the EIR method. Foreign exchange gains and losses are presented in other income/expense

• FVPL

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of comprehensive income.

Equity instruments

The Group measures all investments in equity instruments at fair value and presents changes in fair value of investments in equity instruments in other comprehensive income ("OCI") which are designated at ("FVOCI"). Dividends from such investments continue to be recognised in the statement of comprehensive income as other income when the Group's right to receive payments is established. There shall be no subsequent reclassification of changes in fair value through profit or loss income.

3. Material accounting policies (continued)

3.8 Financial instruments (continued)

i) Financial assets (continued)

Equity instruments (continued)

A financial asset or a part of a financial asset is de-recognised when:

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

Impairment

At each reporting date, the Group applies a three-stage approach to measuring expected credit losses ("ECL") on financial assets. Assets migrate through the following three stages based on the change in credit quality since initial recognition:

a) Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

b) Stage 2: Lifetime ECL - not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.

c) Stage 3: Lifetime ECL - credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

For trade receivables and contract assets, the Group recognises expected credit losses for trade receivables based on the simplified approach. The simplified approach to the recognition of expected losses does not require the Group to track the changes in credit risk; rather, the Group recognises a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable.

Objective evidence that financial assets are impaired may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in profit or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Group under the contract, and the cash flows that the Group expects to receive. The Group assesses all information available, including past due status, credit ratings, the existence of third-party insurance, and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortised cost.

The Group measures expected credit loss by considering the risk of default over the contract period and in Group's forward-looking information into its measurement.

3. Material accounting policies (continued)

3.8 Financial instruments (continued)

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified under either of the below two classes:

- Financial liabilities at FVPL; and
- Other financial liabilities measured at amortised cost using the EIR method.

The category of financial liability at FVPL has two sub-categories:

- Designated: A financial liability that is designated by the entity as a liability at FVPL upon initial recognition; and
- Held for trading: A financial liability classified as held for trading, such as an obligation for securities borrowed in a short sale, which have to be returned in the future. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

All financial liabilities are recognised initially when the Group becomes party to contractual provisions and obligations under the financial instrument. The liabilities are recorded at fair value, and in the case of loans and borrowings and payables, the proceeds received net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at FVPL continue to be recorded at fair value with changes being recorded in the statement of comprehensive income.

For other financial liabilities, including loans and borrowings, after initial recognition, these are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of comprehensive income when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR method. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value adjusted for transaction costs that are directly attributable to the issuance of the guarantee. The fair value of financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payables to a third party for assuming the obligation.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

De-recognition

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

3.9 Offsetting of financial instruments

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

3. Material accounting policies (continued)

3.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to liability. The increase in the provision due to the passage of time is recognised as interest expense.

3.11 Employees' defined benefits liabilities

Employees' defined benefits liabilities

The Group primarily has end of service benefits which qualifies as defined benefit plans.

The pension liability recognised in the consolidated statement of financial position is the present value of the projected Defined Benefit Obligation ("DBO") at the reporting date.

DBO is re-measured on a periodic basis by independent actuary using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high-quality bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For instances where there is no deep market in such bonds, the market rates on government bonds are used. As Kingdom of Saudi Arabia does not have a deep market in high quality corporate bonds, the discount rate was determined based on available information of Kingdom of Saudi Arabia sovereign bond yields.

The net interest cost is calculated by applying the discount rate to the net balance of the DBO. This cost is included in employees' related costs in the consolidated statement of comprehensive income.

Re-measurement gains and losses arising from changes in actuarial assumptions are recognised in the period in which they occur in other comprehensive income ("OCI"). Changes in the present value of the DBO resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of comprehensive income as past service costs.

Current and past service costs related to end of service indemnities and unwinding of the liability at discount rates used are recognised immediately in the consolidated statement of comprehensive income. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in other comprehensive income ("OCI").

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

Retirement benefits

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

Short-term employee benefits

A liability is recognised 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. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.12 Cash and cash equivalents

Cash and cash equivalents include cash at banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3. Material accounting policies (continued)

3.13 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, Group assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit), except for goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the comprehensive income.

3.14 Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the Consolidated financial statements but disclosed when an inflow of economic benefits is probable.

3.15 Fair value measurement

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorised within the fair value hierarchy, 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 recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

3. Material accounting policies (continued)

3.16 Treasury shares

Own equity instruments that are repurchased (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in consolidated statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of the shares and the consideration, if reissued, is recognised in the retained earnings within equity.

3.17 Share-based payment transactions

The Group's employees receive remuneration in the form of share-based payments under the employee long term incentives program, whereby employees render services as consideration for the Group's shares (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value of the equity instrument at the grant date. The grant date is the date on which the Group and the employee agree on the share-based agreement, so that a common understanding of the terms and conditions of the agreement exists between the parties.

Share-based payment expense is included as part of employee benefit expenses over the period in which the service and the performance conditions are fulfilled (the vesting period), with the corresponding amount recorded under other reserves within equity in accordance with the requirements of the International Financial Reporting Standard (2) Share-based payment. The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of shares that will ultimately vest. The expense or credit in the consolidated statement of comprehensive for a period represents the movement in cumulative expense recognised from the beginning to the end of that period.

3.18 Revenue from contracts with customers

Revenue from contracts with customers is recognised using the five-step model:

- (i) identify the contract with a customer;
- (ii) identify the performance obligations (distinct elements that are part of a single contract but are separated for accounting purposes) in the contract;
- (iii) determine the transaction price;
- (iv) allocate the transaction price to the performance obligations in the contract;
- (v) recognise revenue when (or as) the entity satisfies a performance obligation, which is when the customer obtains control of the good or service which can take place over time or at a point in time.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty collected on behalf of third parties. Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods to a customer.

Revenue recognised in any period is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. For contracts with multiple components to be delivered, management applies judgement to consider whether those promised goods or services are:

- (i) distinct – to be accounted for as separate performance obligations;
- (ii) not distinct – to be combined with other promised goods or services until a bundle is identified that is distinct; or
- (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

At contract inception the total transaction price is estimated, which is allocated to the identified performance obligations in proportion to their relative standalone selling prices and revenue is recognised when (or as) those performance obligations are satisfied. The transaction price for contracts with customers that include variable consideration is estimated using either the expected value method or the most likely amount method, depending on the nature of the contract. Inputs used in determining the transaction price include historical data, market conditions, customer-specific factors, and contract-specific terms. The estimated variable consideration is constrained to ensure that a significant reversal of revenue does not occur when the uncertainty is resolved.

3. Material accounting policies (continued)

3.18 Revenue from contracts with customers (continued)

For each performance obligation, the Group determines if revenue will be recognised over time or at a point in time. Where the Company recognises revenue over time this is due to any of the following reasons:

- (i) the Group performing and the customer simultaneously receiving and consuming the benefits provided over the life of the contract,
- (ii) the Group performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) the Group performance creates an asset with no alternative use, and the Group has an enforceable right to payment for performance completed to date.

If performance obligations in a contract do not meet the overtime criteria, the Group recognises revenue at a point in time when obligations under the terms of the contract with the customer are satisfied.

Revenue Recognition Methods

For performance obligations satisfied over time, the Group applies a revenue recognition method that most faithfully represents the transfer of control of goods or services to the customer. The Group consistently applies either the input or output method, depending on the nature of the services and the performance obligations. The input method is used where progress can be reliably measured through efforts expended, such as costs incurred or labor hours, and where such inputs directly correlate with the Group's performance in satisfying the obligation. The output method is applied where the progress is better reflected by measurable outcomes, such as the achievement of milestones, delivery of units, or usage-based charges. The cost of contract includes the cost and general administrative expenses that are directly attributable to the contract from the date of securing the contract to its final completion. Changes in cost estimates and losses on uncompleted contracts, if any, are recognised in the period they are determined. When it is probable that the total contract costs will exceed the total contract revenues, the expected loss is recognised immediately.

Changes in estimates of measures of progress of performance obligations satisfied over time are recognised on a cumulative catch-up basis, which recognises in the current period the cumulative effect of any changes on current and prior periods based on a performance obligation's percentage of completion.

The Group disaggregates revenue from contracts with customers by type of product/service, customer type and timing of revenue recognition, as management believes this best depicts how the nature, amount, timing and uncertainty of the Group's revenue and cash flows are affected by economic factors. Following are the type of services provided by the Group:

- **Enterprise services**

Enterprise services consist of manpower services provided by the Group to its customers to support them on their various IT projects. The performance obligation is satisfied over time as the work progresses, based on the actual costs incurred or achievement of milestones.

- **Proprietary technologies**

Proprietary technologies consist of provision of on-going support, training and progress reports on training provided to the customers on various IT Platforms. The performance obligation is satisfied over time as the work progresses, based on the actual cost incurred.

- **Advisory services**

Advisory services consist of IT consulting services provided by the Group in exchange for consideration agreed with the customer. The performance obligation is satisfied over time as the work progresses, based on the actual cost incurred.

- **Platforms for third parties**

Platform for third parties consist of creating a tailored IT platform or software solution to meet specific customer requirements. The performance obligation is satisfied over time as the work progresses, based on the actual costs incurred or achievement of milestones, delivery of units, or usage-based charges.

Invoices are issued to customers in accordance with the contractual terms (i.e., financial plan) and collected based on the agreed payment schedule. Payment terms are contractually determined, considering commercial factors such as transaction volume, client history with the Group, and creditworthiness assessment.

3. Material accounting policies (continued)

3.18 Revenue from contracts with customers (continued)

Contract assets and liabilities

When either party to a contract has performed, an entity shall present the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer.

Principal versus agent consideration

The Group has evaluated its arrangements to determine whether it is a principal, and report revenues on a gross basis, or an agent, and report revenues on a net basis. In this assessment, the Group has considered if it has obtained control of the specified goods or services before they are transferred to the customer, as well as other indicators such as the party primarily responsible for fulfillment, inventory risk, and discretion in establishing price.

Where the Group performs agency related activities under a contract, the Group only recognises net commission income, as the Group arranges for another party to transfer goods or services under such arrangement and accordingly is acting as an agent.

3.19 Expenses

Selling and distribution expenses principally comprise of the marketing expenses incurred for the promotion of the Group's products and services.

General and administration expenses include indirect costs not specifically part of cost of sales or selling and distribution expenses as required under IFRSs as endorsed in KSA. Allocations between general and administration expenses, cost of sales and selling and distribution expenses, when required, are made on a consistent basis.

3.20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of finance and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalised is calculated using the Group weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalised as from the commencement of the development work until the date of practical completion, when substantially all of the development work is completed.

The capitalisation of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Borrowing costs is also capitalised on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress.

3.21 Zakat, income tax, withholding tax and value added tax (VAT)

3.21.1 Zakat and income tax

Companies with only Saudi shareholders

The Company is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority (the "ZATCA"). Zakat is levied based on adjusted income subject to zakat and the zakat base in accordance with the regulations of the ZATCA. A provision for zakat for the Company and zakat related to the Company's wholly owned subsidiaries is estimated at the end of each reporting period and charged to the consolidated statement of comprehensive income. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined.

3.21 Zakat, income tax, withholding tax and value added tax (VAT) (continued)

3.21.1 Zakat and income tax (continued)

Mixed companies with foreign shareholders and foreign subsidiaries

The subsidiaries where foreign shareholders have stakes are subject to zakat for their Saudi shareholders and income tax for their foreign shareholders in accordance with the regulations of the ZATCA. A provision for zakat and income tax for the mixed companies is charged to the consolidated statement of comprehensive income. Differences, if any, at the finalisation of final assessments are accounted for when such amounts are determined.

Foreign subsidiaries are subject to income taxes in their respective countries of domicile. Such income taxes are charged to the consolidated statement of comprehensive income.

3.21.2 Withholding tax

The Group withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law. Such taxes are charged to the consolidated statement of comprehensive income.

3.21.3 Value added tax (VAT)

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

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

The net amount of VAT recoverable from or payable to the Zakat, Tax and Customs Authority is included as part of receivables or payables in the consolidated statement of financial position.

4. Significant accounting estimates, assumptions and judgements

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses and assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These estimates and assumptions are based upon 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 recognised in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

The following critical judgements and estimates have the most significant effect on the amounts recognised in the consolidated financial statements:

4.1 Contract cost estimation, timing of revenue recognition and determination and allocation of transaction price

The Group recognises contract revenue by reference to the stage of completion of the activity at the reporting date, when the outcome of a contract can be estimated reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Assumptions are required to estimate the total estimated contract costs and the recoverable variation works that will affect the stage of completion. The estimates are made based on past experience and knowledge of the project engineers and other technical teams. The accuracy of these estimates is likely to have an impact on the amount of revenue and related profits recognised.

4. Significant accounting estimates, assumptions and judgements (continued)

4.1 Contract cost estimation, timing of revenue recognition and determination and allocation of transaction price (continued)

At the end of each reporting period, the Group is required to estimate costs to complete the contracts based on work to be performed beyond the reporting period. This involves objective evaluation of project progress against the schedule, evaluation of work to be performed and the associated costs to fully deliver the contract to the customer. This estimate will impact contract revenue and costs, contract assets, contract liabilities and accrued project costs. The measurement of contract revenue is affected by a variety of uncertainties (including cost estimation) that depend on the outcome of future events. The estimates often need to be revised as events occur and uncertainties are resolved. Therefore, the amount of contract revenue recognised may increase or decrease from period to period.

For one of the contracts under 'platforms for third parties' revenue stream, where the Group acts as an agent, there are two performance obligations: a) completion of the platform and b) operation of the platform. The transaction price of both elements comprises solely of variable consideration and at the completion of the platform performance obligation management has judged that revenue cannot be recognised as there is significant estimation uncertainty due to management not being able to reliably estimate the variable consideration in relation to this performance obligation. As such management has exercised judgment in recognising revenue for the platform once the variable consideration constraints are resolved, and this is judged to be during the operational phase. The basis for this allocation is the lack of historical data to support a different allocation and the actual billing terms of the contract where revenues are generated from actual usage of the platform.

Additionally, for contracts across the Group's service lines, management applies judgment in evaluating the timing of satisfaction of performance obligations. The judgment is mainly based on whether the customer simultaneously receives and consumes the benefits as the Group performs or if the performance creates or enhances an asset that the customer controls or if the performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Management also applies estimates in determining the transaction price where it includes variable components such as penalties, performance bonuses, or usage-based charges. These amounts are estimated using either the expected value or the most likely amount method and are included in the transaction price only when it is highly probable that a significant revenue reversal will not occur. Once determined, the transaction price is allocated to performance obligations based on their relative stand-alone selling prices, if any. Where such prices are not directly observable, the Group uses estimation methods including the cost-plus margin approach or market-based assessments. Given the nature of the Group's business, the contracts consist of either bundled services or a series of distinct services that are substantially the same and are transferred in a consistent pattern over time. In such cases, the Group accounts for these as a single performance obligation for the purpose of revenue recognition.

4.2 Employees' defined benefits liabilities

Employees' defined benefits liabilities represent obligations that will be settled in the future and require assumptions to project obligations. IFRS require management to make further assumptions regarding variables such as discount rates, rate of compensation increase, mortality rates, employment turnover and future healthcare costs. The Group's management use an independent actuary for performing this calculation. Changes in key assumptions can have a significant impact on the projected benefit obligation and/or periodic employees' benefits costs incurred.

4.3 Determining the lease term of contracts with renewal and terminations options

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

The Group has several lease contracts that include extension and termination clauses. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in the circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the contract.

4. Significant accounting estimates, assumptions and judgements (continued)

4.4 Incremental borrowing rate for lease agreements

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

5. New standards and amendments issued but not yet effective

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 July 2025 and earlier application is permitted; however, the Group has not early adopted them in preparing these Financial Statements.

Standard / interpretation	Description	Effective from periods beginning on or after
Amendments to IFRS 9 and IFRS 7- Classification and Measurement of Financial Instruments	These amendments clarify financial assets and financial liabilities are recognised and derecognised at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. Additionally, these amendments introduce new disclosure requirements and update others.	1 January 2026
IFRS 18, 'Presentation and Disclosure in Financial Statements'	The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: <ul style="list-style-type: none"> the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. 	Reporting periods beginning on or after 1 January 2027
IFRS 19 - Reducing subsidiaries' disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

The Group is currently assessing the impact of these amendment on the Group's consolidated financial statements.

6. Property and equipment

	Computers and equipments ﷲ	Furniture and fixtures ﷲ	Leasehold improvements ﷲ	Vehicle ﷲ	Total ﷲ
Cost:					
At 1 July 2024	2,017,204	958,281	6,194,754	55,200	9,225,439
Additions during the year	1,634,147	602,328	3,699,669	6,555	5,942,699
At 30 June 2025	3,651,351	1,560,609	9,894,423	61,755	15,168,138
Accumulated depreciation:					
At 1 July 2024	933,514	266,763	1,305,242	13,792	2,519,311
Depreciation charge for the year	519,016	152,423	694,259	12,322	1,378,020
At 30 June 2025	1,452,530	419,186	1,999,501	26,114	3,897,331
Net book value:					
At 30 June 2025	2,198,821	1,141,423	7,894,922	35,641	11,270,807

	Computers and equipments ﷲ	Furniture and fixtures ﷲ	Leasehold improvements ﷲ	Vehicle ﷲ	Total ﷲ
Cost:					
At 1 July 2023	1,315,694	908,898	6,194,754	55,200	8,474,546
Additions during the year	706,292	49,383	-	-	755,675
Disposals during the year	(4,782)	-	-	-	(4,782)
At 30 June 2024	2,017,204	958,281	6,194,754	55,200	9,225,439
Accumulated depreciation:					
At 1 July 2023	589,166	131,703	682,352	2,722	1,405,943
Depreciation charge for the year	346,351	135,060	622,890	11,070	1,115,371
Disposal during the year	(2,003)	-	-	-	(2,003)
At 30 June 2024	933,514	266,763	1,305,242	13,792	2,519,311
Net book value:					
At 30 June 2024	1,083,690	691,518	4,889,512	41,408	6,706,128

7. Right-of-use assets

The Group has leases in respect of the business offices. Rental contracts are typically made for a fixed period of 8-10 years and considered an extension option where the Group's management is reasonably certain to exercise.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

For short-term leases (a lease term of 12 months or less) and low value assets, the Group has opted to recognise a lease expense on a straight-line basis as permitted under IFRS 16. Expenses relating to short-term leases amounting to ﷲ472,475 (30 June 2024: ﷲ329,612).

The movement in right-of-use assets during the year is as follows:

	For the year ended 30 June	
	2025 ﷲ	2024 ﷲ
At the beginning of the year	21,538,169	8,354,568
Modifications/additions during the year	872,181	14,650,395
Depreciation charge for the year	(2,789,412)	(1,466,794)
At the end of the year	19,620,938	21,538,169

8. Intangible assets

The movement in intangible assets during the year is as follows:

	Software ﷲ	Work in progress* ﷲ	Total ﷲ
Cost:			
At 1 July 2024	935,672	2,790,525	3,726,197
Additions during the year	-	6,171,761	6,171,761
Transfers during the year	1,164,135	(1,164,135)	-
At 30 June 2025	2,099,807	7,798,151	9,897,958
Accumulated amortisation and impairment:			
At 1 July 2024	935,672	-	935,672
Amortisation charged during the year	72,160	-	72,160
Impairment charged during the year**	1,091,975	-	1,091,975
At 30 June 2025	2,099,807	-	2,099,807
Net book value:			
At 30 June 2025	-	7,798,151	7,798,151

	Software ﷲ	Work in progress ﷲ	Total ﷲ
Cost:			
At 1 July 2023	935,672	806,988	1,742,660
Additions during the year	-	1,983,537	1,983,537
At 30 June 2024	935,672	2,790,525	3,726,197
Accumulated amortisation:			
At 1 July 2023	935,672	-	935,672
At 30 June 2024	935,672	-	935,672
Net book value:			
At 30 June 2024	-	2,790,525	2,790,525

* Work in progress as at 30 June 2025 and 2024, primarily represents online platforms from which the Group expects to receive future economic benefits and is currently under progress and no amortisation is charged.

Borrowing cost capitalised during the year amounting to ﷲ 19,891 (30 June 2024: ﷲ 21,246). Average interest rate on borrowing during current year is 8.13% (30 June 2024: 8.13%) per annum.

** During the current year, the Group impaired one of its technology platforms after determining that it is not expected to generate future economic benefits.

9. Investment in associates

Name	Country of incorporation	Percentage of ownership	
		30 June 2025	30 June 2024
National Real Estate Platform Company (note 9.1)	Saudi Arabia	32.68%	32.68%
Machine Learning Company for Information Technology (note 9.2)	Saudi Arabia	30%	-

9.1 National Real Estate Platform Company is a limited liability company. The Company is engaged in real estate activities, consultancy, advisory services, computer programming, data processing and web related activities.

9.2 Machine Learning Company for Information Technology is a limited liability company. The Company is engaged in computer programming, computer consulting and facilities management activities.

9. Investment in associates (continued)

The movement of investments in associates during the year is as follows:

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
At the beginning of the year	5,438,097	2,316,164
Addition during the year	2,812,500	1,102,000
Share of profit from investment in associates	2,457,811	2,019,933
Share of other comprehensive loss	(39,465)	-
At the end of the year	10,668,943	5,438,097

During the current year, the Group acquired 30% stakes in Machine Learning Company for Information Technology amounting to ﷲ 2.8 million. During the year ended 30 June 2024, the Group transferred ﷲ 1.1 million from “due from related party - National Real Estate Platform Company” for which the settlement of this balance is neither planned nor likely to occur in the foreseeable future.

Summarised financial information in respect of the Group's associates is set out below and represents amounts shown in the associate's audited financial statements.

National Real Estate Platform Company

	30 June	30 June
	2025	2024
	ﷲ	ﷲ
Statement of financial position		
Current assets	53,855,699	154,113,625
Non-current assets	6,279,510	4,161,526
Current liabilities	(32,158,090)	(141,353,750)
Non-current liabilities	(2,879,194)	(2,078,952)
Equity	25,097,925	14,842,449
Less: Contribution made by the Group	(1,102,000)	(1,102,000)
Equity attributable to equity holders of the Company	23,995,925	13,740,449
Less: Profit belong to other shareholders resulting from disposals	(472,097)	(472,097)
Adjusted equity	23,523,828	13,268,352
Group's share in percentage	32.68%	32.68%
Group's share in (ﷲ)	7,687,587	4,336,097
Add: Contribution made by the Group	1,102,000	1,102,000
Carrying amount of investment in an associate	8,789,587	5,438,097

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
Statement of comprehensive income		
Revenue for the year	38,411,286	29,893,917
Gross profit for the year	11,452,577	10,313,564
Profit before zakat for the year	10,877,517	6,514,399
Zakat for the year	(574,094)	(333,452)
Profit for the year	10,303,423	6,180,947
Total comprehensive income for the year	10,255,476	6,180,947

9. Investment in associates (continued)

Machine Learning Company for Information Technology

	30 June 2025 ﷲ	30 June 2024 ﷲ
Statement of financial position		
Current assets	3,087,882	1,360,933
Non-current assets	253,283	83,951
Current liabilities	(2,853,886)	(825,629)
Non-current liabilities	(207,090)	(41,087)
Equity	280,189	578,168
Less: Equity belong to other shareholders	(578,168)	-
Change in equity during the year	(297,979)	-
Less: Investment made by Group	(2,812,500)	-
Adjusted equity	(3,110,479)	-
Group's share in percentage	30%	-
Group's share in (ﷲ)	(933,144)	-
Add: Investment made by Azm in associate	2,812,500	-
Carrying amount of investment in an associate	1,879,356	-

	For the year ended 30 June 2025 ﷲ	2024 ﷲ
Statement of comprehensive income		
Revenue for the year	4,044,769	1,070,877
Gross profit for the year	1,799,488	780,243
Loss before zakat for the year	(2,979,381)	(1,128,776)
Zakat for the year	(51,779)	(26,224)
Loss for the year	(3,031,160)	(1,155,000)
Total comprehensive loss for the year	(3,110,479)	(1,161,667)

10. Investment in finance lease

During the year 2022, the Group entered into an agreement with Real Estate Projects Fund Company, whereby the Group leased the three-floor building for a period of 8 years. The Group became a lessee and therefore had to record a right of use asset and lease liability under IFRS 16. However, during the same month, the Group sub-leased floors 2 and 3 to two different tenants. Floor 2 was sub-leased for 2 years, while floor 3 was sub-leased for a period of 8 years. The sublease of floor 2 was categorised as an operating lease while floor 3 was categorised as a finance lease. As a result, the Group recognised 'net investment in lease' for the sub-lease. The movement is as follows:

	For the year ended 30 June 2025 ﷲ	2024 ﷲ
At the beginning of the year	3,857,280	4,529,280
Payment received during the year	(672,000)	(672,000)
At the end of the year	3,185,280	3,857,280
Current portion	(692,160)	(672,000)
Non-current portion	2,493,120	3,185,280

11. Financial assets at fair value through other comprehensive income

	Country of incorporation	Percentage of ownership		30 June 2025 ﷲ	30 June 2024 ﷲ
		30 June 2025	30 June 2024		
Unquoted equity investments					
SITECH Inc.	Cayman Islands	3.28%	3.28%	1,022,386	916,822
US and Global Tech opportunities Holding Company	Bahrain	0.74%	0.74%	583,155	520,674
				1,605,541	1,437,496

11. Financial assets at fair value through other comprehensive income (continued)

The movement in the financial assets at fair value through other comprehensive income during the year is as follows:

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
At the beginning of the year	1,437,496	1,770,881
Change in fair value	168,045	(333,385)
At the end of the year	1,605,541	1,437,496

The significant unobservable inputs used for valuation of financial assets at fair value through other comprehensive income is as follows:

Unquoted equity investments	Valuation technique	Significant unobservable inputs	Description of valuation technique
SITECH Inc.	Market method	Comparable entities	This approach establishes weighted average equity value by computing EV/Revenue and EV/EBITDA of the Company using multiplies of revenue and EBITDA of comparable entities and adjusting for minority stake and liquidity. The market approach is a general way of determining the value of a business, business ownership interest, security, or intangible asset by using one or more methods that compare the subject to similar businesses, business ownership interests, securities, or intangible assets that have been sold. The management applied revenue and EBITDA multiples of 2.3X and 14.7X, respectively, along with a 10% discount factor to account for minority interests and liquidity considerations.
		Discount factors (lack of minority and liquidity)	

There were no significant inter-relationships between unobservable inputs that materially affect fair values. A 10% change in the above unobservable inputs will not result in a significant change to the fair value.

12. Financial assets held at amortised cost

The financial assets held at amortised cost are as follows:

	30 June 2025	30 June 2024
	ﷲ	ﷲ
Investment in Sukuk- quoted	26,597,263	26,127,687
Investment in Sukuk- unquoted	10,261,141	5,057,301
	36,858,404	31,184,988
Total current	(18,483,155)	-
Total non-current	18,375,249	31,184,988

The movement of financial assets held at amortised cost during the year is as follows:

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
At the beginning of the year	31,184,988	24,995,169
Additions during the year	5,000,000	5,736,348
Finance income recorded during the year	1,983,646	1,669,794
Finance income received during the year	(1,310,230)	(1,216,323)
At the end of the year	36,858,404	31,184,988

These sukuk carry profit rates ranging from 4.4% to 8.5% per annum, with maturity dates extending up to 2029.

13. Financial assets at fair value through profit or loss

The movement of investments at FVPL during the year is as follows:

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
At the beginning of the year	26,001,999	25,019,473
Additions during the year *	157,000,000	40,000,000
Disposals during the year **	(84,612,808)	(40,142,349)
Change in fair value	4,133,425	1,124,875
At the end of the year	102,522,616	26,001,999

* During the current year, the Group invested an amount of ﷲ 157 million (30 June 2024: ﷲ 40 million) in a Mutual Fund through a brokerage company of a local bank in Saudi Arabia. The intention of the Group is to take advantage of the upside movement in price, efficiently manage the short-term excess liquidity and record any gain or loss in the fair value to profit or loss account.

** During the current year, the Group sold financial assets at fair value through profit or loss amounting to ﷲ 85 million (30 June 2024: ﷲ 40 million). The realised gain during the current period amounted to ﷲ 887,192 (30 June 2024: ﷲ 265,540) and unrealized gain amounted to ﷲ 4,133,425 (30 June 2024: ﷲ 1,124,875) which has been classified in other income (note 30).

14. Related party transactions and balances

Related parties comprise of shareholders, key management personnel, directors and businesses which are controlled directly or indirectly or influenced by the partners, directors or key management personnel. In the normal course of business, the Group has various transactions with its related parties. Transactions are entered into with the related parties on terms and conditions approved by either the Group's management or its Board of Directors.

Related party	Nature of relationship
Saudi AZM Holding Company	Affiliate
AZM Financial Technology Company	Affiliate
Azm Digital Company for Communication and Information Technology	Affiliate
Azm Development Private Limited	Affiliate
Future Communications for Telecommunication and Information Technology	Affiliate
National Real Estate Platform Company	Associate
Machine Learning Company for Information Technology	Associate

- Affiliate is an entity that has common shareholding and/or common management with the Group or entities that are significantly influenced or controlled by affiliates.

14. Related party transactions and balances (continued)

Related party	Nature of significant transactions	For the year ended 30 June	
		2025 ﷲ	2024 ﷲ
AZM Financial Technology Company	Revenue/income from affiliate	3,159,259	2,581,930
	Expenses paid/incurred by affiliate on behalf of the Group*	60,868,062	14,846,523
	Expenses paid/incurred by the Group on behalf of affiliate	7,366,453	2,087,862
Azm Digital Company for Communications and Information Technology	Revenue from affiliate	619,000	414,347
	Expenses paid/incurred by affiliate on behalf of the Group	55,487,205	16,030,764
	Expenses paid/incurred by the Group on behalf of Affiliate	1,536,388	151,307
National Real Estate Platform Company	Expenses paid/incurred by the Group on behalf of associate	627,274	1,155,186
	Transfer to investment (note 9)	-	1,102,000
Azm Development Private Limited	Expenses paid/incurred by affiliate on behalf of the Group	-	375,930
Saudi AZM Holding Company	Expenses paid/incurred by affiliate on behalf of the Group	311,871	-
Machine Learning Company for Information Technology	Investment in associate (note 9)	2,812,500	-
	Expenses paid/incurred by associate on behalf of the Group*	2,452,460	-
	Expenses paid/incurred by the Group on behalf of associate	563,200	-
Future Communications for Telecommunication and Information Technology	Revenue from affiliate	72,326	73,469
	Expenses paid/incurred by the Group on behalf of affiliate	102,381	415,698

* This amount includes billing issued by an affiliate/associate where it acts as a subcontractor to the Group. The majority of this amount has been offset against revenue, as it relates to agency-related activities performed by the Group.

Transactions with related parties are conducted on terms that would be available to third parties in the normal course of business.

14. Related party transactions and balances (continued)

Related party balances were as follows:

	30 June 2025 S	30 June 2024 S
Due from related parties:		
National Real Estate Platform Company	130,117	127,034
Machine Learning Company for Information Technology	765,437	-
Due from related parties, gross	895,554	127,034
Less: provision for expected credit losses*	(14,429)	-
Due from related parties, net	881,125	127,034

* During the current year, the Group has recognised expected credit losses amounting to S 14,429 (30 June 2024: nil).

	30 June 2025 S	30 June 2024 S
Due to related parties:		
AZM Financial Technology Company	4,468,160	2,342,697
Azm Digital Company for Communications and Information Technology	5,025,969	1,813,485
	9,494,129	4,156,182

Compensation to key management and Board of Directors' personnel

Key management personnel of the Group comprise of key members of the management having authority and responsibility for planning, directing and controlling the activities of the Group.

Key management personnel compensation comprised the following:

	For the year ended 30 June 2025 S	2024 S
Short-term employee benefits	6,086,915	3,042,528
End of service benefits	285,136	338,763
Board of Directors' remuneration	369,000	221,000
	6,741,051	3,602,291

15. Revenue, contract assets and liabilities

Contract balances

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Contract liabilities represent advance payments received from customers or amounts invoiced by the Group prior to the delivery of services under a contract. These amounts are recognised as revenue once the Group has performed the related services.

The Group has recognised the following contract assets/liabilities as disclosed in the consolidated financial statements:

	30 June 2025 S	30 June 2024 S
Contract assets*	60,477,132	82,694,059
Contract liabilities	87,635,209	33,856,094

*Below are the Group's contract assets in a gross basis and the corresponding provision for expected credit losses:

	30 June 2025 S	30 June 2024 S
Contract assets, gross	60,994,967	83,175,804
Less: provision for expected credit losses	(517,835)	(481,745)
Contract assets, net	60,477,132	82,694,059

15. Revenue, contract assets and liabilities (continued)

Contract balances (continued)

The movement in the provision for expected credit losses of contract assets during the year is as follow:

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
At the beginning of the year	481,745	415,071
Provision charged for expected credit losses	36,090	66,674
At the end of the year	517,835	481,745

Significant changes in contract assets and liabilities

Contract assets decreased during the current year, primarily due to fewer services being provided ahead of the agreed payment schedules under certain fixed-price contracts, as well as increased billing to customers on some contracts, which resulted in a lower unbilled revenue. Additionally, the Group recognised a provision for expected credit loss for contract assets.

Contract liabilities increased during the current year, primarily due to amounts invoiced and consideration received in advance from customers for services that have not yet been provided as of the reporting date. These amounts will be recognised as revenue when the Group satisfies the related performance obligations in accordance with the terms of the respective contracts.

Below is the disaggregation of the Group's revenue from contracts with customers:

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
Major product / Service line		
Enterprise services	139,544,579	116,121,637
Proprietary technologies	50,192,258	58,942,518
Advisory services	32,341,391	24,607,203
Platforms for third parties	31,080,629	17,967,020
	253,158,857	217,638,378
Type of customers		
Government and semi-government customers	190,617,344	137,913,717
Private customers	62,541,513	79,724,661
	253,158,857	217,638,378
Timing of revenue recognition		
Goods or services transferred to customers:		
Over a period of time	253,158,857	217,638,378
Geographical information		
Kingdom of Saudi Arabia	253,158,857	217,638,378

During the current year, the Group revised the disclosure relating to the timing of revenue recognition for certain contracts, presenting it on an over-time rather than a point-in-time basis. This revision is purely presentational and has no impact on the total revenue recognised.

The following table shows the revenue recognised during the year that relates to the opening balance of contract liabilities:

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
Enterprise services	4,075,210	9,267,100
Proprietary technologies	11,018,720	12,420,507
Advisory services	2,621,502	-
Platforms for third parties	1,622,507	1,158,717
	19,337,939	22,846,324

During the current year, revenue from one customer contributed ﷲ 27,107,156 to the total revenue, which represents 10.7% of total revenue (30 June 2024: two customers contributed ﷲ 37,242,634 and ﷲ 22,513,166 to total revenue, which represents 17% and 10% of total revenue, respectively).

16. Trade receivables

	30 June 2025 ﷲ	30 June 2024 ﷲ
Trade receivables	58,810,030	36,940,856
Less: provision for expected credit losses	(4,041,038)	(2,518,198)
	54,768,992	34,422,658

Trade receivables comprise of interest free net receivables due from customers with no credit rating. Unimpaired trade receivable is expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and vast majority are, therefore, unsecured.

The movement in the provision for expected credit losses of trade receivables during the year is as follows:

	For the year ended 30 June 2025 ﷲ	2024 ﷲ
At the beginning of the year	2,518,198	1,666,625
Provision charged for expected credit losses	1,522,840	851,573
At the end of the year	4,041,038	2,518,198

The following table details the risk profile of accounts receivable based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss pattern for different customer segments, the provision for expected credit losses based on past due status is not further distinguished between the Group's different customer types.

	Current ﷲ	1- 90 days ﷲ	91-180 days ﷲ	180-270 days ﷲ	271-365 days ﷲ	More than 365 days ﷲ	Total ﷲ
30 June 2025							
Gross carrying amount	47,526,480	2,622,777	3,747,534	317,456	157,103	4,438,680	58,810,030
Expected credit loss	408,013	51,533	371,553	75,920	67,434	3,066,585	4,041,038
	Current ﷲ	1- 90 days ﷲ	91-180 days ﷲ	180-270 days ﷲ	271-365 days ﷲ	More than 365 days ﷲ	Total ﷲ
30 June 2024							
Gross carrying amount	12,959,180	17,057,298	1,391,696	1,429,376	3,065,233	1,038,073	36,940,856
Expected credit loss	73,802	198,158	91,614	212,848	1,225,249	716,527	2,518,198

17. Prepayments and other current assets

	30 June 2025 ﷲ	30 June 2024 ﷲ
Margin against bank guarantees	10,845,193	10,451,309
Advances against investment	2,025,000	900,000
Prepaid expenses	1,524,280	812,801
Employee's loans and advances	1,308,228	898,079
Others	1,336,098	449,890
	17,038,799	13,512,079

18. Cash and cash equivalents

	30 June 2025 ﷲ	30 June 2024 ﷲ
Cash at banks	18,562,107	11,957,376

19. Share capital

The share capital of the Group amounted to 30 million (30 June 2024: 30 million) divided into authorised and fully paid 60 million shares (30 June 2024: 60 million shares) of 0.5 each share (30 June 2024: 0.5 each share).

20. Treasury shares

During the year, the Group completed the purchase of 8,350 shares based on the approval from Extraordinary General Assembly Dated 24 Ramadan 1445H (corresponding to 3 April 2024) of its own shares with an amount of 234,444 to be allocated to the Employees' Long-term Incentives Program and high performing employee.

The Program intends to attract, motivate and retain employees responsible for the achievement of the Group's goals and strategy. The Program provides a share-based payment plan for eligible employees participating in the Program by granting them shares in the Company to be distributed over a vesting period of 3-5 years, based on percentages in the grant letter. The Group accounts for the share-based payment Program as an equity-settled plan.

The movement in treasury shares during the year is as follows:

	2025	2024	2025	2024
	Shares	Shares	ﷲ	ﷲ
At the beginning of the year	1,268,055	748,000	16,609,332	7,243,981
Treasury shares purchased during the year	8,350	755,318	234,444	12,006,309
Treasury shares distributed during the year	(174,997)	(235,263)	(2,292,159)	(2,640,958)
At the end of the year	1,101,408	1,268,055	14,551,617	16,609,332

The reserve recognised for employee long-term incentives program is as follows:

	2025	2024
	ﷲ	ﷲ
Reserve arising from equity-settled share-based payment transactions*	13,977,788	646,834

* During the current year, the Group opted to settle certain employee performance benefits in the form of shares instead of cash, aligning with its strategy to incentivise employees, enhance retention, and align their interests with the long-term goals of shareholders. Consequently, the related provision amounting to 12.7 million was reversed, and a corresponding share-based payment reserve was recognized in equity, reflecting the transition to equity-settled share-based payments.

21. Subsidiary with Non-Controlling Interest ("NCI")

Summarised financial information of Tajrobat Azm for Information Technology Company, before intercompany eliminations, is set out below:

Statement of financial position	30 June 2025 ﷲ	30 June 2024 ﷲ
Current assets	16,103,475	15,207,568
Current liabilities	(15,543,069)	(5,639,401)
Net current assets	560,406	9,568,167
Non-current assets	19,292,038	14,812,826
Non-current liabilities	(11,481,601)	(10,970,463)
Net non-current assets	7,810,437	3,842,363
Net assets	8,370,843	13,410,530
Less: Contribution made by the Company	(1,000,000)	(1,000,000)
Adjusted net assets	7,370,843	12,410,530
Accumulated NCI	1,842,711	3,102,632
Net assets attributable to the equity holders	6,528,132	10,307,898

21. Subsidiaries with Non-Controlling Interest ("NCI") (continued)

Statement of comprehensive income	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
Revenue	30,430,940	27,862,634
Profit for the year	7,097,019	8,856,372
Other comprehensive income for the year	(136,706)	114,243
Total comprehensive income for the year	6,960,313	8,970,615
Profit for the year allocated to NCI	1,774,255	2,214,093
Other comprehensive income allocated to NCI	(34,176)	28,561
Total comprehensive income allocated to NCI	1,740,079	2,242,654

On 11 November 2024, the shareholders of Tajrobat Azm for information technology company resolved to distribute cash dividends amounting to ﷲ 12 million, of which ﷲ 3 million attributable to non-controlling interest shareholder was paid during the current year.

22. Employees' defined benefits liabilities

The movement in provision for employees' defined benefits liabilities for the year ended is as follows:

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
At the beginning of the year	5,028,340	5,081,100
Amount recognised in profit or loss		
Current service cost	4,270,301	2,328,962
Interest expense (note 29)	232,112	236,328
	4,502,413	2,565,290
Amount recognised in other comprehensive income		
Remeasurement gain on employees' defined benefit liabilities	(741,148)	(907,631)
	(741,148)	(907,631)
Benefits paid during the year	(1,365,296)	(1,235,391)
Transferred from related parties, net	(972,479)	(475,028)
At the end of the year	6,451,830	5,028,340

Significant actuarial assumptions

The Group carried out an employees' benefits actuarial valuation, using the projected unit credit method, of its liability as at 30 June 2025 and 2024 arising from the end of service benefits to qualifying in-service employees.

The following are the principal actuarial assumptions:

	30 June 2025	30 June 2024
Key actuarial assumptions		
Discount rate used	4.70%	5.20%
Salary growth rate	7.00%	7.00%
Mortality rate	0.06%	0.06%

Sensitivity analysis

Reasonably possible changes as to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation. The following is a sensitivity analysis for the salary inflation and discount rate assumptions that were performed at the previous and current valuation date:

	30 June 2025		30 June 2024	
	Base	1% increase ﷲ	Base	1% increase ﷲ
Discount rate	4.70%	5,301,802	5.20%	4,634,727
Salary growth rate	7.00%	5,989,834	7.00%	5,473,749

22. Employees' defined benefits liabilities (continued)

Significant actuarial assumptions (continued)

Risks associated with defined benefit plans

(a) Longevity risks:

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

(b) Salary increase risk:

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual salary increases are higher than expectation and impacts the liability accordingly.

(c) Maturity analysis

The maturity analysis of undiscounted post-employment benefits is as follows:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
30 June 2025	888,300	748,757	1,472,420	5,859,747	8,969,224
30 June 2024	633,693	416,092	1,215,316	6,296,034	8,561,135

23. Long and short-term loans

During the current year, the Group has entered into an agreement to obtain short-term loan from a local bank in the Kingdom of Saudi Arabia with an outstanding amount of ﷲ 5.03 million as at 30 June 2025 (30 June 2024: ﷲ 11.18 million) at variable interest rates. This loan is secured by the personal guarantees of one shareholder and promissory notes.

The movement in long and short-terms loans for the year ended is as follows:

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
At the beginning of the year	11,179,365	8,245,000
Addition during the year	5,000,000	5,000,000
Payments during the year	(11,359,803)	(2,428,570)
Interest charged during the year	214,333	362,935
At the end of the year	5,033,895	11,179,365
Current liabilities	(5,033,895)	(11,179,365)
Non-current liabilities	-	-

The loans contain certain covenants which are monitored on a monthly basis by the management. In case of potential breach, appropriate actions are taken by management to ensure compliance. During 2025 and 2024, there has not been any non-compliance observed for any of the covenants.

24. Lease liabilities

The movement in lease liabilities is as follows:

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
At the beginning of the year	24,100,849	11,587,836
Modifications/additions during the year	872,181	14,650,395
Payments during the year	(4,326,400)	(3,200,500)
Interest on lease liabilities (note 29)	1,949,563	1,063,118
At the end of the year	22,596,193	24,100,849
Current portion	(4,326,400)	(4,326,400)
Non-current portion	18,269,793	19,774,449

The aggregate maturities of lease liabilities are as follows:

	30 June 2025	30 June 2024
	ﷲ	ﷲ
Within one year	4,326,400	4,326,400
Two to five years	18,468,412	17,710,924
More than five years	7,157,370	10,685,308
Total undiscounted lease commitments	29,952,182	32,722,632
Future minimum lease payment	29,952,182	32,722,632
Less: un-amortised finance charges	(7,355,989)	(8,621,783)
Present value of minimum lease payment	22,596,193	24,100,849
Less: current-portion of lease payment	(4,326,400)	(4,326,400)
Non-current portion	18,269,793	19,774,449

25. Accruals and other liabilities

	30 June 2025	30 June 2024
	ﷲ	ﷲ
Accrued expenses	42,173,306	41,944,136
VAT Payable	3,563,734	1,903,400
Lease rentals received in advance	576,884	808,483
Security deposit	115,355	115,355
Withholding tax payable	58,914	74,478
Others	-	4,871
	46,488,193	44,850,723
Non-current portion	(378,706)	(692,238)
Current portion	46,109,487	44,158,485

26. Zakat and income tax

	30 June 2025	30 June 2024
	ﷲ	ﷲ
Zakat payable	4,079,833	3,984,506
Income tax payable	246,950	436,213
	4,326,783	4,420,719

26. Zakat and income tax (continued)

Charge for the year

Zakat and income tax charge for the year consists of the following:

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
Zakat charged during the year	1,516,287	2,623,303
Income tax charged during the year	239,992	436,213
	1,756,279	3,059,516

The major components of the zakat base as per ZATCA regulations are as follow:

	30 June	30 June
	2025	2024
	ﷲ	ﷲ
Equity	159,047,676	63,516,560
Opening provisions and other adjustments	18,656,925	17,967,003
Book value of long-term assets	(74,315,003)	(57,246,514)
Zakat base	103,389,598	24,237,049

The differences between the financial and the zakat results are mainly due to provisions which are not allowed in the calculation of zakat income.

The movement in provision for zakat and income tax during the year is as follows:

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
At the beginning of the year	4,420,719	2,486,702
Charge during the year	1,756,279	3,059,516
Paid during the year	(1,850,215)	(1,125,499)
At the end of the year	4,326,783	4,420,719

Status of zakat and income tax assessments

The Group has filed its zakat and income tax returns with ZATCA up to the financial year ended 30 June 2024. Final income tax assessment is still awaited, except for the zakat assessment relating to Saudi Azm for Communication and Information Technology Company for the year ended 30 June 2024, which has been finalised and settled with ZATCA.

27. Cost of revenue

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
Salaries, wages and related costs	123,513,419	94,211,295
Consulting and professional services	27,801,068	31,365,013
IT expenses	5,731,765	7,838,454
Staff medical Insurance	4,011,000	3,690,099
Travel, transport and vacations	3,912,996	4,105,620
Employees' defined benefits cost	3,310,174	1,718,701
Event operating costs	2,610,578	7,188,121
Others	8,860,039	9,698,858
	179,751,039	159,816,161

28. General and administrative expenses

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
Salaries, wages and related costs	18,237,787	12,943,489
Professional fees*	5,481,305	4,280,247
Right-of-use assets depreciation (note 7)	2,789,412	1,466,794
Depreciation of property and equipment (note 6)	1,378,020	1,115,371
Social insurance	1,246,986	1,038,466
Staff medical insurance	1,154,988	922,440
IT and subscription expenses	1,227,460	1,007,157
Impairment loss of intangible assets (note 8)	1,091,975	-
Employees' defined benefits cost	960,127	610,261
Rent expenses	472,475	329,612
Board of directors' and committees' remuneration	405,000	714,500
Tax expense	182,234	577,965
Amortisation of intangible assets (note 8)	72,160	-
Others	3,847,441	3,153,945
	38,547,370	28,160,247

* Professional fees include the Group auditor's fees. The Group engaged PKF Al-Bassam Chartered Accountants to audit the consolidated financial statements for the year ended 30 June 2025 and to review the interim condensed consolidated financial statements for the first three quarters of 2025 and the first quarter of 2026. During the current year, fees recognised for audit and review services amounting to ﷲ450,000, while fees for other services provided by the Group's auditor amounting to ﷲ25,000.

29. Finance cost, net

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
Interest on lease liabilities	1,949,563	1,063,118
Income from sub-leased asset	(231,599)	(262,663)
Finance charges on loans and bank guarantees	819,627	499,196
Interest on employees' defined benefits liabilities	232,112	236,328
	2,769,703	1,535,979

30. Other income, net

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
Change in fair value of investment at FVPL (note 13)	4,133,425	1,124,875
Finance income on assets held at amortised cost	1,983,646	1,669,794
Rental income	1,842,383	1,848,547
Realised gain on the sale of investment at FVPL (note 13)	887,192	265,540
Dividends income	189,653	159,761
Loss on disposal of property and equipment	-	(267)
Others	(31,610)	(7,166)
	9,004,689	5,061,084

31. Earnings per share

Basic earnings per share is calculated by dividing the income attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing the profit for the year by the adjusted weighted average number of ordinary shares outstanding during the year, to assume conversion of all dilutive potential shares into ordinary shares.

	For the year ended 30 June	
	2025	2024
	ﷲ	ﷲ
Profit attributable to equity holders of the Company	37,445,172	27,948,450
The weighted average number of shares used as the denominator are as follows:		
	30 June	30 June
	2025	2024
Weighted average number of ordinary shares used in calculating basic earnings per share	58,801,134	59,832,924
Adjustment for weighted average number of treasury shares	1,198,866	167,076
Weighted average number of ordinary shares used in calculating diluted earnings per share	60,000,000	60,000,000
Earnings per share (ﷲ)		
Basic earnings per share	0.64	0.47
Diluted earnings per share	0.62	0.47

32. Financial assets and financial liabilities

Set out below is a summary of financial assets, other than cash and cash equivalents, held by the Group as at 30 June 2025 and 2024:

	30 June	30 June
	2025	2024
	ﷲ	ﷲ
Financial assets at amortised cost		
Financial assets at amortised cost	36,858,404	31,184,988
Trade receivables	54,768,992	34,422,658
Contract assets	60,477,132	82,694,059
Due from related parties	881,125	127,034
Other current assets	12,153,421	11,349,388
Cash and cash equivalents	18,562,107	11,957,376
Financial assets measured at fair value		
Financial assets at fair value through other comprehensive income	1,605,541	1,437,496
Financial assets at fair value through profit or loss	102,522,616	26,001,999
Total financial assets	287,829,338	199,174,998
Total current	(267,848,548)	(166,552,514)
Total non-current	19,980,790	32,622,484

32. Financial assets and financial liabilities (continued)

Set out below is a summary of financial liabilities held by the Group as at 30 June 2025 and 2024:

	30 June 2025 ﷲ	30 June 2024 ﷲ
Financial liabilities at amortised cost		
Trade payables	20,584,289	22,528,586
Current portion of long-term loan	-	6,094,626
Shor-term loan	5,033,895	5,084,739
Lease liabilities	22,596,193	24,100,849
Accruals and other liabilities	42,288,659	42,059,491
Due to related parties	9,494,129	4,156,182
Total financial liabilities	99,997,165	104,024,473
Total current	(81,348,666)	(83,557,786)
Total non-current	18,648,499	20,466,687

The fair values of the financial assets and liabilities of the Group at the reporting date are not materially different from their carrying values as at 30 June 2025 and 2024.

33. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's financial assets as at 30 June 2025 and 2024.

	Total ﷲ	Quoted prices in active markets (Level 1) ﷲ	Significant unobservable inputs (Level 3) ﷲ
As at 30 June 2025			
Financial assets measured at fair value			
Financial assets at fair value through other comprehensive income	1,605,541	-	1,605,541
Financial assets at fair value through profit or loss	102,522,616	102,522,616	-
As at 30 June 2024			
Financial assets measured at fair value			
Financial assets at fair value through other comprehensive income	1,437,496	-	1,437,496
Financial assets at fair value through profit or loss	26,001,999	26,001,999	-

There were no transfers between levels during the years ended 30 June 2025 and 2024.

The fair values of the financial assets and liabilities measured at amortised cost of the Group at the reporting date are not materially different from their carrying values as at 30 June 2025 and 30 June 2024.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

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.

34. Financial risk management objectives and policies

Introduction

The Group's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Group's continuing profitability. The Group is exposed to market risk (which includes interest rate risk, currency risk and price risk), liquidity risk, credit risk and investment holding period risk arising from the financial instruments it holds.

34. Financial risk management objectives and policies (continued)

Financial risk factors

The Group's financial assets include cash and cash equivalents, trade receivables, contract assets, due from related parties, investment at FVOCI and FVPL and financial assets at amortised cost that result directly from its operations. The Group's financial liabilities comprise of short-term borrowings, contract liabilities, lease liabilities, due to related parties and trade payables.

The Group is exposed to market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

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

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.

Risk management structure

A cohesive organisational structure is established within the Group in order to identify, assess, monitor and control risks.

Board of Directors

The apex of risk governance is the centralised oversight of the Board of Directors providing direction and the necessary approvals of strategies and policies in order to achieve defined corporate goals.

Senior management

Senior management is responsible for the day to day operations towards achieving the strategic goals within the Group's pre-defined risk appetite.

Risk mitigation

The risks faced by the Group and the way these risks are mitigated by management are summarised below:

(i) Market risk

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

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's transactions are principally in Saudi Riyals and US Dollars. The Group's exposure to foreign currency changes for US dollars is not material due to the fact that the Saudi Riyals is pegged with US dollars, and the Group does not have any material assets or liabilities in US dollars as at 30 June 2025.

(b) Interest rate risk

Interest rate risk is the risk that either fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises from its borrowings. Variable-rate borrowings expose the Group to change in cash flow due to change in interest rates. The Group manages this risk by monitoring its repricing profile and, where appropriate, maintaining a mix of fixed and variable rates.

Interest rate sensitivity

As at 30 June 2025 and 2024, the Group's short-term loans carried fixed interest rates and had short contractual maturities between three to six months and are measured at amortised cost. Accordingly, the Group is not exposed to interest rate risk.

(c) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Group financial assets and liabilities are not exposed to price risk.

34. Financial risk management objectives and policies (continued)

Risk management framework (continued)

Risk mitigation (continued)

(ii) Credit risk

Credit risk refers to the risk that a party to a financial instrument will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, for whom the credit risk is assessed to be low. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties. The Group maintains bank accounts with high credit rated financial institutions.

The table below shows the Group's maximum exposure to credit risk for components of the consolidated statement of financial position.

	30 June 2025 ﷲ	30 June 2024 ﷲ
Financial assets		
Contract assets	60,477,132	82,694,059
Trade receivables	54,768,992	34,422,658
Financial assets at amortised cost	36,858,404	31,184,988
Margin against bank guarantees	10,845,193	10,451,309
Due from related parties	881,125	127,034
Cash at banks	18,562,107	11,957,376
	182,392,953	170,837,424

Trade receivable and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and sector in which customers operate.

Loss rates are based on actual historic credit loss experience. These rates reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and the Group view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast gross domestic product growth. The Group provides for trade receivables and contract assets by applying the simplified approach to assess the expected credit losses. The Group's usual credit terms are 90 days, however, outstanding amounts above 90 days are not considered impaired by default as the Group's customers are government, semi-government and private companies with sound financial health and no history of default.

The Group's trade receivables and contract assets include significant balances from government and semi-government customers, who are considered low risk. As of the reporting date, these balances totaled ﷲ97.67 million, with an expected credit loss provision of ﷲ3.3 million. Management assesses ECL using historical data and forward-looking macroeconomic inputs. No material changes in ECL estimates occurred during the year.

Trade receivable is considered to be in default when it is more than 365 days past due, unless there is strong evidence supporting its continued recoverability. Given that a significant portion of the Group's receivables are from government and semi-government entities with a history of full settlement, even beyond typical credit terms, such receivables are not automatically considered in default solely based on aging. Financial assets are considered for write-off only when there is no reasonable expectation of recovery, such as when legal enforcement options are exhausted or when the customer is subject to liquidation or insolvency proceedings.

Information about the exposure to credit risk and ECLs for trade receivable as at 30 June 2025 and 2024 are disclosed in note 16.

Expected credit losses on due from related parties' balances are assessed under the general approach. At each reporting period, the Group evaluates whether credit risk has significantly increased since initial recognition; where it has not, 12-month ECL is recognised; where it has, lifetime ECL is recognised; and balances assessed as credit-impaired are measured on a lifetime basis. Default are determined using quantitative and qualitative indicators, including ageing, repayment terms, contractual terms and the counterparty's financial position. Expected credit loss estimates incorporate forward-looking macroeconomic information via probability-weighted scenarios. As at 30 June 2025, an allowance for expected credit losses of ﷲ14,429 (30 June 2024: nil) has been recognised.

34. Financial risk management objectives and policies (continued)

Risk management framework (continued)

Risk mitigation (continued)

(ii) Credit risk (continued)

Credit risk on cash at banks is limited as the cash balances are held with banks having a credit rating of A3 and above. Other financial assets such as financial assets held at amortised cost and margin against bank guarantees have a low credit risk and the impact of applying ECL is immaterial.

Credit concentration

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, operate in the same geographic region, or have similar economic features that could cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. At the reporting date, all receivables are concentrated in the Kingdom of Saudi Arabia; however, they are diversified across government, semi-government, and private sector counterparties. Management therefore believes that no significant concentrations of credit risk exist.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation.

The Group manages liquidity risk through a structured treasury and risk management process. Management monitors rolling cash flow forecasts on a regular basis to ensure that the Group has sufficient cash to meet operational needs and financial commitments. These forecasts consider the Group's debt maturities, capital expenditure plans, and expected operational inflows and outflows. The Group maintains access to various sources of funding, including unutilised bank facilities, to provide flexibility in managing short-term liquidity needs. The Group regularly reviews its banking arrangements and maintains strong relationships with multiple financial institutions to reduce dependency on a single Credit provider. The Group also reviews its working capital position, current liquidity ratios, and compliance with debt covenants to proactively identify liquidity pressures.

Management believes that the Group is not exposed to significant risks in relation to liquidity and maintains different lines of credit.

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

	Carrying amount ﷲ	Contractual cashflow ﷲ	Within one year ﷲ	Above one year ﷲ
30 June 2025				
Trade payables	20,584,289	20,584,289	20,584,289	-
Short-term loan	5,033,895	5,189,868	5,189,868	-
Lease liabilities	22,596,193	29,952,182	4,326,400	25,625,782
Due to related parties	9,494,129	9,494,129	9,494,129	-
Total	57,708,506	65,220,468	39,594,686	25,625,782
	Carrying amount ﷲ	Contractual cashflow ﷲ	Within one year ﷲ	Above one year ﷲ
30 June 2024				
Trade payables	22,528,586	22,528,586	22,528,586	-
Current portion of long-term loan	6,094,626	6,156,429	6,156,429	-
Short-term loan	5,084,739	5,203,373	5,203,373	-
Lease liabilities	24,100,849	32,722,632	4,326,400	28,396,232
Due to related parties	4,156,182	4,156,182	4,156,182	-
Total	61,964,982	70,767,202	42,370,970	28,396,232

35. Capital management

Capital is equity attributable to the shareholders of the Group. The Group objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

The management policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Group manages its capital structure and makes adjustments to it, in light of change in economic conditions.

The management monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity. The management also monitors the level of dividends to the shareholders.

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as long and short term borrowings and lease liabilities, less cash and cash equivalents. Total equity consists capital, reserve, retained earnings and non-controlling interests. Total capital is calculated as total equity plus net debt. The Group's gearing ratio at the end of the reporting date was as follows:

	30 June 2025 S	30 June 2024 S
Net debt	9,067,981	23,322,838
Total equity	142,648,314	91,547,030
Total capital	151,716,295	114,869,868
Gearing ratio	5.98%	20.30%

36. Contingencies

The following bank guarantees represent contingent liabilities of the Group:

	30 June 2025 S	30 June 2024 S
Letter of guarantees	50,307,907	40,573,435

37. Segment information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker ("CODM") and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The CODM has been identified as the Board of Directors of the Group through the executive management, which includes Chief Executive Officer and Chief Financial Officer.

With respect to the allocation of resources and assessment of performance of the Group, the CODM considers the entire business as one function. The major products/service lines offered by the Group are disclosed under note 15. Furthermore, the Group's operations are conducted in the Kingdom of Saudi Arabia.

38. Subsequent event

In the opinion of management, there have been no significant subsequent events since 30 June 2025 that would have a material impact on the financial position or financial performance of the Group as reflected in these consolidated financial statements.

39. Approval of the consolidated financial statements

The consolidated financial statements have been approved by the Board of Directors, on 21 Rabi Al Awwal 1447H (corresponding to 13 September 2025).