

EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY

(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

**FOR THE THREE MONTH AND SIX-MONTH PERIOD ENDED
30 JUNE 2025**

EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTH AND SIX-MONTH PERIOD ENDED 30 JUNE 2025

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

TO THE SHAREHOLDERS OF EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)

(1 / 1)

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Edarat Communications and Information Technology Company (the "Company") as at 30 June 2025 and the related interim statement of profit or loss and other comprehensive income for the three-month and six-months period ended 30 June 2025 and the interim statements of changes in equity and cash flows for the six-month period then ended, and a summary of material accounting policies and other explanatory notes (the "interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

For PKF Al-Bassam Chartered Accountants




Ahmed Mohandis
Certified Public Accountant
License No. 477
Riyadh, Kingdom of Saudi Arabia
16 Safar 1447H
Corresponding to: 10 August 2025

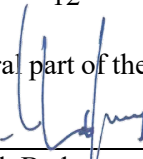



EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

		As at 30 June 2025	As at 31 December 2024
ASSETS	Notes	(Unaudited)	(Audited)
Non-current assets			
Equipment, net		13,248,148	8,438,630
Intangible assets, net		2,609,699	2,684,915
Right of use asset, net		1,124,217	1,417,492
Total non-current assets		16,982,064	12,541,037
Current assets			
Contract assets	6	22,135,756	16,325,783
Due from related parties	5	28,165,894	33,999,443
Trade receivables, net	7	27,419,135	7,645,474
Prepayment and other receivables		7,597,789	6,234,407
Cash and cash equivalents		19,834,460	12,758,447
Total current assets		105,153,034	76,963,554
TOTAL ASSETS		122,135,098	89,504,591
EQUITY AND LIABILITIES			
Equity			
Share capital	8	50,400,000	25,200,000
Actuarial reserves		(1,479,041)	(1,479,041)
Treasury shares	9	(2,722,584)	(880,410)
Retained earnings		30,084,153	40,041,153
TOTAL EQUITY		76,282,528	62,881,702
Liabilities			
Non-current liabilities			
Employees' post-employment benefits		6,814,302	5,875,288
Lease liability		361,914	711,415
Loans	10	4,296,943	-
Total non-current liabilities		11,473,159	6,586,703
Current liabilities			
Trade payables		7,204,414	3,693,743
Accrued and other expense payable		12,263,260	6,962,201
Due to related party	5	-	363,050
Contract liabilities		10,247,702	3,093,502
Current portion of lease liability		687,014	663,451
Loans	10	2,213,126	2,483,096
Zakat and income tax payable	11	1,763,895	2,777,143
Total current liabilities		34,379,411	20,036,186
TOTAL LIABILITIES		45,852,570	26,622,889
TOTAL EQUITY AND LIABILITIES		122,135,098	89,504,591
Contingencies and commitments	12		

The accompanying notes 1 to 19 form an integral part of these interim condensed financial statements


Ghassan Abou Ammar
Chief Financial Officer



Erick Baduy
Chief Executive Officer

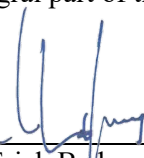

Dr. Abdullah Al Ghamdi
Chairman

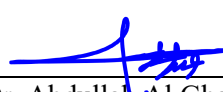
EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue	13	46,777,506	28,011,785	75,152,675	45,618,435
Cost of revenue		(25,976,638)	(13,312,033)	(47,235,436)	(25,001,781)
Gross Profit		20,800,868	14,699,752	27,917,239	20,616,654
General and administrative expenses		(5,165,195)	(4,191,390)	(10,400,332)	(8,008,644)
Provision for impairment on financial assets		(115,957)	-	(382,914)	(34,595)
Finance cost		(52,750)	(32,157)	(171,404)	(91,794)
Other income		-	72,000	25,000	192,000
Net profit before zakat and income tax		15,466,966	10,548,205	16,987,589	12,673,621
Zakat and tax for the period	11	(1,482,272)	(889,106)	(1,744,589)	(1,091,002)
Net profit for the period		13,984,694	9,659,099	15,243,000	11,582,619
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		13,984,694	9,659,099	15,243,000	11,582,619
Basic and diluted earnings per share (restated)	14	2.77	1.92	3.02	2.30

The accompanying notes 1 to 19 form an integral part of these interim condensed financial statements.


Ghassan Abou Ammar
Chief Financial Officer


Erick Baduy
Chief Executive Officer


Dr. Abdullah Al Ghamdi
Chairman


EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

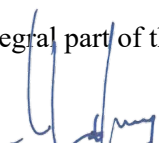
	Share Capital	Treasury Shares	Actuarial Reserve	Retained Earnings	Total Equity
Balance as at 1 January 2024 (Audited)	12,600,000	-	(798,243)	27,229,403	39,031,160
Increase in share capital (Note 8)	12,600,000	-	-	(12,600,000)	-
Purchase of treasury shares	-	(1,355,429)	-	-	(1,355,429)
Gain on treasury shares	-	-	-	388,324	388,324
Profit for the period	-	-	-	11,582,619	11,582,619
Other comprehensive income for the period	-	-	-	-	-
Balance as at 30 June 2024 (Unaudited)	25,200,000	(1,355,429)	(798,243)	26,600,346	49,646,674


For the six-month period ended 30 June 2025

Balance as at 1 January 2025 (Audited)	25,200,000	(880,410)	(1,479,041)	40,041,153	62,881,702
Increase in share capital (Note 8)	25,200,000	-	-	(25,200,000)	-
Purchase of treasury shares (Note 9)	-	(1,842,174)	-	-	(1,842,174)
Profit for the period	-	-	-	15,243,000	15,243,000
Other comprehensive income for the period	-	-	-	-	-
Balance as at 30 June 2025 (Unaudited)	50,400,000	(2,722,584)	(1,479,041)	30,084,153	76,282,528

The accompanying notes 1 to 19 form an integral part of these interim condensed financial statements.


 Ghassan Abou Ammar
 Chief Financial Officer


 Erick Baduy
 Chief Executive Officer


 Dr. Abdullah Al Ghamdi
 Chairman

EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM STATEMENT OF CASHFLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

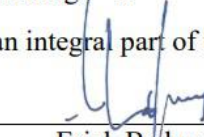
	Notes	For the six-month period ended 30 June 2025 (Unaudited)	For the six-month period ended 30 June 2024 (Unaudited)
<u>Cash flows from operating activities</u>			
Net profit before zakat and income tax		16,987,589	12,673,621
Adjustments for:			
Depreciation on equipment		1,469,181	929,577
Amortization of intangibles		369,637	329,724
Amortization on right of use asset		293,275	293,275
Provision for impairment on financial assets	5,6,7	382,913	34,595
Provision for employees' post-employment benefits		1,013,159	687,334
Interest expense on lease liabilities		46,654	65,615
Gain on treasury shares		-	388,324
		20,562,408	15,402,065
<u>Changes in working capital:</u>			
Trade receivables, net		(19,984,884)	2,736,434
Prepayments and other receivables		(1,363,382)	(2,810,757)
Due from related parties, net		5,773,056	4,638,435
Contract assets, net		(5,921,170)	(11,783,740)
Trade payables		3,510,670	1,373,954
Accrued and other payables		5,301,060	1,150,069
Contract liabilities		7,154,200	(469,847)
Due to related party		(363,050)	289
Employees' post-employment benefits paid		(74,144)	(5,250)
Zakat and income tax paid		(2,757,837)	(2,236,194)
Net cash generated from operating activities		11,836,927	7,995,458
<u>Cash flows from investing activities</u>			
Purchase of equipment		(6,278,699)	(1,406,598)
Purchase of intangibles		(294,422)	(492,932)
Purchase of treasury shares	9	(1,842,174)	(1,355,429)
Net cash used in investing activities		(8,415,295)	(3,254,959)
<u>Cash flows from financing activities</u>			
Lease liabilities paid		(372,592)	(323,994)
Short-term financing, net		(2,483,096)	(707,651)
Long-term financing	10	6,510,069	-
Net cash generated from / (used in) financing activities		3,654,381	(1,031,645)
Net change in cash and cash equivalents		7,076,013	3,708,854
Cash and cash equivalents at 1 January		12,758,447	8,899,464
Cash and cash equivalents at 30 June		19,834,460	12,608,318

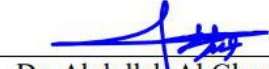
Non-cash transactions

Issuance of share capital from retained earnings	8	25,200,000	12,600,000
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The accompanying notes 1 to 19 form an integral part of these interim condensed financial statements.


Ghassan Abou Ammar
Chief Financial Officer


Erick Baduy
Chief Executive Officer


Dr. Abdullah Al Ghamdi
Chairman

EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1. ORGANIZATION AND ITS ACTIVITIES

Edarat Communications and Information Technology Company (the “Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010255311 issued on 22/08/1429H (corresponding to 23/08/2008G).

On 28 November 2022, the Capital Market Authority (CMA) approved the company’s request to offer 126,000 shares, representing 20% of the share capital, on Nomu (Parallel Market) and the shares of the Company were listed on Saudi Exchange on 26 December 2022.

The Company along with its branch are engaged in the implementation of service contracts including provision of virtual network operator services, colocation services, system analysis, design and programming of software, providing management and monitoring of communications and information networks, establishing web hosting infrastructure and related services, data center services and related activities and subscriptions to provide cloud computing services.

The financial year of the Company commences on 1 January and ends on 31 December of each calendar year. These financial statements include the assets, liabilities, and results of the operations of the Company and its branch in Dubai, UAE. The details of branch are as follows:

Branch Name	Incorporation Date	License No.	Place of Issue
Edarat Communications and Information Technology Company (Branch)	22 February 2015	1461	Dubai Silicon Oasis, Dubai, UAE

The Company's head office is located on King Abdulaziz Road, Al-Yasmin District, PO Box. No. 2414, Riyadh 13322, Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

2.1. Statement of compliance

These interim condensed financial statements of the Company have been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

2.2. Basis of measurement

These interim condensed financial statements have been prepared under historical cost basis, using the accrual basis of accounting and the going concern concept.

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s financial statements for the year ended 31 December 2024. The performance of the Company for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

2. BASIS OF PREPARATION (Continued)

2.3. Functional and presentation currency

These interim condensed financial statements are presented in Saudi Arabian Riyal (SAR), which is the Company's functional and presentation currency. All the financial information presented has been rounded to the nearest Saudi Riyal unless otherwise stated.

2.4. Use of estimates and judgements

The preparation of these interim condensed financial statements requires the use of judgments, estimates and assumptions that affect the values of income, expenses, assets, liabilities and notes attached thereto and the disclosure of contingent liabilities. Uncertainties about these assumptions and estimates may result in a material adjustment to the carrying amounts of the assets and liabilities in future periods.

The significant judgements and estimates made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those described in the Company's financial statements for the year ended 31 December 2024.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

There are no new standards issued. However, there are number of amendments to standards which are effective from 1 January 2025 and the details of the same have been explained in Company's annual financial statements for the year ended 31 December 2024, but they do not have a material effect on the Company's interim condensed financial statements.

4. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements as at 31 December 2024.

5. RELATED PARTY TRANSACTIONS AND BALANCES

5.1. Transactions and balances with related parties

Transactions and balances between the Company and its Dubai branch have been eliminated in these financial statements and are not disclosed in this note. Sales of services to related parties were made at the Company's usual list prices. Purchases of services were made at market price adjusted to reflect the nature of services received and the relationships between the parties. The amounts outstanding are unsecured, and no guarantees have been given or received.

		Transactions with related parties	
		30 June	30 June
		2025	2024
		(Unaudited)	(Unaudited)
	Nature of transaction		
Al Moammar Information Systems	Services rendered	27,120,187	20,439,566
Al Moammar Information Systems	Service acquired	(5,783,108)	(338,267)
Edarat Lebanon	Service acquired	(273,000)	(105,000)

EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

5. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

5.1 Transactions and balances with related parties (Continued)

	Nature of relationship	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Due from related parties, net			
Al Moammar Information Systems	Major shareholder	28,169,024	33,623,280
Edarat Lebanon	Associated company	57,363	376,163
		28,226,387	33,999,443
Provision for impairment		(60,493)	-
		28,165,894	33,999,443
Due to related party			
Phoenicia Tech Worldwide	Associated company	-	363,050

5.2 Transactions with key management personnel

Key management personnel of the Company include its Directors and Executive Management. The following table illustrates details of remunerations and compensations accrued or paid to Directors and Executive management:

	For the six-month period ended 30 June 2025 (Unaudited)			For the six-month period ended 30 June 2024 (Unaudited)		
	BOD & Committees	Key management personnel	Total	BOD & Committees	Key management Personnel	Total
Salaries and compensation	-	1,869,915	1,869,915	-	2,025,826	2,025,826
Allowances	-	319,214	319,214	-	403,810	403,810
Periodic remunerations	980,500	-	980,500	574,000	-	574,000
Post-employment benefits	96,813	-	96,813	97,180	-	97,180
Total	1,077,313	2,189,129	3,266,442	671,180	2,429,636	3,100,816

EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

6. CONTRACT ASSET, NET

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Contract asset	22,249,726	16,328,556
Provision for impairment	(113,970)	(2,773)
	22,135,756	16,325,783

6.1. Movement in provision is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	2,773	-
Provision during the period / year	111,197	2,773
Balance at the end of the period / year	113,970	2,773

7 TRADE RECEIVABLES, NET

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Trade receivables	28,226,467	8,241,583
Provision for impairment	(807,332)	(596,109)
	27,419,135	7,645,474

7.1 Movement in provision is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	596,109	123,286
Provision during the period / year	211,223	472,823
Balance at the end of the period / year	807,332	596,109

7.2 The ageing of trade receivables and breakup of ECL provision is as follows:

Ageing Bucket	For the six-month period ended 30 June 2025			For the year ended 31 December 2024		
	Gross receivables	Credit impaired	%	Gross receivables	Credit impaired	%
Current / not yet due	10,513,486	-	-	4,596,623	-	-
0-30 days	6,607,753	-	-	2,420,884	-	-
31-60 days	633,383	-	-	478,104	-	-
60-90 days	4,169,845	457,557	11%	321,913	173,673	54%
91-120 days		-	-	9,224	7,601	82%
121-150 days*	6,302,000	349,775	6%	414,835	414,835	100%
Total balance	28,226,467	807,332		8,241,583	596,109	

*SAR 6.3 million in 121-150 days bucket includes receivables of SAR 5.8 million from National Center for Meteorology a government customer wherein the impairment provision is calculated at 0.53% only.

EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

8 SHARE CAPITAL

The Board of Directors in their meeting dated 05 December 2024 decided to submit a recommendation to the Company's Extraordinary General Assembly to increase the Company's share capital from SAR 25,200,000 to SAR 50,400,000 through transfer from retained earnings by granting one share for each one share by issuing 2,520,000 new shares to reach a total of 5,040,000 shares. On 24 March 2025, corresponding to 24 Ramadan 1446, the Capital Market Authority (CMA) has approved the Company's request to increase the capital by capitalization from retained earnings through the issuance of 2,520,000 new shares, representing 100% of the company's capital. The Extraordinary General Assembly approved the capital increase on 28 May 2025.

The Board of Directors in their meeting dated 13 December 2023 decided to increase the Company's share capital from SAR 12,600,000 to SAR 25,200,000, transfer made from the retained earnings by granting one share for each share held by the Shareholder of the Company. On 16 April 2024, the Extraordinary General Assembly approved the increase and shares were issued accordingly.

The Company's share capital at 30 June 2025 amounted to SAR 50,400,000 (31 December 2024: SAR 25,200,000), consisting of 5,040,000 shares (31 December 2024: 2,520,000 shares) of SAR 10 each.

9 TREASURY SHARES

On 7 November 2024, the Extraordinary General Assembly of the Company has approved the buyback of maximum 5,000 shares for the purpose of allocation as employee stock incentive plan. The Company completed the purchase of 5,000 shares by April 2025. Upon capital increase 28 May 2025, the number of treasury shares increased to 10,000 shares. As at 30 June 2025 the Company holds 10,000 shares (31 December 2024: 1,645 shares) at cost of SR 2,722,584 (31 December 2024: SR 880,410). No such shares have been allocated to employees as at the period ended 30 June 2025.

10 LOANS

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Bank loan	10.1	6,510,069	-
Credit Card		-	33,096
Short term financing		-	2,450,000
		6,510,069	2,483,096
Non -current		4,296,943	-
Current		2,213,126	2,483,096
Total		6,510,069	2,483,096

10.1 The Company has a Shari'ah Compliant bank facilities agreement with Saudi Awwal Bank, with a total limit of SAR 18 million and a profit rate of SAIBOR + 3.5% per annum for short term financing, and SAIBOR + 4% for term financing of CAPEX. The facility is guaranteed for SAR 4.5 million by Al Moammar Information Systems Co. (Major Shareholder). The promissory note submitted to the bank is for SAR 18 million. The loan is to be repaid in 36 equal monthly instalments.

The bank facility agreement includes a financial covenant requiring that the leverage ratio defined as total liabilities to tangible net worth does not exceed 1.25:1. Management actively monitors this ratio to ensure compliance with the covenant terms. As of the reporting date, the Company was in full compliance with this requirement. No breaches or defaults have occurred, and there are no indications of covenant risks.

EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

11 ZAKAT AND INCOME TAX PAYABLE

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	2,777,143	2,255,458
Provision during the period / year:		
Zakat expense	846,841	1,140,034
Income tax expense	897,748	1,617,846
Prior year tax	-	7,090
	1,744,589	2,764,970
Payments made during the period / year	(2,757,837)	(2,243,285)
Balance at the end of the period / year	1,763,895	2,777,143

The Company submitted its zakat and tax returns until 2024 and obtained provisional zakat certificate from Zakat, Tax and Customs Authority (“ZATCA”) valid till 13 Dhu al-Qi’dah 1447H corresponding to 30 April 2026. Subsequently, the Company received from ZATCA in July 2025 an assessment for the year 2024 in relation to Zakat, Withholding Tax & VAT.

The Company has closed all Zakat assessments up to 2018 and 2023.

12 CONTINGENCIES AND COMMITMENTS

a) Contingencies: The Company has bank performance guarantees as part of the credit facility agreement amounting to SAR 1.89 million as at 30 June 2025 (31 December 2024: SAR 1.99 million) and SAR 3.60 million as at 30 June 2025 against letter of credit (31 December 2024: SAR Nil).

b) Commitments: During the period, the company has issued two promissory notes for a total of SAR 5.4 million as a guarantee against financing agreement with one of its strategic business partners to supply equipment related to the expansion of cloud infrastructure. As at 30 June 2025, the Company did not have any other capital commitments (31 December 2024: SAR Nil).

13 REVENUE

	For the six-month period ended 30 June 2025 (Unaudited)	For the six-month period ended 30 June 2024 (Unaudited)
Data Center Engineering Service Revenue	44,193,798	24,501,574
Cloud Services Revenue – as principal	30,871,945	21,116,861
Cloud Services Revenue – as agent	86,932	-
	75,152,675	45,618,435

Disaggregation of revenue from respective locations:

Revenue from services by Edarat CIT (inside KSA)	74,155,086	43,906,963
Revenue from services by Branch UAE (outside KSA)	997,589	1,711,472
	75,152,675	45,618,435

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14 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the following net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The share capital of the Company comprises of 5.04 million shares as at 30 June 2025.

Earnings per share is calculated based on the revised number of shares in issue following the bonus share issued on 28 May 2025 and prior comparatives have been restated accordingly. The effect of the increase of share capital in the comparative figure was taken retrospectively.

The calculation of diluted earnings per ordinary share is based on net profit attributable to ordinary shareholders of the Company and weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares. There were no potentially dilutive shares outstanding at any time during the periods ending 30 June 2024 and 30 June 2025 respectively.

	For the three-month period ended 30 June 2025 (Unaudited)	For the three-month period ended 30 June 2024 (Unaudited) (Restated)	For the six-month period ended 30 June 2025 (Unaudited)	For the six-month period ended 30 June 2024 (Unaudited) (Restated)
Net profit attributable to ordinary shareholders (SAR)	13,984,694	9,659,099	15,243,000	11,582,619
Weighted average number of ordinary shares in issue	5,040,000	5,040,000	5,040,000	5,040,000
Basic and diluted earnings per share (SAR) - restated	2.77	1.92	3.02	2.30

15 OPERATING SEGMENT

IFRS 8 - Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief operating decision maker in order to allocate resources to segments and to assess their performance.

The Company has two operating segments: Data Center Engineering Services and Cloud Services. In identifying these operating segments, management generally follows the service lines representing revenue and direct costs from each segment. Each of these operating segments is managed separately with independent allocated resources.

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15 OPERATING SEGMENT (Continued)

Segment Reporting on the basis of components:

For the six-month period ended 30 June 2025				
(Unaudited)				
	Data Center Engineering Services	Cloud Services	Unallocated	Total
Segment revenue	44,193,798	30,958,877	-	75,152,675
Segment cost of revenue	(25,722,667)	(21,512,769)	-	(47,235,436)
Total gross profit	18,471,131	9,446,108	-	27,917,239
Other cost	-	-	(12,674,239)	(12,674,239)
Net profit	18,471,131	9,446,108	(12,674,239)	15,243,000

As at 30 June 2025				
(Unaudited)				
	Data Center Engineering Services	Cloud Services	Unallocated	Total
Total assets	64,070,894	32,563,085	25,501,119	122,135,098
Total liabilities	14,720,019	22,802,506	8,330,045	45,852,570

For the six-month period ended 30 June 2024				
(Unaudited)				
	Data Center Engineering Services	Cloud Services	Unallocated	Total
Segment revenue	24,501,574	21,116,861	-	45,618,435
Segment cost of revenue	(10,583,459)	(14,418,322)	-	(25,001,781)
Total gross profit	13,918,115	6,698,539	-	20,616,654
Other cost	-	-	(9,034,035)	(9,034,035)
Net profit	13,918,115	6,698,539	(9,034,035)	11,582,619

As at 31 December 2024				
(Audited)				
	Data Center Engineering Services	Cloud Services	Unallocated	Total
Total assets	48,697,429	19,435,578	21,371,584	89,504,591
Total liabilities	7,310,161	7,953,351	11,359,377	26,622,889

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16 FAIR VALUES

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. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. When measuring the fair value, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not have any financial instruments which are measured at fair value as at the reporting date. Accordingly, the fair value hierarchy disclosures are not applicable to the Company.

17 RECLASSIFICATION FOR PRIOR PERIOD FIGURES

Certain comparative figures have been reclassified to conform to current period presentation which are majorly as follows:

	Balance before reclassification (June-24)	Amount of reclassification	Balance after reclassification (June-24)
General and administrative expenses	(8,085,211)	76,567	(8,008,644)
Other income (Prior year expense)	233,972	(41,972)	192,000
Provision for impairment on financial assets	-	(34,595)	(34,595)

18 SUBSEQUENT EVENTS

There are no significant subsequent events since the period end that would require additional disclosure or adjustment in these interim condensed financial statements of the Company.

19 APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed financial statements were approved by the Board of Directors on 11th Safar, 1447 corresponding to 05 August 2025.