



ELM COMPANY

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AND INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025



ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025

<u>INDEX</u>	<u>PAGE</u>
Independent auditor's review report	1
Interim condensed consolidated statement of profit or loss	2
Interim condensed consolidated statement of comprehensive income	3
Interim condensed consolidated statement of financial position	4
Interim condensed consolidated statement of changes in equity	5
Interim condensed consolidated statement of cash flows	6
Notes to the interim condensed consolidated financial statements	7 - 20



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

To the shareholders of
Elm Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Elm Company** ("the Company") and its subsidiaries (collectively referred to as "the Group"), as at 30 September 2025, and the related interim condensed consolidated statement of profit or loss and statement of other comprehensive income for the three and nine month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the nine month period then ended, and other explanatory notes. The Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standards ("IAS 34") "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

For Dr. Mohamed Al-Amri & Co.,



Gihad Mohamed Al-Amri
Certified Public Accountant
License No. 362



Riyadh, on: 5 November 2025 (G)
Corresponding to: 14 Jumada al Ula 1447 (H)

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025
All amounts in Saudi Riyals

	Note	For the three months period ended September 30		For the nine months period ended September 30	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue	4	2,534,993,721	1,871,539,614	6,657,189,600	5,277,565,298
Cost of revenue		(1,463,709,694)	(1,041,650,439)	(3,859,036,650)	(3,090,156,956)
GROSS PROFIT		1,071,284,027	829,889,175	2,798,152,950	2,187,408,342
EXPENSES					
Research and development		(23,672,541)	(20,459,342)	(65,742,622)	(53,863,732)
Selling and marketing		(91,087,591)	(78,732,299)	(258,511,376)	(236,544,470)
Expected credit losses		(24,428,517)	(43,873,773)	(65,223,807)	(62,139,442)
General and administrative		(271,357,531)	(133,493,913)	(657,599,172)	(391,848,865)
Depreciation and amortization	5,7,8	(76,987,286)	(58,230,277)	(181,252,597)	(148,788,442)
Impairment of non-current assets		-	(1,126,789)	(1,544,266)	(1,942,431)
OPERATING PROFIT		583,750,561	493,972,782	1,568,279,110	1,292,280,960
Finance cost		(35,091,163)	(8,069,170)	(71,075,114)	(20,637,255)
Income from murabaha deposits	12,13	29,185,248	32,718,237	102,067,994	105,939,057
Share in results from investments in associates and joint ventures	9	(6,288,422)	(490,565)	(7,947,724)	(516,266)
Change in fair value of financial assets through profit or loss, net	9,10	5,768,443	7,961,811	18,222,709	27,983,846
Other income, net		12,441,567	5,448,707	44,963,137	29,466,645
NET PROFIT BEFORE ZAKAT		589,766,234	531,541,802	1,654,510,112	1,434,516,987
Zakat, net	18	(31,038,288)	(33,300,181)	(10,408,523)	(105,267,314)
NET PROFIT		558,727,946	498,241,621	1,644,101,589	1,329,249,673
Net profit attributable to:					
Equity holders of the parent company		558,727,946	498,241,621	1,644,102,500	1,329,262,129
Non-controlling interests		-	-	(911)	(12,456)
		558,727,946	498,241,621	1,644,101,589	1,329,249,673
Earnings per share from net profit attributable to equity holders of the parent company:					
Basic	16	7.18	6.41	21.13	17.11
Diluted	16	6.98	6.23	20.55	16.62

ابراهيم


Chief Financial Officer


Chief Executive Officer


Chairman

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025
All amounts in Saudi Riyals

	Note	For the three months period ended September 30		For the nine months period ended September 30	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
NET PROFIT		558,727,946	498,241,621	1,644,101,589	1,329,249,673
OTHER COMPREHENSIVE INCOME					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation difference		209,912	(1,025)	(605,050)	(1,112)
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Change in fair value of financial assets through other comprehensive income	10	(2,860,815)	(9,245,262)	(34,395,948)	(12,687,401)
TOTAL OTHER COMPREHENSIVE LOSS		(2,650,903)	(9,246,287)	(35,000,998)	(12,688,513)
TOTAL COMPREHENSIVE INCOME		556,077,043	488,995,334	1,609,100,591	1,316,561,160
<i>Total comprehensive income attributable to:</i>					
Equity holders of the parent company		556,077,043	488,995,334	1,609,101,502	1,316,573,616
Non-controlling interests		-	-	(911)	(12,456)
		556,077,043	488,995,334	1,609,100,591	1,316,561,160

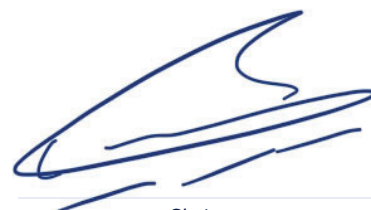
ابراهيم



Chief Financial Officer



Chief Executive Officer



Chairman

The accompanying notes from (1) to (27) form an integral part of these interim condensed consolidated financial statements

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025
All amounts in Saudi Riyals

	Note	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS			
NON – CURRENT ASSETS			
Property and equipment	5	554,921,942	518,080,773
Capital work in progress	6	395,427,986	51,062,073
Right-of-use assets	7	599,007,879	557,750,104
Intangible assets	8	255,547,847	70,612,641
Finance lease receivables – non-current		52,575,019	73,409,363
Investments in associates and joint ventures	9	33,698,783	6,687,350
Other financial assets	10	217,566,555	230,879,131
Long term prepaid expenses		40,933,718	19,070,247
TOTAL NON – CURRENT ASSETS		2,149,679,729	1,527,551,682
CURRENT ASSETS			
Accounts receivable	11	3,728,538,249	2,895,222,777
Contract assets		1,361,605,198	641,667,693
Finance lease receivables – current		25,354,049	21,399,046
Prepaid expenses and other current assets		447,752,142	310,748,048
Other financial assets	10	399,009,747	480,597,586
Murabaha deposits	12	50,000,000	1,426,071,000
Cash and cash equivalents	13	2,760,155,462	2,250,797,179
TOTAL CURRENT ASSETS		8,772,414,847	8,026,503,329
TOTAL ASSETS		10,922,094,576	9,554,055,011
EQUITY AND LIABILITIES			
EQUITY			
Share capital		800,000,000	800,000,000
Treasury shares		(273,857,280)	(293,112,576)
Other reserves		33,612,052	60,669,508
Retained earnings		2,927,319,698	4,725,547,762
Equity attributable to equity holders of the parent company		3,487,074,470	5,293,104,694
Non-controlling interest		139,971	140,882
TOTAL EQUITY		3,487,214,441	5,293,245,576
LIABILITIES			
NON – CURRENT LIABILITIES			
Long term borrowing – non current	15	1,520,000,000	-
Lease liabilities – non current		562,792,426	481,013,080
End of service benefits provision		607,984,918	387,235,689
Other non current liabilities	17	14,125,041	-
TOTAL NON – CURRENT LIABILITIES		2,704,902,385	868,248,769
CURRENT LIABILITIES			
Long term borrowing – current	15	427,027,013	-
Accounts payable and other current liabilities		3,007,790,926	2,479,580,023
Contract liabilities		1,100,223,769	609,806,315
Zakat	18	117,958,464	218,172,525
Lease liabilities – current		76,977,578	85,001,803
TOTAL CURRENT LIABILITIES		4,729,977,750	3,392,560,666
TOTAL LIABILITIES		7,434,880,135	4,260,809,435
TOTAL EQUITY AND LIABILITIES		10,922,094,576	9,554,055,011

إبراهيم

Chief Financial Officer

Chief Executive Officer

Chairman

The accompanying notes from (1) to (27) form an integral part of these interim condensed consolidated financial statements

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025
All amounts in Saudi Riyals

	Note	Equity attributable to the equity holders of the parent company					Non-controlling interest	Total equity
		Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings		
Balance as at January 1, 2024 (Audited)		800,000,000	(294,758,400)	174,708,101	12,826,478	3,301,731,675	164,000	3,994,671,854
Net profit		-	-	-	-	1,329,262,129	(12,456)	1,329,249,673
Other comprehensive loss		-	-	-	(12,688,513)	-	-	(12,688,513)
Total comprehensive income		-	-	-	(12,688,513)	1,329,262,129	(12,456)	1,316,561,160
Share-based payment transactions	14	-	-	-	54,880,873	-	-	54,880,873
Transferred from statutory reserve		-	-	(174,708,101)	-	174,708,101	-	-
Dividends		-	-	-	-	(582,729,000)	-	(582,729,000)
Balance as at September 30, 2024 (Unaudited)		<u>800,000,000</u>	<u>(294,758,400)</u>	<u>-</u>	<u>55,018,838</u>	<u>4,222,972,905</u>	<u>151,544</u>	<u>4,783,384,887</u>
Balance as at January 1, 2025 (Audited)		800,000,000	(293,112,576)	-	60,669,508	4,725,547,762	140,882	5,293,245,576
Net profit		-	-	-	-	1,644,102,500	(911)	1,644,101,589
Other comprehensive loss		-	-	-	(35,000,998)	-	-	(35,000,998)
Total comprehensive income		-	-	-	(35,000,998)	1,644,102,500	(911)	1,609,100,591
Treasury shares settlement	14	-	19,255,296	-	(48,496,268)	29,240,972	-	-
Share-based payment transactions	14	-	-	-	56,439,810	-	-	56,439,810
Impact of acquisition through business combination under common control	25	-	-	-	-	(2,810,359,099)	-	(2,810,359,099)
Dividends	22	-	-	-	-	(661,212,437)	-	(661,212,437)
Balance as at September 30, 2025 (Unaudited)		<u>800,000,000</u>	<u>(273,857,280)</u>	<u>-</u>	<u>33,612,052</u>	<u>2,927,319,698</u>	<u>139,971</u>	<u>3,487,214,441</u>

Chief Financial Officer

Chief Executive Officer

Chairman

The accompanying notes from (1) to (27) form an integral part of these interim condensed consolidated financial statements

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025
All amounts in Saudi Riyals

	Note	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before zakat		1,654,510,112	1,434,516,987
<i>Adjustments for non-cash items:</i>			
Depreciation and amortization	5,7,8	181,252,597	148,788,442
Amortization of long term prepaid expenses		47,273,528	31,746,611
Expected credit losses		65,223,807	62,139,442
Impairment of non-current assets		1,544,266	1,942,431
End of service benefits provision		71,404,892	52,644,381
Share based payment transactions	14	56,439,810	54,880,873
Finance cost		71,075,114	20,637,255
Income from murabaha deposits	12,13	(102,067,994)	(105,939,057)
Share in results from investments in associates and joint ventures	9	7,947,724	516,266
Change in fair value of financial assets through profit or loss, net	9,10	(18,222,709)	(27,983,846)
Other (income)/expenses, net		(4,608,106)	835,556
		2,031,773,041	1,674,725,341
<i>Working capital adjustments:</i>			
Accounts receivable		(569,825,988)	(464,653,170)
Contract assets		(195,061,145)	(123,843,483)
Prepaid expenses and other current assets		(36,697,243)	13,938,310
Accounts payable and other current liabilities		12,963,724	(569,838,608)
Contract liabilities		1,822,178	121,333,019
Cash from operations		1,244,974,567	651,661,409
Zakat paid		(113,689,400)	(92,460,708)
Proceeds from income from murabaha deposits		116,620,931	143,910,435
End of service benefits paid		(34,663,788)	(41,398,198)
Net cash generated from operating activities		1,213,242,310	661,712,938
CASH FLOWS FROM INVESTING ACTIVITIES			
Murabaha deposits		1,476,071,000	858,131,090
Additions to property and equipment and intangible assets		(56,265,648)	(55,365,735)
Additions to long term prepaid expenses		(81,949,734)	(23,932,785)
Purchase of investments in associates and joint ventures	9	(15,000,000)	(4,500,000)
Collections from other financial assets	10	100,000,000	304,000,000
Additions to investments in other financial assets	10	(18,664,592)	(747,036,250)
Payment for acquisition of subsidiary, net of cash acquired	25	(3,141,074,348)	-
Changes in restricted cash		(13,224,895)	-
Payments for capital works in progress		(188,925,181)	(97,172,296)
Net cash (used in)/generated from investing activities		(1,939,033,398)	234,124,024
CASH FLOWS FROM FINANCING ACTIVITIES			
Addition to long term borrowing	15	1,900,000,000	-
Payment of principal portion of lease liabilities		(51,822,418)	(66,391,764)
Payment of liabilities for purchasing property		-	(25,396,063)
Proceeds from finance lease receivables		23,537,367	-
Finance cost paid		(14,038,572)	(2,728,762)
Dividends paid		(661,212,437)	(582,395,800)
Net cash generated from/(used in) financing activities		1,196,463,940	(676,912,389)
Net change in cash and cash equivalents		470,672,852	218,924,573
Cash and cash equivalents at the beginning of the period - unrestricted	13	2,250,797,179	384,394,607
Foreign currency exchange differences, net		2,218	1,175
Cash and cash equivalents at the end of the period - unrestricted	13	2,721,472,249	603,320,355

أ. م. م. م.



Chief Financial Officer



Chief Executive Officer



Chairman

The accompanying notes from (1) to (27) form an integral part of these interim condensed consolidated financial statements

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025
All amounts in Saudi Riyals

1. INFORMATION ABOUT THE COMPANY

Elm Company, formerly known as (Al Elm Information Security Company) (“the Company”) is a Saudi joint stock company, incorporated in the city of Riyadh, Kingdom of Saudi Arabia on Shawwal 24, 1408H (corresponding to June 8, 1988) and is registered with Commercial Registration number 1010069210.

The Company’s activities are represented in providing information security services, working in the field of electronic business, consulting services, exchanging credit information, managing and operating data and information centers, importing, developing, selling and maintaining hardware, software, information systems and communication networks, providing sites for buying and selling via the Internet, and working in the field of training and workforce development.

Subsidiaries

During the current period, the following subsidiaries were established or acquired:

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

1. Elm Investment, a limited liability company registered under Commercial Registration number 214523581715 and headquartered in George Town, was established on Rajab 6, 1446H (corresponding to January 6, 2025). The company operates in the fields of international investments and equity acquisition in other companies.
2. Digital Elm SPC, a company registered under Commercial Registration number 1596952 and headquartered in Muscat, was established on Sha’ban 20, 1446H (corresponding to February 19, 2025). It operates in the fields of information technology, systems analysis, database and web development, data center management and operation for third parties, as well as IT and cybersecurity consulting.
3. On Shawwal 23, 1446H (corresponding to April 21, 2025), the Group completed its acquisition of 100% of the share capital of Thiqah Business Services Company (“Thiqah”). Thiqah is a single person limited liability company registered in Riyadh; Kingdom of Saudi Arabia under commercial registration number 1010332510 dated Rabi Al Thani 25, 1433H (corresponding to March 18, 2012). Thiqah and its subsidiaries (collectively referred to as the “Thiqah Group”) are engaged in providing consulting services in the field of high management, e-business and exchange of information, providing websites for sale and purchase through the internet, working in the field of training and development of manpower, establishing and repair of buildings, electronic publishing, electronic newspaper and financial technology services. For details of the acquisition refer to (Note 25).

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

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

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”, endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). These interim condensed consolidated financial statements do not include all the information and disclosures required in the complete annual consolidated financial statements in accordance with International Financial Reporting Standards and should therefore be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2024.

Certain prior periods’ figures have been adjusted and reclassified to conform to the current period’s presentation (Note 24).

2. BASIS OF PREPARATION (CONTINUED)

2.1 Use of assumptions, estimates, and important accounting judgments

The significant accounting assumptions, estimates and judgments used in preparing these interim condensed consolidated financial statements are consistent with those applied in preparing the consolidated financial statements for the year ended December 31, 2024, except for the estimated useful lives of property, plant, equipment, and intangible assets.

During the current period, the Company reassessed the useful lives of certain assets based on a comprehensive review of their operational performance. This resulted in changes to certain useful lives as outlined in the table below:

<u>Assets</u>	<u>Previously Estimated Useful Lives</u>	<u>Revised Estimate of Useful Lives</u>
Leasehold improvements	5 years or the lease term, whichever is shorter	Useful life or lease term, whichever is shorter
IT equipment	3 – 5 years	3 – 10 years
Buildings	25 – 33 years	25 – 33 years
Vehicles	4 – 5 years	4 – 7 years
Furniture and fixtures	4 – 7 years	2 – 10 years
Intangible Assets	5 years unless they have indefinite useful life	2 – 10 years

This revision resulted in a decrease of ₪ 35.2 million in depreciation and amortization expense recognized in the interim condensed consolidated statement of profit or loss. It is also expected to result in a total reduction of ₪ 38.9 million in depreciation and amortization expense to be recognized in the consolidated statement of profit or loss for the full year.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies used in preparing these interim condensed consolidated financial statements are consistent with those applied in preparing the consolidated financial statements for the year ended December 31, 2024.

There are no new and amended standards and interpretations applicable as of September 30, 2025 that have a material impact on the interim condensed consolidated financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

4. REVENUE

Revenue sources:

	<u>For the three months period ended September 30</u>		<u>For the nine months period ended September 30</u>	
	<u>2025 (Unaudited)</u>	<u>2024 (Unaudited)</u>	<u>2025 (Unaudited)</u>	<u>2024 (Unaudited)</u>
Revenue from private parties	1,503,969,091	1,199,640,540	3,901,870,320	3,351,127,755
Revenue from government agencies	1,031,024,630	671,899,074	2,755,319,280	1,926,437,543
	2,534,993,721	1,871,539,614	6,657,189,600	5,277,565,298

Timing of revenue recognition:

	<u>For the three months period ended September 30</u>		<u>For the nine months period ended September 30</u>	
	<u>2025 (Unaudited)</u>	<u>2024 (Unaudited)</u>	<u>2025 (Unaudited)</u>	<u>2024 (Unaudited)</u>
At a point in time	1,730,225,473	1,498,871,544	4,653,569,342	3,930,119,220
Over a period of time	804,768,248	372,668,070	2,003,620,258	1,347,446,078
	2,534,993,721	1,871,539,614	6,657,189,600	5,277,565,298

The amounts above include revenues from related parties (Note 19.1).

5. PROPERTY AND EQUIPMENT

During the nine months period ended September 30, 2025, the Group made additions to property and equipment with total cost of ₪ 61.2 million, including non-cash additions transferred from capital work in progress with an amount of ₪ 7.6 million (September 30, 2024: ₪ 144.3 million, including non-cash additions transferred from capital work in progress with an amount of ₪ 89.2 million). Property and equipment with a net book value of ₪ 2.6 million were disposed of by the Group during the nine months period ended September 30, 2025 (September 30, 2024: ₪ 0.9 million). Depreciation expense for the nine months period ended September 30, 2025 amounted to ₪ 57.1 million (September 30, 2024: ₪ 60.1 million). The impact of acquisition through business combination under common control was ₪ 35.4 million. For further details of the acquisition refer to (Note 25).

The following is a classification of depreciation if presented by function in the interim condensed consolidated statement of profit or loss:

	For the three months period ended September 30		For the nine months period ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Cost of revenue	11,739,095	19,781,669	31,633,894	44,177,595
General and administrative expenses	9,571,584	5,995,071	23,901,136	14,748,788
Selling and marketing expenses	256,783	282,560	683,591	798,324
Research and development	350,056	140,771	897,910	405,057
	21,917,518	26,200,071	57,116,531	60,129,764

* During 2011, the Company purchased land and a building to be the headquarters at a cost of ₪ 303 million. The last installment of the head office purchase contract was paid during 2024, and during the current period the Company has completed the procedures for transferring the ownership of the land and building.

6. CAPITAL WORK IN PROGRESS

During the nine months period ended September 30, 2025, additions to capital work in progress amounted to ₪ 188.9 million (September 30, 2024: ₪ 97.2 million). Transfers from capital work in progress to property and equipment and intangible assets amounted to ₪ 31.2 million during the nine months period ended September 30, 2025 (September 30, 2024: ₪ 141.1 million). Impairment charge amounting to ₪ 1.5 million was recognized against capital work in progress during the nine months period ended September 30, 2025 (September 30, 2024: ₪ 0.8 million). The impact of acquisition through business combination under common control was ₪ 188.2 million. For further details of the acquisition refer to (Note 25).

7. RIGHT-OF-USE ASSETS

During the nine months period ended September 30, 2025, the net additions in right of use assets amounted to ₪ 67.8 million (September 30, 2024: ₪ 399.5 million) all of which are non-cash additions. The impact of acquisition through business combination under common control was ₪ 41.9 million. For further details of the acquisition refer to (Note 25).

The following is the amount and classification of depreciation if presented by function in the interim condensed consolidated statement of profit or loss:

	For the three months period ended September 30		For the nine months period ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Cost of revenue	7,590,710	5,540,692	20,208,970	15,319,225
General and administrative expenses	18,228,817	14,126,026	48,278,067	40,235,726
	25,819,527	19,666,718	68,487,037	55,554,951

8. INTANGIBLE ASSETS

During the nine months period ended September 30, 2025, the net additions to intangible assets amounted to ₪ 26.3 million, including non-cash additions transferred from capital work in progress with an amount of ₪ 23.6 million (September 30, 2024: ₪ 46.9 million, including non-cash additions transferred from capital work in progress with an amount of ₪ 46.7 million). Amortization expense for the nine months period ended September 30, 2025 amounted to ₪ 55.6 million (September 30, 2024: ₪ 33.1 million). The impact of acquisition through business combination under common control was ₪ 214.3 million. For further details of the acquisition refer to (Note 25).

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025
All amounts in Saudi Riyals

8. INTANGIBLE ASSETS (CONTINUED)

The following is a classification of amortization if presented by function in the interim condensed consolidated statement of profit or loss:

	For the three months period ended September 30		For the nine months period ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Cost of revenue	24,717,514	9,294,380	45,524,020	24,737,523
General and administrative expenses	2,592,463	2,289,484	5,351,339	6,712,908
Research and development	1,940,264	779,624	4,773,670	1,653,296
	29,250,241	12,363,488	55,649,029	33,103,727

9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The movements in the balance of investments in associates and joint ventures are as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<u><i>Investment using the equity method:</i></u>		
Balance at the beginning of the period/year	30,000	-
Impact of acquisition through business combination under common control (note 25)*	22,567,389	-
Additions during the period/year (note 9.1)	15,000,000	30,000
Transfer from long term interest (note 9.1)	1,990,231	-
Share of results	(5,888,837)	-
	33,698,783	30,000
<u><i>Long term interest:</i></u>		
Balance at the beginning of the period/year	6,657,350	2,137,153
Additions during the period/year	-	4,500,000
Transfer to investment using the equity method (note 9.1)	(1,990,231)	-
(Losses) / gains at FVTPL	(2,608,232)	1,664,292
Share of results	(2,058,887)	(1,644,095)
	-	6,657,350
Group's net investment balance	33,698,783	6,687,350

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

9.1 During the current period, the Group entered into a new shareholders' agreement for its investment in Smart National Solutions ("SNS"). (Restated shareholders' agreement), whereby the existing advance for future equity (long term interest) was converted into equity shares, and an additional # 15 million equity investment was made, resulting in an increase in the Group's ownership percentage from 24% to 40%. Joint control over key strategic and operational decisions was established under the terms of the new agreement. Accordingly, the investment in SNS is classified as a joint venture, accounted for using the equity method in accordance with the requirements of IFRS.

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025
All amounts in Saudi Riyals

10. OTHER FINANCIAL ASSETS

The Group's other financial assets consist of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<i><u>Financial assets at FVTPL</u></i>		
Money market funds (A)	399,009,747	480,597,586
Advance payments for future equity (B)	2,418,780	-
Investment funds (C)	2,906,610	-
Advance for share subscription (D)	15,757,980	-
	420,093,117	480,597,586
<i><u>Financial assets at FVTOCI</u></i>		
Unquoted equity investments (E)	196,483,185	230,879,131
Other financial assets are presented in the statement of financial position as follows:		
Non-current	217,566,555	230,879,131
Current	399,009,747	480,597,586
	616,576,302	711,476,717

- A) Investments in money market funds represent investments in public murabaha funds, aimed at achieving low-risk returns for unit holders while preserving capital and providing liquidity (fair value level 2).
- B) Advance payments for future equity represent amounts the Group has paid to obtain shares in the upcoming investment rounds of certain companies. All such advances are classified as debt instruments in accordance with IFRS 9 and measured at fair value using various valuation techniques such as discounted cash flow models, multiples method, and equity rounds (fair value level 3).
- C) During the current period, the Group signed an investment agreement in a closed venture capital fund for a total amount of ₪ 13.1 million to be invested over a 5 year commitment period. The fund invests in early-stage technology-focused companies in Africa. As of September 30, 2025, the actual contribution amounted to ₪ 2.9 million. The investment is classified as a debt instrument and measured at fair value using various valuation techniques such as discounted cash flow models and multiples method (fair value level 3).
- D) During the period, the Group entered into a Shareholders' Agreement to subscribe for preferred shares in an unquoted company for a total amount of ₪ 15.8 million. As the shares had not been legally issued until the reporting date, the amount is classified as a debt instrument measured at FVTPL, to be reclassified to an equity instrument at FVTOCI upon the issuance of shares.
- E) Investments in unquoted equity instruments represent venture capital investments in companies operating in the information technology sector in Saudi Arabia and abroad, and measured at fair value using various valuation techniques such as discounted cash flow models and multiples method (fair value level 3). Management has chosen to classify these investments in equity instruments at fair value through other comprehensive income, as short-term fluctuations in fair value do not align with the Group's strategy of holding these investments for long-term purposes and realizing their potential performance over the long-term.

The movement in financial assets measured at fair value during the period/year is as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	711,476,717	246,703,659
Additions during the period/year	18,664,592	752,285,624
Proceeds during the period/year	(100,000,000)	(304,000,000)
Gains on financial assets at FVTPL during the period/year	20,830,941	32,547,323
Losses on financial assets at FVTOCI during the period/year	(34,395,948)	(16,059,889)
Balance at the end of the period/year	616,576,302	711,476,717

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025
All amounts in Saudi Riyals

11. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Government receivables	2,543,097,206	1,673,873,147
Private receivables	1,935,661,241	1,810,053,321
	4,478,758,447	3,483,926,468
Expected credit losses provision (note 11.1)	(750,220,198)	(588,703,691)
	3,728,538,249	2,895,222,777

The amounts above include balances from related parties (Note 19.2).

11.1 During the nine months period ended September 30, 2025, the Group recognized an expected credit loss charge of ₪ 56.7 million in the interim condensed consolidated statement of profit or loss (September 30, 2024: ₪ 62.6 million). In addition, a provision of ₪ 104.8 million was recognized as part of Group's acquisition of Thiqah during the period. For further details of the acquisition refer to (Note 25).

12. MURABAHA DEPOSITS

The balance of murabaha deposits consists of deposits with a term of more than three months. The average commission is 6.00% annually (2024: 6.12% annually), and the interim condensed consolidated statement of profit or loss has been charged with a total deposit income of ₪ 0.3 million during the three months period ended September 30, 2025 (2024: ₪ 6.9 million), and during the nine months period ended September 30, 2025, ₪ 14.6 million (2024: ₪ 34.3 million). All murabaha deposits mature within one year.

13. CASH AND CASH EQUIVALENTS

Cash and Cash equivalents consists of the following:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash and bank balances - unrestricted	860,472,249	218,572,393
Short term murabaha deposits (note 13.1)	1,861,000,000	2,032,224,786
Cash and cash equivalents - unrestricted	2,721,472,249	2,250,797,179
	38,683,213	-
Cash and bank balances - restricted (note 13.3)	2,760,155,462	2,250,797,179

13.1 The balance of short-term murabaha deposits consists of short-term deposits of three months and less. The average commission is 5.45% annually (2024: 5.87% annually). The interim condensed consolidated statement of profit or loss has been charged with a total deposit income of ₪ 28.9 million during the three months period ended September 30, 2025 (2024: ₪ 25.8 million), and during the nine months period ended September 30, 2025, ₪ 87.5 million (2024: ₪ 71.6 million).

13.2 The Company has a balance of ₪ 7.7 billion as at September 30, 2025 (December 31, 2024: ₪ 5.5 billion) recorded in its bank accounts, which has not been recognized as part of the Group's assets, as the Group acts as an agent for these balances on behalf of the contracted parties as part of the operation and provision of the services.

13.3 As part of the Group's acquisition of Thiqah, the Group acquired restricted balances representing deposits pertaining to use of services of one of the platforms. For further details of the acquisition refer to (Note 25).

14. SHARE BASED PAYMENT

During the first quarter of 2025, the Group announced the fourth phase of the long-term incentive plan program for its employees, the details of which are as follows:

Grant date	January 1, 2025
Due date	December 31, 2027
Average fair value of the shares	1,091 Saudi Riyals
Maximum number of shares granted	67,483 shares
Settlement method	Equity

The following is a table of share-based payment transaction expenses by program type:

	For the nine months period ended September 30	
	2025 (Unaudited)	2024 (Unaudited)
Tranche 1- Long term incentive plan program	6,461,135	15,954,747
Tranche 2 - Long term incentive plan program	23,362,030	25,956,749
Tranche 3 - Long term incentive plan program	13,978,329	12,969,377
Tranche 4 - Long term incentive plan program	12,638,316	-
	56,439,810	54,880,873

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

15. LONG TERM BORROWING

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

During the nine months period ended September 30, 2025, finance cost amounting to ₪ 47.02 million (2024: ₪ nil) has been recognized in the interim condensed consolidated statement of profit or loss. As of the reporting date, no breaches of facility terms have occurred, and no assets of the Group have been pledged as collateral.

The Group's long term borrowing consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	-	-
Additions during the period/year	1,900,000,000	-
Add: Accrued finance cost	47,027,013	-
Long term borrowing - at amortized cost	1,947,027,013	-

Long term borrowing is classified as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Long term borrowing - non current	1,520,000,000	-
Long term borrowing - current	427,027,013	-
	1,947,027,013	-

16. EARNINGS PER SHARE

Earnings per share for the period have been calculated by dividing the profit for the period by the weighted average number of shares outstanding at the end of the period. The calculation of basic and diluted earnings per share is based on the following information:

	For the three months period ended September 30		For the nine months period ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Net profit attributable to equity holders of the parent company	558,727,946	498,241,621	1,644,102,500	1,329,262,129
Number of shares				
Weighted average number of shares for calculation for basic earnings per share	77,860,490	77,697,200	77,810,715	77,697,200
Weighted average number of shares for repurchased shares	2,139,510	2,302,800	2,189,285	2,302,800
Weighted average number of shares for calculation for diluted earnings per share	80,000,000	80,000,000	80,000,000	80,000,000
EARNINGS PER SHARE:				
Basic	7.18	6.41	21.13	17.11
Diluted	6.98	6.23	20.55	16.62

17. OTHER NON-CURRENT LIABILITIES

As part of the Group's acquisition of Thiqah, the Group acquired an employee long-term bonus scheme, whereby eligible employees are entitled to receive a bonus upon completion of service conditions of three years. For further details of the acquisition refer to (Note 25).

18. ZAKAT

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

19. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties consist of governmental entities, including ministries, authorities, and other government-affiliated entities (including the Public Investment Fund "the main shareholder"), government-related entities are subsidiaries of the main shareholder, associates and joint ventures, and members of the board of directors and senior management of the Company. All of these transactions are carried out according to the terms agreed by the management of the Group. As at the date of preparing the interim condensed consolidated financial statements, balances with related parties were unguaranteed.

19. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

19.1 Trading transactions

The transactions with related parties are similar to commercial transactions with external parties. Below are the details of the significant transactions with related parties:

	For the three months period ended September 30		For the nine months period ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Transactions with government entities *				
Service revenue (note 4)	1,031,024,630	671,899,074	2,755,319,280	1,926,437,543
Services cost	377,762,888	325,409,274	1,020,737,499	899,840,282
Transactions with government related entities				
Service revenue (note 4)	150,542,102	27,765,928	301,675,988	125,265,697
Services cost	13,735,327	13,196,159	77,405,400	79,402,128
Transactions with associates and joint ventures				
Services cost	124,080	1,335,289	424,009	1,967,069
Transaction with the board of directors and senior executive managers				
Salaries and benefit	4,903,943	7,147,854	15,138,211	22,088,395
Remunerations and allowances	4,329,357	3,194,357	11,946,008	12,345,134
Share based payment expense	2,439,351	5,465,552	7,957,850	11,750,431
End of service benefits expense	364,872	437,515	1,683,511	2,758,754
	12,037,523	16,245,278	36,725,580	48,942,714

* Service revenues from government entities include transactions with the main shareholder amounting to ₪ 24.76 million (2024: ₪ 15.7 million).

19.2 Due from / to related parties

Balances	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Due from related parties *		
<u>Due from government entities classified under:</u>		
Accounts receivable	2,543,097,206	1,673,873,147
Contract assets	1,120,836,678	574,765,469
<u>Due from government related entities classified under:</u>		
Accounts receivable	327,058,568	173,033,355
Contract assets	58,118,105	27,667,365
<u>Due from associate companies classified under:</u>		
Prepaid expenses and other current assets	10,941,740	-
Due to Related Parties:		
<u>Due to government entities classified under:</u>		
Accounts payable and other current liabilities	1,241,138,998	1,088,755,574
<u>Due to government related entities classified under:</u>		
Accounts payable and other current liabilities	58,581,652	15,272,260
<u>Due to associates and joint ventures classified under:</u>		
Accounts payable and other current liabilities	2,520,049	1,992,373

* Balances due from government entities include amounts due from the main shareholder included in receivables at an amount of ₪ 0.1 million (2024: ₪ 3.9 million). And due balances included in contract assets amounting to ₪ 19.7 million (2024: ₪ 18.8 million).

20. SEGMENT INFORMATION

The information regarding the Group's operating segments is described below in accordance with IFRS 8, where the standard requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's operating decision maker. The Group's business includes the following:

- 1- Digital Business: These are ready-to-use solutions in the form of technical services, portals, electronic applications, and related support work, which were developed by the Company in cooperation with a large number of facilities in the public and private sectors with the aim of creating integrated services that cover a large segment of society, by creating advanced services that contribute to solving An existing problem or filling an existing service gap, by converting traditional procedures into electronic transactions. In addition to integrated technology businesses, entitlement engines and digital platforms. The Group provides integrated technology business solutions to clients from the public and private sectors.
- 2- Business Process Outsourcing: The Group seeks to enhance its competitive advantage through business attribution solutions in the field of operation and service provision in the areas of competence through the management and the total operation of services, or partial support for them in specific areas, and their progression towards a digital vision.
- 3- Professional Services: These include advisory services and professional services in data analysis and artificial intelligence, through which the Group understands the problems of the facility and develops a comprehensive action plan to develop its overall performance and raise customer satisfaction levels.

The selected financial data for these segments is as follows:

	For the three months period ended September 30		For the nine months period ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue				
Digital Business	1,788,494,556	1,435,167,754	4,755,451,273	3,859,191,749
Business Process Outsourcing	699,008,854	408,172,650	1,767,181,880	1,324,891,413
Professional Services	47,490,311	28,199,210	134,556,447	93,482,136
	2,534,993,721	1,871,539,614	6,657,189,600	5,277,565,298
Cost				
Direct cost	(1,463,709,694)	(1,041,650,439)	(3,859,036,650)	(3,090,156,956)
Operating expenses (except depreciation and amortization, ECL, Impairment)	(386,117,663)	(232,685,554)	(981,853,170)	(682,257,067)
Expected credit loss (ECL)	(24,428,517)	(43,873,773)	(65,223,807)	(62,139,442)
Depreciation & amortization	(76,987,286)	(58,230,277)	(181,252,597)	(148,788,442)
Impairment of non-current assets	-	(112,678)	(1,544,266)	(1,942,431)
Other income, net	6,015,673	37,569,020	86,231,002	142,236,027
Zakat	(31,038,288)	(33,300,181)	(10,408,523)	(105,267,314)
	(1,976,265,775)	(1,373,297,993)	(5,013,088,011)	(3,948,315,625)
Net profit	558,727,946	498,241,621	1,644,101,589	1,329,249,673

Below is a breakdown of gross profit by segments:

	For the three months period ended September 30		For the nine months period ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Digital Business	870,890,828	717,910,887	2,353,315,715	1,846,007,278
Business Process Outsourcing	191,630,582	108,860,850	418,430,589	325,828,132
Professional Services	8,762,617	3,117,438	26,406,646	15,572,932
	1,071,284,027	829,889,175	2,798,152,950	2,187,408,342

20. SEGMENT INFORMATION (CONTINUED)

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

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>Assets</u>		
Digital Business	7,802,014,315	7,055,076,534
Business Process Outsourcing	2,899,320,702	2,302,175,144
Professional Services	220,759,559	196,803,333
	10,922,094,576	9,554,055,011
<u>Liabilities</u>		
Digital Business	5,310,981,403	3,146,343,268
Business Process Outsourcing	1,973,623,440	1,026,698,042
Professional Services	150,275,292	87,768,125
	7,434,880,135	4,260,809,435

21. COMMITMENTS AND CONTINGENT LIABILITIES

- The Group has operating and capital commitments amounting to ₪ 1.9 billion as of September 30, 2025 (December 31, 2024: ₪ 2.4 billion).
- The Group has facilities agreements with local banks to meet the working capital requirements and support the Group's business requirements with a maximum limit of ₪ 700 million as of September 30, 2025 (December 31, 2024: ₪ 500 million). The outstanding balance of letters of guarantee amounts to ₪ 95 million as of September 30, 2025 (December 31, 2024: ₪ 80 million).
- In the normal course of business, the Group is a party to legal cases either as a plaintiff or defendant. As on September 30, 2025, the Group recorded a provision against legal cases in the amount of ₪ 2 million (December 31, 2024: ₪ 2 million), which is the best estimate of management over the provisions of these cases and management does not expect that there will be any additional liability over the amount recorded as a provision for these cases.
- As of September 30, 2025, the associates and joint ventures have contingent liabilities amounting to ₪ 8.5 million (December 31, 2024: ₪ 0.2 million). The Group discloses its share of contingent liabilities from its associates and joint ventures.

22. DIVIDENDS

The following table shows details of the dividends to the Company's shareholders during the period:

Announcement Date	Distribution Date	Amount (₪ per share)	Total Distributed	Type	Status
February 27, 2025	March 17, 2025	4	310,840,232	Interim	Paid
July 31, 2025	August 19, 2025	4.5	350,372,205	Interim	Paid

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

The financial assets and liabilities have been accounted for at amortized cost except for other financial assets which have been carried at fair value. The management assessed that the fair value of current financial assets and liabilities approximates their carrying amounts.

There have been no transfers between levels during the nine months period ended September 30, 2025. The fair valuation techniques are as applied as of December 31, 2024.

23. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The table below shows the book values and fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities that are not measured at fair value:

	As at September 30, 2025			
	Level I	Level II	Level III	Total
Financial assets				
Other financial assets	-	399,009,747	217,566,555	616,576,302

	As at December 31, 2024			
	Level I	Level II	Level III	Total
Financial assets				
Other financial assets	-	480,597,586	230,879,131	711,476,717

24. COMPARATIVE FIGURES

Reclassification

As part of the regular review of the financial disclosures and presentation, certain comparative figures have been reclassified and adjusted to conform to the current period presentation of the consolidated financial statements. The reclassification had no impact on the net assets of the Group.

1- Interim condensed consolidated statement of profit or loss

1.1 For the three months period:

	Amount as reported September 30, 2024	Adjustment (A)	Reclassification (B)	Amount after adjustment and reclassification
Cost of revenue	1,034,431,063	11,402,820	(4,183,444)	1,041,650,439
Research and development	-	-	20,459,342	20,459,342
Selling and marketing	78,109,450	-	622,849	78,732,299
General and administrative	150,392,660	-	(16,898,747)	133,493,913
Depreciation and amortization	69,633,097	(11,402,820)	-	58,230,277
	<u>1,332,566,270</u>	<u>-</u>	<u>-</u>	<u>1,332,566,270</u>

1.2 For the nine months period:

	Amount as reported September 30, 2024	Adjustment (A)	Reclassification (B)	Amount after adjustment and reclassification
Cost of revenue	3,079,030,161	31,746,611	(20,619,816)	3,090,156,956
Research and development	-	-	53,863,732	53,863,732
Selling and marketing	235,491,423	-	1,053,047	236,544,470
General and administrative	426,145,828	-	(34,296,963)	391,848,865
Depreciation and amortization	180,535,053	(31,746,611)	-	148,788,442
	<u>3,921,202,465</u>	<u>-</u>	<u>-</u>	<u>3,921,202,465</u>

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025
All amounts in Saudi Riyals

24. COMPARATIVE FIGURES (CONTINUED)

2- Segment information

2.1 The gross profit for the three months period:

	Amount as reported September 30, 2024	Adjustment (A)	Reclassification (B)	Amount after adjustment and reclassification
Digital business	725,130,263	(11,402,820)	4,183,444	717,910,887
Business process outsourcing	108,860,850	-	-	108,860,850
Professional services	3,117,438	-	-	3,117,438
	<u>837,108,551</u>	<u>(11,402,820)</u>	<u>4,183,444</u>	<u>829,889,175</u>

2.2 The gross profit for the nine months period:

	Amount as reported September 30, 2024	Adjustment (A)	Reclassification (B)	Amount after adjustment and reclassification
Digital business	1,857,134,073	(31,746,611)	20,619,816	1,846,007,278
Business process outsourcing	325,828,132	-	-	325,828,132
Professional services	15,572,932	-	-	15,572,932
	<u>2,198,535,137</u>	<u>(31,746,611)</u>	<u>20,619,816</u>	<u>2,187,408,342</u>

A. Adjustment of comparative figures for long-term prepaid amounts presentation:

The Group has adjusted the comparative figures for amounts capitalized within intangible assets related to software as a service licenses. The related agreements were re-evaluated, and the Group concluded that these licenses do not meet the capitalization requirements and represent prepaid amounts. Accordingly, the comparative figures were adjusted, and prepaid expenses were recognized and amortized over the term of the agreement.

The changes resulted in adjusting the interim condensed consolidated statement of profit or loss as shown in the table above, and there was no impact on the net profit of the Group.

There was no impact on the interim condensed consolidated statement of equity for the period ended September 30, 2024 and the interim condensed consolidated statement of cash flows for the period ended September 30, 2024.

B. Reclassification of comparative figures:

Certain expense items have been reclassified to conform to the current period presentation in terms of their classification by function. The research and development expenses have been presented separately in the interim condensed consolidated statement of profit or loss, and accordingly, the expenses for the comparative period have been reclassified to conform to the current presentation. In addition, depreciation and amortization have been presented as they have been allocated to research and development in the notes to the interim condensed consolidated financial statements.

25. ACQUISITION OF THIQAH BUSINESS SERVICES COMPANY

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

The completion of the acquisition was subject to certain approvals and satisfaction of conditions precedent as stipulated in the SPA which were considered substantive in nature. The acquisition was completed on Shawwal 23, 1446H (corresponding to April 21, 2025), upon satisfaction of all the required approvals and conditions, and the adjusted purchase consideration amounting to ₪ 3,385.9 million determined as per the SPA was paid to PIF. The transaction was financed through the Company's own resources and credit facilities obtained during the period, as disclosed in (Note 15). Thiqah's financial information were consolidated as of April 30, 2025, taking into account the materiality of amounts between the acquisition date and the date of consolidation.

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

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2025
All amounts in Saudi Riyals

25. ACQUISITION OF THIQAH BUSINESS SERVICES COMPANY (CONTINUED)

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

Assets

Property and equipment	35,443,902
Capital work in progress	188,201,871
Right-of-use assets	41,981,692
Intangible assets	214,268,884
Investment in associate	22,567,389
Amount due from related parties	41,048,814
Accounts receivable	320,165,295
Contract assets	533,424,575
Prepaid expenses and other current assets	61,276,380
Murabaha deposits	100,000,000
Cash and cash equivalents	270,296,757
	<u>1,828,675,559</u>

Liabilities

Lease liabilities – non-current	43,779,554
End of service benefits provision	184,008,165
Accruals and other payables – non-current	14,125,041
Accounts payable and other current liabilities	515,521,682
Contract liabilities	488,595,276
Zakat	3,066,816
Lease liabilities – current	4,025,337
	<u>1,253,121,871</u>

Net assets acquired

575,553,688

Purchase consideration

(3,385,912,787)

Excess of purchase consideration charged to retained earnings

(2,810,359,099)

Analysis of cash flows on acquisition:

Net cash acquired with the subsidiary	270,296,757
Less: Restricted cash acquired from the subsidiary (note 13.3)	(25,458,318)
Purchase consideration	(3,385,912,787)
Net cash outflow on acquisition – unrestricted	<u>(3,141,074,348)</u>

26. SUBSEQUENT EVENTS

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

27. APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors on Jumada al-Awwal 8, 1447H (corresponding to October 30, 2025).