



ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)

Interim Condensed Consolidated Financial Statements (Unaudited)
For The Three-Month Period Ended June 30, 2025
And Independent Auditor's Review Report

ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For The Three-Month Period Ended June 30, 2025
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT

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

**TO: THE SHAREHOLDERS OF
ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Etihad Atheeb Telecommunication Company (the "Company")** and its subsidiaries (together "the Group") as at 30 June 2025, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, consolidated statements of changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated 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 this interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with 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 condensed financial information 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 are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.



**Crowe Solutions
For Professional Consulting**

**Abdullah M. Al Azem
License No. 335**

Safar 11, 1447 H (Corresponding to August 5, 2025).
Riyadh, Kingdom of Saudi Arabia

ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at June 30, 2025
(Saudi Riyal)

		As at	
	Note	June 30, 2025 (Unaudited)	March 31, 2025 (Audited)
Assets			
Non-current assets			
Property and equipment, net	4	135,633,164	144,109,934
Intangible assets and goodwill, net	5	387,141,343	392,141,209
Right of use assets, net	6.1	56,227,725	60,772,069
Projects under constructions	7	35,923,555	27,554,738
Advance for investment in a subsidiary		-	5,000,000
Total non-current assets		614,925,787	629,577,950
Current assets			
Inventories, net		24,218,246	26,328,803
Trade receivables, net	8	351,882,472	305,006,215
Contract assets	14.3	74,859,340	49,398,421
Prepayments and other current assets	9	52,305,750	83,708,345
Cash and cash equivalents	10	612,893,214	561,668,887
Total current assets		1,116,159,022	1,026,110,671
Total assets		1,731,084,809	1,655,688,621
Equity and Liabilities			
Equity			
Share capital	1-A	339,999,000	339,999,000
Statutory reserve		45,672,216	45,672,216
Retained earnings		441,804,711	380,097,298
Equity attributable to equity holders of the Parent Company		827,475,927	765,768,514
Non- controlling interest		25,928,247	19,219,550
Total equity		853,404,174	784,988,064
Liabilities			
Non-current liabilities			
Accounts payable, non-current portion	11	53,472,043	76,621,741
Lease liabilities, non-current portion	6.2	20,255,962	23,319,915
Long-term loan, non-current portion		7,307,356	7,307,356
Employees' defined benefit obligation		15,313,078	14,673,906
Decommissioning provision		1,894,768	1,892,820
Total non-current liabilities		98,243,207	123,815,738
Current liabilities			
Accounts payable, current portion	11	544,484,579	410,609,318
Long-term loan, current portion		944,444	944,444
Accrued expense and other current liabilities	12	153,284,034	240,287,020
Lease liabilities, current portion	6.2	34,105,962	36,760,246
Contract liabilities	14.3	36,473,195	49,541,179
Provision for zakat and tax	13	10,145,214	8,742,612
Total current liabilities		779,437,428	746,884,819
Total liabilities		877,680,635	870,700,557
Total equity and liabilities		1,731,084,809	1,655,688,621

The accompanying notes from (1) to (26) form an integral part of these Interim Condensed Consolidated Financial Statements, which have been authorized for issue by the Board of Directors, and signed on its behalf by:

Yahya Saleh Al Mansour
Chief Executive Officer

Mahmoud Al Abdullah
Acting Chief Financial Officer

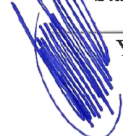
Dr. Eisa Baeisa
Chairman




ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For The Three-Month Period Ended June 30, 2025
(Saudi Riyal)

		For The Three-Month Period Ended June 30,	
		2025	2024
		(Unaudited)	(Unaudited)
	Note		
Revenue	14	435,363,180	310,188,196
Cost of revenue	15	(314,888,543)	(222,184,230)
Gross profit		120,474,637	88,003,966
Selling and marketing expenses	16	(13,943,533)	(14,682,515)
General and administrative expenses	17	(34,799,627)	(20,166,813)
Expected credit loss on trade receivables	8.1	(6,685,365)	(3,038,715)
Other income, net		4,356,764	1,466,776
Operating profit		69,402,876	51,582,699
Finance income (cost), net	18	1,568,072	(3,354,442)
Profit for the period before zakat and income tax		70,970,948	48,228,257
Zakat and income tax	13	(2,554,838)	(1,500,000)
Net profit for the period		68,416,110	46,728,257
Net Profit for the Year Attributable to:			
Shareholders of the Company		61,707,413	46,728,257
Non-controlling interest		6,708,697	-
		68,416,110	46,728,257
Other comprehensive income for the period		-	-
Total comprehensive income for the period		68,416,110	46,728,257
Total comprehensive income for the period attributable to:			
Shareholders of the Company		61,707,413	46,728,257
Non-controlling interests		6,708,697	-
		68,416,110	46,728,257
Earnings per share from net Profit attributable to Shareholders of the Company			
Earnings per share – basic and diluted	19	1.81	1.37

The accompanying notes from (1) to (26) form an integral part of these Interim Condensed Consolidated Financial Statements, which have been authorized for issue by the Board of Directors, and signed on its behalf by:


Yahya Saleh Al Mansour
Chief Executive Officer


Dr. Eisa Baecisa
Chairman

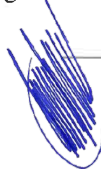

Mahmoud Al Abdullah
Acting Chief Financial Officer



ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Three-Month Period Ended June 30, 2025
(Saudi Riyal)

	Share capital	Statutory Reserve	Retained earnings	Equity attributable to equity holders of the Parent Company	Non-Controlling Interest	Total Equity
Balance as at April 1, 2025 (Audited)	339,999,000	45,672,216	380,097,298	765,768,514	19,219,550	784,988,064
Net profit for the period	-	-	61,707,413	61,707,413	6,708,697	68,416,110
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	61,707,413	61,707,413	6,708,697	68,416,110
Balance at June 30, 2025 (Unaudited)	339,999,000	45,672,216	441,804,711	827,475,927	25,928,247	853,404,174
Balance as at April 1, 2024 (Audited)	339,999,000	23,714,663	195,199,418	558,913,081	-	558,913,081
Net profit for the period	-	-	46,728,257	46,728,257	-	46,728,257
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	46,728,257	46,728,257	-	46,728,257
Balance at June 30, 2024 (Unaudited)	339,999,000	23,714,663	241,927,675	605,641,338	-	605,641,338

The accompanying notes from (1) to (26) form an integral part of these Interim Condensed Consolidated Financial Statements, which have been authorized for issue by the Board of Directors, and signed on its behalf by:



Yahya Saleh Al Mansour
Chief Executive Officer



Dr. Eisa Baeisa
Chairman



Mahmoud Al Abdullah
Acting Chief Financial Officer




ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Three Month Period Ended June 30, 2025
(Saudi Riyal)

	Note	For The Nine Months Period Ended June 30,	
		2025 (Unaudited)	2024 (Unaudited)
Cash flows from operating activities			
Period profit before zakat and income tax expenses		70,970,948	48,228,257
Adjustments:			
Depreciation and amortization	4,5,6	18,020,980	14,370,517
Finance income / (cost)	18	5,449,526	4,699,706
Finance income from short-term Murabaha deposits	18	(7,017,598)	(1,345,264)
Expected credit loss on trade receivables	8-1	6,685,365	3,038,715
Account payable settlement		-	(1,426,566)
Current service cost of employees' defined benefit obligation		954,213	682,661
		95,063,434	68,248,026
Changes in working capital:			
Inventories		2,110,557	935,906
Trade receivables		(53,561,622)	13,666,345
Prepaid expenses and other current assets		31,402,595	(4,753,961)
Accounts payable		107,195,734	(23,791,429)
Accrued expenses and other current liabilities		(87,002,986)	(19,428,866)
Contract Assets		(25,460,919)	-
Contract liabilities		(13,067,984)	26,282,545
Total cash generated from operating activities		56,678,809	61,158,566
Finance cost paid		(839,562)	(3,653,793)
Employees' defined benefit obligation paid		(471,176)	(324,069)
Zakat paid	13-1	(1,152,236)	-
Net cash flows generated from operating activities		54,215,835	57,180,704
Cash flows from investing activities			
Additions to intangible assets	5	-	(21,562,000)
Additions to Projects under constructions	7	(8,368,817)	(1,549,728)
Advance for investment in a subsidiary		5,000,000	-
Income received from short-term Murabaha deposits		7,017,598	209,027
Net cash flows generated from / (used in) investing activities		3,648,781	(22,902,701)
Cash flows from financing activities			
Payment of lease liabilities	6-2	(6,640,289)	(3,985,986)
Net cash flows used in financing activities		(6,640,289)	(3,985,986)
Increase in cash and cash equivalents		51,224,327	30,292,017
Cash and cash equivalents at the beginning of the period		561,668,887	434,998,692
Cash and cash equivalents at the end of the period		612,893,214	465,290,709

Supplementary information for non-cash transactions:

Lease liabilities transferred to account payable	6-2	6,595	1,077,200
Accounts payable, non-current portion, transferred to the current portion		10,371,918	-
Transfer from projects under construction to property and equipment	4	-	4,611,173

The accompanying notes from (1) to (26) form an integral part of these Interim Condensed Consolidated Financial Statements, which have been authorized for issue by the Board of Directors, and signed on its behalf by:

Yahya Saleh Al Mansour
Chief Executive Officer

Mahmoud Al Abdullah
Acting Chief Financial Officer

Dr. Eisa Baeisa
Chairman



ETIHAD ATHEEB TELECOMMUNICATION COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For The Three-Month Period Ended June 30, 2025

(Saudi Riyal)

1. ORGANIZATION AND MAIN ACTIVITIES**a) General information:**

Etihad Atheeb Telecommunication Company (the "Company"), is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration (No. 1010263273) issued in Riyadh on 30 Safar 1430H (corresponding to 25 February 2009).

The registered address of the Company is 3704 King Abdullah Branch Rd, AlMughrizat district, P.O. Box 12482-6488 Riyadh, Kingdom of Saudi Arabia.

The accompanying interim condensed consolidated financial statements include the Company's main commercial registration and the following branches:

Branch	CR number
Jeddah branch	4030197139
Khobar branch	2051050130

The attached condensed consolidated financial statements include the financial statements of Etihad Atheeb Telecommunication Company and its subsidiary (collectively referred to as "the Group") as follows:

Subsidiary	Country	Legal form	Share Capital (SAR)	Ownership percentage (direct/indirect)	
				June 30,2025	March 31,2025
Future Resources Company for Human Resources (1)	Saudi Arabia	Limited liability company	100,000	100%	100%
Digital Launch Technologies Company (2)	Saudi Arabia	Limited liability company	25,000	100%	100%
Launch Solutions Company (3)	Saudi Arabia	Closed Joint Stock company	20,000,000	100%	-
Ejad Technology Company for Information Technology (4)	Saudi Arabia	Limited liability company	25,000	51%	51%
Ejad Technology Company for Information Technology (5)	Egypt	Limited liability company	18,940	51%	51%

Group's business and activities

The Parent Company offers a variety of fixed and wireless telecommunications services, such as voice services, data services, broadband internet services, internet telephony services, international gateway services, and landline phone services for individuals, households, and businesses. The company began its commercial operations on January 1, 2010.

(1) Future Resources Company for Human Resources, commercially known as "Go Talent" ("the Subsidiary") is a limited liability company established under the Companies Law of the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1009085847 dated 11 Safar 1446 AH, corresponding to 15 August 2024.

The company's main activities include the main office's work in document and data verification, restructuring administrative, financial, and operational processes for establishments, providing top-level management consultancy services, integrated administrative services for offices, training centers, public relations and communications, mediating foreign labor recruitment, mediating Saudi employment, temporary labor agencies for foreign workers, temporary labor agencies for Saudis, the Coordinating Council for Recruitment Companies, and e-learning training services.

(2) Digital Launch Technologies Company, commercially known as "Go Digital" ("the Subsidiary") is a limited liability company established under the company's law of the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1009118088 Dated 11 Sha'ban 1446 AH, corresponding to 15 October 2024. The Subsidiary has not commenced any commercial activities.

The company's main activities include wholesale sales of computers and peripherals, communication equipment, electronic devices, 3D printing, software and applications, artificial intelligence, cybersecurity, and big data technologies. It also includes the manufacturing of equipment and phones, providing telecommunication services, cloud computing, satellite management and operation, along with maintenance, printing, electronic publishing and geospatial services.

ETIHAD ATHEEB TELECOMMUNICATION COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For The Three-Month Period Ended June 30, 2025

(Saudi Riyal)

1 ORGANIZATION AND MAIN ACTIVITIES (continued)

Group's business and activities (continued)

(3) **Launch Solutions Company**, commercially known as “Go Money” (“the Subsidiary”) is a closed joint stock company established under the Companies law of the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 7050180178 Dated 27 Dhul-Qi'dah 1446 AH, corresponding to 25 May 2025. The Subsidiary has not commenced any commercial activities as it is in the process of obtaining a final license from the Saudi Central Bank (SAMA) to operate as a consumer microfinance company.

(4) **Ejad Technology Company for Information Technology – Saudi Arabia** (“the Subsidiary”) is a limited liability company established under the Companies Law of the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1010387141 Dated 29 Shawwal 1434 AH, corresponding to 4 September 2013.

On 11 December 2024, the Group acquired 51% of the share capital of Ejad Technology Company for Information Technology. The Subsidiary's activities include designing user interfaces and experiences, robotics technologies, virtual and augmented reality technologies, application development, artificial intelligence technologies, blockchain technologies, big data and data science and analysis, providing top-level management consultancy services, systems analysis, research and development in engineering and technology, custom software design and programming, military software, using drones for aerial surveys and Geographic Information Systems (GIS), web applications and services, geospatial information systems and providing digital certification services. As a result of this acquisition, the Group obtained control over the subsidiary, and its financial statements have been fully consolidated into the Group's consolidated financial statements from the acquisition date.

As at the acquisition date, the Group recognized provisional goodwill of SAR 59,139,636, representing the excess of the consideration transferred over the provisional fair value of the identifiable net assets acquired. The purchase price allocation has not yet been finalized and will be completed within the measurement period in accordance with IFRS 3.

On 23 June 2025, Etihad Atheeb Telecommunication Company announced the completion of the legal procedures related to its acquisition of a 51% equity stake in Ejad Technology Company for Information Technology. These procedures included the amendment of the commercial registration and the articles of association of Ejad Technology Company for Information Technology to reflect the change in ownership.

(5) **Ejad Technology for Information Technology Company – Egypt** (“the Subsidiary”) is a limited liability company established in the Arab Republic of Egypt according to the provisions of Law No. 72 of 2017 on August 1, 2021, with Commercial Registration No. 17001. The Subsidiary is wholly owned (100%) by **Ejad Technology Company for Information Technology – Saudi Arabia**, in which the Group holds a 51 % controlling interest; accordingly, the Subsidiary has been fully consolidated from the acquisition date.

The company's main activities include information and communication technology, software specification, analysis, and design, database and application development, software and application design and production, database creation, electronic information systems, production of electronic content, and data entry on computers and electronic means.

Company license

Pursuant to the Ministerial Resolution No.41 dated 18 Safar 1429H (February 25, 2008), which was approved by the issuance of Royal Decree No. M/6 dated 19 Safar 1429H (February 26, 2008), the Company was granted a fixed-line telecommunication license and the used-frequency spectrum to provide fixed telephone services in the Kingdom of Saudi Arabia for a period of 25 years (starting on April 1, 2009 and ending on March 31, 2034). On 30 Rabi' Al-awal 1438H (corresponding to December 29, 2016), the Communications, Space and Technology Commission (CST) (Formerly: Communications and Information Technology Commission) has extended the life of the Company's license by 15 years (ending on March 31, 2049).

On 1 Ramadan 1440 H (corresponding to May 12, 2019), the CST issued a frequency spectrum license, whereby bands totaling 50 MHz in the 3.5 GHz frequency band were allocated to the Company to be used to provide its services in the main cities in the Kingdom, as the Company is committed to cover the populated areas in the main cities by at least 10% before the end of the year 2021. On 27 Rabi' II 1443H (Corresponding to December 2, 2021), the Company received a final extension of its commitment to deploy the network under the license granted to it by the authority for the 3.5 GHz band frequencies, with an additional six months extending until June 30, 2022.

On Shawwal 25, 1443H (corresponding to May 26, 2022), the Company received a letter from the CST notifying the Company with the CST decision to revoke the 3.5 GHz band frequencies license if the Company did not meet the deployment of network deadline on June 30, 2022.

ETIHAD ATHEEB TELECOMMUNICATION COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For The Three-Month Period Ended June 30, 2025

(Saudi Riyal)

1 ORGANIZATION AND MAIN ACTIVITIES (continued)**Company license (continued)**

On 1 Dhul Hijjah 1443H (corresponding to June 30, 2022), the Company completed 100% of its network development for phase (1) of the obligation set forth by the CST with regards to the spectrum license, this development covered 10% of the kingdom. The Company submitted all related documentation to the CST which demonstrating its fulfillment of the obligation in accordance with the requirements of the CST. On 9 Safar 1444H (corresponding to September 5, 2022), the Company received a letter from the CST confirming that it had accepted the company fulfillment of phase (1) of the network deployment in accordance with the frequency spectrum license to provide fixed telecommunication services with infrastructure of 3.5GHz band frequency granted to it with some observations, which the Company committed to resolve within a maximum period at the end of the year 2022 (which is also the deadline for fulfilling the obligations of the license for phase (2) to cover at least 30% of the populated cities subject to the obligation).

On December 26, 2022, the Company completed the necessary action to address the CST observations regarding the first phase of the network deployment obligations, in addition to completing its obligations towards 100% deployment of the network for the second phase regarding the license to use 3.5 GHz band frequencies, covering 30% of the cities under obligation by completing the process of installing and operating the 5G service towers. the Company submitted all related documentation to the CST which prove the Company's fulfillment of its obligation in accordance with the requirements of the CST. On 29 Rajab 1444H (corresponding to February 20, 2023), the Company received a letter from the CST informing the Company that it has accepted its fulfilment of phase (2) of the network deployment.

The Company seeks to a plan to meet the requirements of the third phase of the network deployment commitments aiming, to cover at least 50% of the populated areas in the cities subject to the commitment before the end of the 2027, as required by the licensing conditions for the frequency spectrum to provide fixed communications services with infrastructure for frequencies of the 3.5 GHz band granted by the CST.

a) General information:**Share Capital**

The company's share capital is 339,999,000 Saudi Riyals as of June 30, 2025 (March 31, 2025: 339,999,000), divided into 33,999,900 shares (March 31, 2025: 33,999,900 share), authorized, issued and fully paid with ordinary shares value of 10 Saudi Riyals per share.

On December 19, 2021, the Board of Directors recommended to the Extraordinary General Assembly to increase the Company's share capital by issuing shares worth of 350 million Saudi Riyals divided into 35 million ordinary shares at a value of 10 Saudi Riyals per share. The main objective of the increase after obtaining the required approvals from the competent authorities was to pay the Company's obligations and develop and modernize its business systems and networks. The Company submitted the revised file to the competent authorities. On October 13, 2022, the Board of Directors issued a resolution by circulation amending the recommendation to increase the share capital to the Extraordinary General Assembly by issuing priority rights shares reducing the capital increase amount from SAR 350 million to SAR 250 million. the Company submitted the revised file to the competent authorities, and the approval of the share capital raising was issued by the competent authorities on February 8, 2023. On February 15, 2023, the Company called for an extraordinary general assembly meeting on March 8, 2023 to vote on the Board of Directors recommendation to increase the Company's share capital through offering rights issue with a value of 250,000,000 Saudi Riyals, so that the share capital after the increase would be SAR 339,999,000. However, the vote was held, and the result was the disapproval of the Board of Directors recommendation to increase the Company's share capital by issuing rights issue with a value of 250,000,000 Saudi Riyals.

On March 29, 2023, the Board of Directors recommended to the Extraordinary General Assembly to increase the Company's share capital by issuing priority shares worth of 250 million Saudi Riyals divided into 25 million ordinary shares at a value of 10 Saudi Riyals per share, the main objective after obtaining the required approvals from the competent authorities was to increase share capital to pay the Company's obligations and develop and modernize its business systems and networks. On August 6, 2023 the Company submitted the file to the Capital Market Authority (CMA) to increase its share capital through issuing priority shares.

On January 8, 2024, CMA approved the Company's request to increase its capital through issuing priority shares. On February 6, 2024 the voting and approvals have been obtained on Board of directors' recommendation by the general assembly in their extraordinary meeting.

ETIHAD ATHEEB TELECOMMUNICATION COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For The Three-Month Period Ended June 30, 2025

(Saudi Riyal)

1 ORGANIZATION AND MAIN ACTIVITIES (continued)**b) Going concern basis:**

- In February 2021, the Group entered into an agreement—effective December 31, 2020—with one of its major vendors to settle all outstanding balances and dues between the parties. The agreement resulted in a net gain of SAR 101 million on the vendor payable balance. As of the effective date, the revised payable balance was SAR 370 million, with a down payment of SAR 125 million made upon signing. The remaining balance of SAR 245 million was rescheduled to be paid in five equal installments, which resulted in an additional gain of SAR 36 million due to the rescheduling terms (refer Note 11.1).

<u>Installment No.</u>	<u>Amount (SAR)</u>	<u>Date of payment</u>	<u>Status</u>
First	49 million	July 1, 2022	Paid
Second	49 million	July 1, 2023	Paid
Third	49 million	July 1, 2024	Paid
Fourth	49 million	July 1, 2025	Not matured yet
Fifth	49 million	January 1, 2026	Not matured yet
Total	245 million		

- On January 25, 2022, the Group obtained approval from the Ministry of Finance to settle CST government charges amounting to SAR 22,230,500 in 36 monthly installments of SAR 617,513 each, commencing on February 20, 2022. The Company completed the final installment payment in January 2025.
- On March 21, 2023, the Group obtained approval from the Ministry of Finance to settle CST government charges amounting to SAR 23,984,052 through 36 monthly installments of SAR 666,223 each, starting from April 5, 2023. As of June 30, 2025, the Company had paid a total of SAR 18,654,268 (Note 11.2).
- On May 10, 2023, the Group obtained approval from the Ministry of Finance to settle government fees related to the period from the commencement of dealings with CST until the end of 2018, amounting to SAR 63,876,855. The amount will be paid over a period of seven years in annual installments of SAR 9,125,265, starting from April 1, 2025 (Note 11.3).

Management reasonably expect that the Group will have sufficient resources to meet its obligations as they become due. Accordingly, these Interim Condensed Consolidated Financial Statements have been prepared on a going concern basis, assuming that the Group will be able to discharge its liabilities for a period at least 12 months from the date of preparation these Interim Condensed Consolidated Financial Statements.

2. BASIS OF PREPARATION AND CONSOLIDATION**a) Statement of compliance**

These Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (SOCPA) and should be read in conjunction with the Group’s last annual Consolidated Financial statements for the year ended March 31, 2025 (“last annual consolidated financial statements”). These financial statements do not include all of the information normally required for a complete set of Consolidated Financial Statements, however; accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and financial performance since March 31, 2025.

b) Basis of consolidation

The Interim Condensed Consolidated Financial Statements of the Group comprise the financial statements of the Company and its subsidiaries.

Subsidiaries are companies controlled by the Group. Control is achieved when the Group has:

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

In general, there is a presumption that a majority of voting rights result in control. In support of this assumption, when the Group has less than a majority of the voting rights or similar rights in the investee, the Group takes into consideration all relevant facts and circumstances when determining whether it exercises control over the investee, including:

- Arrangement(s) with other voting rights holders in the investee company.
- Rights arising from other contractual arrangements.
- Group’s voting rights and potential voting rights.

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2. BASIS OF PREPARATION AND CONSOLIDATION (continued)

b) Basis of consolidation (continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control mentioned above.

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 off) during the year are included (or derecognized) in the Consolidated Financial Statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the Group and to the non-controlling interests even if this results in the no controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the parent company.

When the Group loses control of a subsidiary, a gain or loss is recognized in the consolidated statement of profit or loss and is calculated as the difference between (1) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (2) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets and liabilities of the subsidiary (i.e. reclassified to the consolidated statement of profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, and when applicable, the cost on initial recognition of an investment in an associate or a joint venture according to IAS 28.

c) Basis of measurement

The Interim Condensed Consolidated Financial Statements have been prepared on the historical cost basis except for employees' defined benefit obligation that has been valued at present value of future liabilities using the projected credit unit method, and long-term payable valued at present value.

d) Functional and presentation currency

These Interim Condensed Consolidated Financial Statements are presented in Saudi Arabian Riyals (SAR), which is the functional and presentation currency of the Group.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in preparation of these Interim Condensed Consolidated Financial Statements are in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by SOCPA, and they are the same policies applied in preparation of the annual Consolidated Financial Statements for the year ended March 31, 2025.

There are new standards and number of amendments to standards which effective from January 1, 2024 and have been explained in the Group's annual Consolidated Financial Statements. But they do not have a material effect on the Group's Interim Condensed Consolidated Financial Statements.

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4. PROPERTY AND EQUIPMENT, NET

The movement in property and equipment for the three-month periods ended June 30, 2025 and 2024 is as follows:

	For The Three Months Period Ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Depreciation on property and equipment	8,476,770	5,199,171
Transfers from projects under constructions to PPE (Note 7)	-	4,611,173

5. INTANGIBLE ASSETS AND GOODWILL, NET

The movement in intangible assets and goodwill for the three-month periods ended June 30, 2025 and 2024 is as follows:

	For The Three Months Period Ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Amortization of intangible assets	4,999,866	4,571,971
Additions to intangible assets	-	21,562,000

6. LEASES**6.1 Right of Use Assets, Net**

The movement in right of use assets for the three-month periods ended June 30, 2025 and 2024 is as follows:

	For The Three Months Period Ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Amortization of Right of use Assets	4,544,344	4,599,375

6.2 Lease Liability

The movement in lease liabilities for the three-month periods ended June 30, 2025 and 2024 is as follows:

	For The Three Months Period Ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Finance cost during the period	928,647	952,978
Paid during the period	(6,640,289)	(3,985,986)
Transferred to payables during the period	(6,595)	(1,077,200)

7. PROJECTS UNDER CONSTRUCTION

Projects under construction represent ongoing initiatives related to the expansion of the Group's 5G network and upgrades to its existing telecommunications infrastructure, in addition to major information technology transformation efforts, including the development and implementation of a new enterprise resource planning (ERP) system.

The movement in projects under construction for the three-month periods ended June 30, 2025 and 2024 is as follows:

	For The Three Months Period Ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Additions during the period	8,368,817	1,549,728
Transferred to property and equipment (Note 4)	-	4,611,173

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8. TRADE RECEIVABLES, NET

	Note	As at	
		June 30, 2025 (Unaudited)	March 31, 2025 (Audited)
Private Sector		307,702,078	258,657,825
Government Sector		149,680,783	145,163,414
Total		457,382,861	403,821,239
Less: Provision for expected credit loss on trade receivable	8.1	(105,500,389)	(98,815,024)
		351,882,472	305,006,215

- 8.1** Movement in provision for expected credit loss on trade receivable for the three-month periods ended June 30, 2025 and 2024 is as follows:

	For The Three Months Period Ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Charged during the period	6,685,365	3,038,715

9. PREPAYMENTS AND OTHER CURRENT ASSETS

	As at	
	June 30, 2025 (Unaudited)	March 31, 2025 (Audited)
Advances to suppliers	39,825,595	39,264,115
Margins held by banks against letters of guarantee issued (Note 20-A)	5,079,213	37,348,090
Prepaid expenses	3,753,944	3,273,926
Accrued Finance Income from Murabha Deposits	2,743,951	2,231,041
Advances to employees, net	898,969	777,028
Other	4,078	814,145
	52,305,750	83,708,345

10. CASH AND CASH EQUIVALENT

	As at	
	June 30, 2025 (Unaudited)	March 31, 2025 (Audited)
Murabha deposits (3 Months) (*)	434,850,000	424,000,000
Bank Balances	176,648,114	137,031,575
Cash on Hand	1,395,100	637,312
	612,893,214	561,668,887

* Murabha deposits represents time deposits, placed with commercial bank with a maturity of three months or less as at the original investment date. These deposits generate a commission based on the prevailing short-term deposit rates.

11. ACCOUNTS PAYABLE

	Note	As at	
		June 30, 2025 (Unaudited)	March 31, 2025 (Audited)
Accounts payable - with deferred payment agreements		180,956,462	179,431,897
Accounts payable – Other		416,549,785	307,609,939
Related party – Beyon B.S.C	22	450,375	189,223
		597,956,622	487,231,059

Current-portion

Accounts payable - with deferred payment agreements		127,484,419	102,810,156
Accounts payable - Other		416,549,785	307,609,939
Related party – Beyon B.S.C	22	450,375	189,223
		544,484,579	410,609,318

Non-current portion

Accounts payable - with deferred payment agreements		53,472,043	76,621,741
		597,956,622	487,231,059

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11. ACCOUNTS PAYABLE (Continued)

The following provides a description of the nature of “Accounts payable - with deferred payment agreements”:

11.1 Major Vendor:

In February 2021, the Group signed an agreement with a major vendor to settle all balances and dues between the two parties, which resulted in a new agreed balance due to the main supplier related to all services (Note 1.b).

11.2 CST (Settlement agreement No 1):

On 21 March 2023, the Group entered into a rescheduling agreement with the Communications, Space, and Technology Commission to settle the commercial consideration relating to the second, third and fourth quarters of 2021 and the first quarter of 2022. Under the terms of the agreement, the outstanding liability will be repaid in 36 equal monthly instalments of SAR 666,223, with the final instalment due in February 2026. The liability was initially measured at the present value of future cash flows in accordance with IFRS 9 (Note 1.b).

11.3 CST (Settlement agreement No 2):

On 10 May 2023, the Group entered into a rescheduling agreement with the Communications, Space and Technology Commission relating to the license fee payable to governmental authorities for the license granted to the Group for its operations in the Kingdom of Saudi Arabia. Under this agreement, the liability will be settled in 7 equal annual instalments of SAR 9,125,265 each, with payments due on 1 April from 2025 through 2031. The liability was initially measured at the present value of future cash flows in accordance with IFRS 9 (Note 1.b).

11.4 Contingent consideration – acquisition of Ejad Technology Company for Information Technology:

On 11 December 2024, the Group acquired a 51% equity interest in Ejad Technology Company for Information Technology, a limited liability company registered in the Kingdom of Saudi Arabia, for a total consideration of SAR 86,700,000, comprising an upfront cash payment of SAR 40,000,000 and contingent consideration of up to SAR 46,700,000, payable over 2 years subject to the achievement of specified revenue and net profit targets.

12. ACCRUED EXPENSE AND OTHER CURRENT LIABILITIES

	As at	
	June 30, 2025 (Unaudited)	March 31, 2025 (Audited)
Other suppliers	69,928,257	137,831,804
Government fees	40,545,928	39,818,617
Compensation of creditors for subscription to priority rights shares	19,082,241	19,082,241
Employee's payables	12,500,906	29,412,563
Value added tax and Withholding tax	9,410,573	11,143,562
Remuneration and allowances for members of the Board of Directors	1,816,129	2,998,233
	153,284,034	240,287,020

13. PROVISION FOR ZAKAT AND TAX**13.1 Movement in provision for zakat and tax during the period/year is as follows:**

	As at	
	June 30, 2025 (Unaudited)	March 31, 2025 (Audited)
Balance at beginning of the period / year	8,742,612	6,853,535
Addition as a result of business acquisition	-	902,961
Zakat and income tax charged during the period / year	2,554,838	7,695,214
Paid during the period / year	(1,152,236)	(6,709,098)
Balance at end of the period/year	10,145,214	8,742,612

13.2 Zakat and tax status**13.2.1 Etihad Atheeb Telecommunication Co**

The Company has filed its Zakat and tax return with the Zakat, Tax and Customs Authority (“ZATCA”) for the years up to March 31, 2025.

The Company submitted its Zakat and income tax declarations to the Zakat, Tax and Customs Authority (ZATCA) for the financial years 2020, 2021, 2022, and 2023, and settled the declared amounts of SAR 4.5 million, SAR 2.8 million, SAR 1.0 million, and SAR 5.4 million, respectively. ZATCA issued the zakat and tax assessments for those years with no differences from the declared amounts.

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13. PROVISION FOR ZAKAT AND TAX (Continued)**13.2.2 Ejad Technology Company for Information Technology – KSA**

Zakat and tax returns have been filed with the General Authority of Zakat, Tax and Customs (“ZATCA”) for all periods up to 31 December 2024, and the Company has obtained its Zakat certificate for the year ended 31 December 2024, which is valid until 30 April 2025. The Company is still awaiting ZATCA’s final assessments for these years.

In October 2024, ZATCA issued the Zakat assessment for the year 2020, resulting in additional Zakat liabilities of SAR 7,963, which have been paid in full.

13.2.3 Future Resources Human Resources Company

The Company was incorporated on 15 August 2024 and its financial year-end is 31 March of each year. As at 30 June 2025, the Company has not completed its first full financial year. To date, no Zakat or tax returns have been filed with the General Authority of Zakat, Tax and Customs (“ZATCA”), and no Zakat assessments have been issued.

13.2.4 Digital Launch Technologies Company

The Company was incorporated on 15 October 2024 and its financial year-end is 31 March of each year. As at 30 June 2025, the Company has not completed its first full financial year and, accordingly, has neither commenced operations nor recorded any revenues or expenses. To date, no Zakat or tax returns have been filed with the General Authority of Zakat, Tax and Customs (“ZATCA”), and no Zakat assessments have been issued.

13.2.5 Launch Solutions Company

The Company was incorporated on 25 May 2025 and its financial year-end is 31 March of each year. As at 30 June 2025, the Company has not completed its first full financial year and, accordingly, has neither commenced operations nor recorded any revenues or expenses. To date, no Zakat or tax returns have been filed with the General Authority of Zakat, Tax and Customs (“ZATCA”), and no Zakat assessments have been issued.

14. REVENUE**14.1 Revenue per Service**

	For The Three Months Period Ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Data and internet revenue	169,874,746	151,993,815
Interconnection revenue	143,478,817	86,621,968
Landline voice revenue	71,926,184	67,732,413
Software development and Consulting services revenue	32,705,094	-
Installation Services	13,538,339	-
Enterprise solutions revenue	3,840,000	3,840,000
	435,363,180	310,188,196

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14. REVENUE (Continued)

Revenue per Service — detailed by Service Type and Customer Segment — is as follows:

Service type	Service provided to	Service category	For The Three Months Period Ended June 30,	
			2025	2024
Data services related to Dedicated Internet Access (DIA)	(B2B)	Internet Services	116,785,327	90,545,526
Landline voice call services	B2B	Voice Services	76,166,836	67,358,219
Software development revenue	B2B	Software Development	10,068,704	-
Consulting services revenue	B2B	Consulting Services	22,636,390	-
Mobily – Billing & Customer Relationship	B2B	Relationship Management Services	-	374,194
Revenue from LTE (4G) Internet Services	B2B	Internet Services	-	331,181
			225,657,257	158,609,120
Revenue from 4G Internet Services	B2C	Internet Services	28,404,222	30,242,073
Revenue from Fiber to the Home (FTTH) Services	B2C	Internet Services	9,333,551	18,802,184
Revenue from 5G Internet Services	B2C	Internet Services	3,017,199	734,003
			40,754,972	49,778,260
Interconnection Revenue from Inbound Local and International Calls from Other Operators	Wholesale Segment – Inter-Operator	Interconnection Services	143,478,817	86,621,968
Revenue from Leasing Dark Fiber Capacity	Wholesale Segment – Inter-Operator	Internet Services	25,313,404	15,020,119
Revenue from Telecom Operators in GCC Countries	Wholesale Segment – Inter-Operator	Interconnection Services	158,730	158,729
			168,950,951	101,800,816
			435,363,180	310,188,196

14.2 Timing of revenue recognition

	For The Three Months Period Ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
At a point in time	228,943,339	11,333,985
Recognized over time	206,419,841	298,854,211
	435,363,180	310,188,196

14.3 Details about contract assets and contract liabilities

	As at	
	June 30, 2025 (Unaudited)	March 31, 2025 (Audited)
Contract Assets*	74,859,340	49,398,421
Contract liabilities**	36,473,195	49,541,179

* Contract assets represent revenues from services provided by the Company to the customer that have not yet been invoiced.

** Contract liabilities primarily relate to upfront consideration received from customers for related services or dues, for which revenue is recognized over time.

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15. COST OF REVENUE

	For The Three Months Period Ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Voice Interconnection cost	161,232,226	104,928,784
Capacity lease charges	63,780,767	63,029,007
Inventory consumption and installation	23,510,657	11,430,781
Employees' costs	20,434,446	10,438,043
Government fees	19,693,381	17,750,022
Depreciation and amortization (note 4, 5, 6)	14,265,281	10,748,656
Professional fees and consultations	5,434,550	135,437
Network maintenance and support	4,335,628	2,573,316
Sites and facilities rental	821,211	978,971
Other	1,380,396	171,213
	314,888,543	222,184,230

16. SELLING AND MARKETING EXPENSES

	For The Three Months Period Ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Employees' costs and benefits	9,296,267	9,423,488
Dealers' commission	2,769,308	2,282,250
Marketing and advertising cost	1,431,352	2,436,777
Customer care	446,606	540,000
	13,943,533	14,682,515

17. GENERAL AND ADMINISTRATIVE EXPENSES

	For The Three Months Period Ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Employees' costs and benefits	20,521,567	11,581,584
Depreciation and amortization (note 4, 5, 6)	3,755,699	3,621,863
Insurance expense	1,911,586	1,066,807
Professional and consultancy charges	1,413,148	428,084
Network maintenance and support	3,856,233	1,039,781
Other	3,341,394	2,428,694
	34,799,627	20,166,813

18. FINANCE INCOME (COST), NET

	For The Three Months Period Ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Finance cost on Accounts payable, non-current portion	(3,523,234)	(2,931,313)
Finance cost on lease liabilities	(928,647)	(952,978)
Letter of guarantees charges	(839,561)	(652,800)
Finance cost on defined benefit obligation	(156,135)	(128,717)
Finance cost decommissioning provision	(1,949)	(33,898)
Finance income from short-term Murabaha deposits	7,017,598	1,345,264
	1,568,072	(3,354,442)

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19. EARNINGS PER SHARE

	For The Three Months Period Ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Net profit for the period attributable to the parent shareholders	61,707,413	46,728,257
Weighted average number of shares for the period	33,999,900	33,999,900
Basic and diluted earnings per share	1.81	1.37

Diluted EPS is the same as basic EPS since the parent company has no dilutive instruments.

20. CONTINGENCIES**A- Letter of guarantees**

The Group has outstanding letters of guarantees as of June 30, 2025 by the amount of SAR 67.2 million (March 31, 2024: SAR 51.4 million). A cash margin of SAR 5.1 million has been paid to the banks as collateral for these guarantees (March 31, 2024: SAR 37.3 million) (Note 9).

B- Legal cases status

The Group is involved in legal cases amounting to SAR 2,930,987 with certain suppliers and employees in the normal course of business. Based on the probability of outcomes and the most likely events, a provision of SAR 471,680 has been recognized. Based on the assessment of management and the legal advisor, no additional provisions are considered necessary as of June 30, 2025.

C- Communications, Space and Technology Commission liability "CST" liability

As per a letter dated August 26, 2017, the Ministry of Finance requested the Group to remit an amount of SAR 155.7 million to the Communications, Space and Technology Commission ("the Authority") as franchise fees. The Group subsequently undertook certain steps to determine the mechanism for calculating the fees due, and the Authority issued amended invoices accordingly. However, the Authority also assessed franchise fees on the Group's internet revenue. Management, in consultation with its legal advisor, believes that internet revenues are not subject to such fees and has formally raised the matter with the Authority. Based on its assessment, management believes that the total liability to the Authority will not exceed SAR 63.9 million, which is the amount recognized in the books. Consequently, no amounts have been recorded in respect of the disputed invoices.

On January 31, 2018, the Authority revised its fee calculation methodology to include internet services. Subsequently, on May 10, 2023, the Group entered into a settlement agreement with the Authority to resolve all outstanding balances and obligations between the parties for the period from inception of the arrangement through December 31, 2018 (Notes 11.2 and 11.3). The key terms and financial impact of this settlement are as follows:

- 1- Payment of the agreed-upon amount of SAR 63,876,855 to the Authority, which had already been recognized in the Group's books, to be settled in installments in accordance with the payment schedule outlined below:

<u>Payment number</u>	<u>Amount (SAR)</u>	<u>Payment Due date</u>	<u>Status</u>
1st Payment	9,125,265	April 1, 2025	Paid
2nd Payment	9,125,265	April 1, 2026	Not yet matured
3rd Payment	9,125,265	April 1, 2027	Not yet matured
4th Payment	9,125,265	April 1, 2028	Not yet matured
5th Payment	9,125,265	April 1, 2029	Not yet matured
6th Payment	9,125,265	April 1, 2030	Not yet matured
7th Payment	9,125,265	April 1, 2031	Not yet matured
Total	63,876,855		

- 2- The disputed amount of SAR 64,089,784, which had not been recognized in the Group's books, was written off by the Authority.

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21. SEGMENTAL INFORMATION

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 Operating Segments. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) and used to allocate resources to the segments and to assess their performance.

The Group is engaged in a single line of business, being the supply of telecommunication services and related products. The majority of the Company's revenues, profits and assets relate to its operations in Saudi Arabia. The operating segments that are regularly reported to the CODM are explained below:

- **Data services** comprise of internet broadband services provided to business-to-business (B2B) and business-to-consumer (B2C).
- **Voice** comprises of local and international calls including interconnection.
- **Unallocated** represents others which cannot be attributed to any of the reported operating segment.
- **Systems Analysis, Application Design and Development Services:** Systems Analysis, Application Design and Development Services and Technical Consulting.
- **E-Commerce** transactions are not material in the condensed consolidated interim financial statements. The Company will continuously assess e-commerce transactions materiality.

	As at June 30, 2025 (Unaudited)				
	Voice	Data Services	Systems Analysis, Application Design and Development Services	Unallocated	Total
Segment assets					
Property and equipment, net	3,524,893	131,467,359	640,912	-	135,633,164
Intangible assets and goodwill, net	8,564,720	319,436,987	-	59,139,636	387,141,343
Right of use assets, net	1,466,554	54,697,839	63,332	-	56,227,725
Total assets	416,508,073	1,211,152,377	80,851,896	22,572,463	1,731,084,809
Total liabilities	380,558,164	468,238,365	26,443,355	2,440,751	877,680,635

	For The Three Months Period Ended June 30, 2025 (Unaudited)				
	Voice	Data	Systems Analysis, Application Design and Development Services	Unallocated	Total
Revenue	240,594,381	157,940,951	32,987,848	3,840,000	435,363,180
Cost of revenue	(168,020,177)	(130,645,945)	(16,222,421)	-	(314,888,543)
Gross profit	72,574,204	27,295,006	16,765,427	3,840,000	120,474,637
Selling and marketing expenses	-	-	(77,559)	(13,865,974)	(13,943,533)
General and administrative expenses	-	-	(2,737,698)	(32,061,929)	(34,799,627)
Expected credit loss on trade receivables	-	-	(126,009)	(6,559,356)	(6,685,365)
Other income, net	-	-	190,339	4,166,425	4,356,764
Finance income (cost), net	-	-	(62,581)	1,630,653	1,568,072
Zakat and income tax	-	-	(604,838)	(1,950,000)	(2,554,838)
Net profit for the period	72,574,204	27,295,006	13,347,081	(44,800,181)	68,416,110

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21 SEGMENTAL INFORMATION (CONTINUED)

	As of March 31, 2025 (Audited)				
	<u>Voice</u>	<u>Data</u>	<u>Systems Analysis, Application Design and Development Services</u>	<u>Unallocated</u>	<u>Total</u>
<u>Segment assets</u>					
Property and equipment, net	3,859,103	139,627,004	623,827	-	144,109,934
Intangible assets, net	8,582,856	324,418,717	-	59,139,636	392,141,209
Right of use assets, net	1,583,725	59,067,950	120,394	-	60,772,069
Total assets	397,001,108	1,213,716,145	44,971,268	-	1,655,688,621
Total liabilities	349,128,646	499,405,590	22,166,321	-	870,700,557

For The Three Months Period Ended June 30, 2024 (Unaudited)				
	<u>Voice</u>	<u>Data</u>	<u>Unallocated</u>	<u>Total</u>
Revenue	154,354,381	155,833,815	-	310,188,196
Cost of revenue	(104,928,784)	(117,255,446)	-	(222,184,230)
Gross profit	49,425,597	38,578,369	-	88,003,966
Selling and marketing expenses	-	-	(14,682,515)	(14,682,515)
General and administrative expenses	-	-	(20,166,813)	(20,166,813)
Expected credit loss on trade receivables	-	-	(3,038,715)	(3,038,715)
Other income, net	-	-	1,466,776	1,466,776
Finance income (cost), net	-	-	(3,354,442)	(3,354,442)
Zakat and income tax	-	-	(1,500,000)	(1,500,000)
Net profit for the period	49,425,597	38,578,369	(41,275,709)	46,728,257

Information about geographical segmentation

	For The Three Months Period Ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Inside Kingdom of Saudi Arabia	324,085,403	228,840,847
Outside Kingdom of Saudi Arabia	111,277,777	81,347,349
	435,363,180	310,188,196

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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22. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Group comprise the shareholders having significant influence, their affiliated companies, Board of directors and key management personnel. In the ordinary course of business, the Company enters into transactions with related parties on terms approved by the Board of Directors of the Group.

Significant transactions entered into with related parties are as follows:

<u>Related parties name</u>	<u>Relationship</u>	<u>Nature of transaction</u>	<u>For The Three Months Period Ended June 30,</u>	
			<u>2025</u> <u>(Unaudited)</u>	<u>2024</u> <u>(Unaudited)</u>
Beyon B.S.C	Shareholder	Data revenue	226,946	196,267
		Interconnection revenue	739,222	114,087
		Interconnection cost	1,227,320	553,850
Al-Maha Hadi Al-Baqmi	Close Family member of a non-controlling shareholder	Finance Cost	694,963	-
Aisha Ayed Al-Baqmi	Close Family member of a non-controlling shareholder	Finance Cost	668,234	-
Digital technology solutions	Entity under Common Ownership of the Company's Shareholder	Service cost	-	1,452,359

The above transactions resulted in the following balances:

<u>Due to related parties</u>	<u>Relationship</u>	<u>As at</u>	
		<u>June 30, 2025</u> <u>(Unaudited)</u>	<u>March 31, 2025</u> <u>(Audited)</u>
Al-Maha Ayed Al-Baqmi	Close Family member of a non-controlling shareholder	18,758,334	18,063,371
Aisha Ayed Al-Baqmi	Close Family member of a non-controlling shareholder	18,036,861	17,368,627
Beyon B.S.C	Shareholder	450,375	189,223
		<u>37,245,570</u>	<u>35,621,221</u>

<u>Transactions with key management personnel:</u>	<u>For The Three Months Period Ended June 30,</u>	
	<u>2025</u> <u>(Unaudited)</u>	<u>2024</u> <u>(Unaudited)</u>
Short-term employee benefits	4,885,873	2,573,682
Board of Directors' remuneration, attendance allowances, and committee compensations.	1,149,000	750,000
Employees benefit obligation	244,443	44,033
	<u>6,279,316</u>	<u>3,367,715</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For The Three-Month Period Ended June 30, 2025

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23. FINANCIAL INSTRUMENTS – FAIR VALUES**Fair values**

The fair values of financial and non-financial assets and liabilities are determined for measurement and/or disclosure purposes on the basis of the accounting policies disclosed in the Interim Condensed Consolidated Financial Statements. As at the reporting date, the fair value of the Company's financial assets and liabilities was a reasonable fair value.

Fair Value levels

The fair values of financial instruments such as cash and cash equivalents, trade receivables, contract assets, other receivables, short-term and other payables approximate their book value largely due to their short maturity. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

- **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.

Assets and liabilities that are not measured at fair value on a recurring basis:

	As at June 30, 2025 (Unaudited)			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial Liabilities				
Accounts payable, non-current portion	53,472,043			53,923,210

	As at March 31, 2025 (Audited)			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial Liabilities				
Accounts payable, non-current portion	76,621,741	-	-	78,371,645

The fair value of other non-current financial liabilities is estimated by discounting future cash flows using currently available rates for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in expected cash flows or the discount rate. The evaluation requires management to use unobservable inputs in the model. Significant unobservable inputs are disclosed in the tables below. Management regularly evaluates a range of reasonably possible alternatives to these significant unobservable inputs and determines their effect on the total fair value

Describe the significant unobservable inputs to be evaluated:

Type of financial instrument	Fair value as at June 30 2025	Valuation technique	Unobservable inputs	Sensitivity of the fair Value measurement to unobservable inputs
Accounts payable, non-current portion	53,923,210	Discounted cash flows	Future periods interest rate	A 1% increase / (decrease) in the interest rate would lead to an increase / (decrease) in the fair value by SAR 1.1 million

24. DIVIDENDS

On 26 June 2025, the Board of Directors issued a resolution recommending to the Ordinary General Assembly the distribution of cash dividends totaling SAR 10,199,970 (SAR 0.30 per share) in respect of the financial year ended 31 March 2025. This recommendation remains subject to approval by the General Assembly and the relevant regulatory authorities.

25. SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the period-end that require disclosure or adjustment in these Interim Condensed Consolidated Financial Statements.

26. APPROVAL OF THE FINANCIAL STATEMENTS

These Interim Condensed Consolidated financial statements were authorized for issue by the Board of Safar 11, 1447H (Corresponding to Augusts 5, 2025).