

**KNOWLEDGE NET COMPUTER COMPANY
(A SAUDI JOINT STOCK COMPANY)
RIYADH – KINGDOM OF SAUDI ARABIA**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

KNOWLEDGE NET COMPUTER COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

Index	Pages
Independent auditor's review report on the interim condensed consolidated financial information	1
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of profit or loss and other comprehensive income	3
Interim condensed consolidated statement of changes in equity	4
Interim condensed consolidated statement of cash flows	5
Notes to the interim condensed consolidated financial information	6 – 14



RSM

شركة آر إس إم المحاسبون المتحدون للإستشارات المهنية

الرياض - حي العليا - طريق العروبة
مبنى رقم ٣١٩٣ ، الطابق الأول
ص. ب. ٨٣٣٥ ، الرياض - ١٢٣٣٣
هاتف: +٩٦٦ ١١ ٤١٦ ٩٣٦١
فاكس: +٩٦٦ ١١ ٤١٦ ٩٣٤٩
المملكة العربية السعودية
www.rsmksa.com
س.ت ٤٠٣٠٢٢٨٧٧٣

RSM Allied Accountants Professional Services Co.

Riyadh - Olaya District - Al Oruba Street
1* Floor, Building No. 3193
P.O. Box 8335, Riyadh - 12333
Tel.: +966 11 416 9361
Fax: +966 11 416 9349
Kingdom of Saudi Arabia
www.rsmksa.com
C.R : 4030228773

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

To the Shareholders
Knowledge Net Computer Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Knowledge Net Computer Company** (A Saudi Joint Stock Company) ("the Company") and its subsidiaries (together "the Group") as at 30 June 2025 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information 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 information 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 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, 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 information is not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

RSM Allied Accountants Professional Services

Abdullah Bin Ahmed Al Faddaghi

License No. 706


Riyadh, Kingdom of Saudi Arabia

8 Rabi Alawal 1447 AH (corresponding to 31 August 2025)



KNOWLEDGE NET COMPUTER COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025
(Saudi Riyals)

	Notes	30 June 2025 (unaudited)	31 December 2024 (audited)
Assets			
Non-current assets			
Property and equipment		373,193	459,175
Intangible assets	5	19,555,525	19,155,846
Right-of-use assets		520,028	696,006
Financial assets at fair value through other comprehensive income ("FVOCI")		28,750	28,750
Financial assets at fair value through profit or loss ("FVTPL")	6	29,183,986	-
Investment in equity accounted associate	7	-	32,988,351
Total non-current assets		49,661,482	53,328,128
Current assets			
Prepayments and other assets	8	6,882,383	2,032,089
Due from related parties	9	5,500,747	10,407,568
Contract assets	10	10,279,969	8,800,021
Accounts receivable	11	11,279,584	11,687,467
Cash and cash equivalents		119,781	448,562
Total current assets		34,062,464	33,375,707
Total assets		83,723,946	86,703,835
Equity and liabilities			
Equity			
Share capital	1	35,000,000	35,000,000
Other reserve		1,217,244	1,217,244
Treasury shares		(325,600)	(325,600)
Retained earnings		27,336,625	28,802,118
Equity attributable to the shareholders of the Parent Company		63,228,269	64,693,762
Non-controlling interests		(2,557,294)	(2,557,294)
Total equity		60,670,975	62,136,468
Liabilities			
Non-current liabilities			
Defined employees' benefit plan obligations		3,642,398	5,599,035
Lease liabilities – non-current portion		162,237	340,449
Total non-current liabilities		3,804,635	5,939,484
Current liabilities			
Due to related parties	9	4,367,179	3,520,876
Lease liabilities – current portion		365,000	365,000
Contract liabilities	10	3,561,428	3,184,940
Accrued expenses and other liabilities		10,562,398	10,426,987
Zakat payable		392,331	1,130,080
Total current liabilities		19,248,336	18,627,883
Total liabilities		23,052,971	24,567,367
Total equity and liabilities		83,723,946	86,703,835



Chief Financial Officer
Ahmed Ramadan



Chief Executive Officer
Fahd Suleiman Al-Aidi

Chairman of Board of Directors
Mohammed Ibrahim Al-Mansour

The accompanying notes (1) to (18) form an integral part of this interim condensed consolidated financial information

KNOWLEDGE NET COMPUTER COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(Saudi Riyals)

	Notes	30 June 2025 (unaudited)	30 June 2024 (unaudited)
<u>Profit or loss</u>			
Revenue	12	17,905,259	28,928,816
Cost of revenue		(10,223,159)	(18,783,334)
Gross profit		7,682,100	10,145,482
Selling and marketing expenses		(2,607,476)	(4,914,642)
General and administration expenses		(5,437,412)	(7,239,699)
Finance costs		(13,413)	(40,646)
Net loss from main operations		(376,201)	(2,049,505)
Other income		2,915,073	567,870
Loss on the derecognition of equity accounted associate	7	(1,970,314)	-
Fair value loss on financial assets at FVTPL	6	(1,834,051)	-
Loss before zakat		(1,265,493)	(1,481,635)
Zakat		(200,000)	(377,246)
Loss for the period		(1,465,493)	(1,858,881)
<u>Other comprehensive income</u>			
Item that will not be reclassified to consolidated statement of profit or loss:			
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(1,465,493)	(1,858,881)
Loss for the period attributable to:			
Shareholders of the Parent Company		(1,465,493)	(543,602)
Non-controlling interests		-	(1,315,279)
		(1,465,493)	(1,858,881)
Total comprehensive loss attributable to:			
Shareholders of the Parent Company		(1,465,493)	(543,602)
Non-controlling interests		-	(1,315,279)
		(1,465,493)	(1,858,881)
<u>Basic and diluted loss per share:</u>			
Basic and diluted loss per share attributable to the Parent Company's shareholders	13	(0.42)	(0.16)



A. Ramadan

Chief Financial Officer
Ahmed Ramadan

Fahd Suleiman Al-Aidi

Chief Executive Officer
Fahd Suleiman Al-Aidi

Mohammed Ibrahim Al-Mansour

Chairman of Board of Directors
Mohammed Ibrahim Al-Mansour

The accompanying notes (1) to (18) form an integral part of this interim condensed consolidated financial information

KNOWLEDGE NET COMPUTER COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(Saudi Riyals)

	Attributable to the shareholders of the Parent Company					Non-controlling interests	Total equity
	Share Capital	Other reserve	Treasury shares	Retained earnings	Total		
For the six-month ended 30 June 2024							
Balance as at 1 January 2024 (audited)	35,000,000	1,217,244	(325,600)	3,617,047	39,508,691	(3,825,605)	35,683,086
Loss for the period	-	-	-	(543,602)	(543,602)	(1,315,279)	(1,858,881)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(543,602)	(543,602)	(1,315,279)	(1,858,881)
Net changes in non-controlling interest	-	-	-	-	-	400,000	400,000
Balance as at 30 June 2024 (unaudited)	35,000,000	1,217,244	(325,600)	3,073,445	38,965,089	(4,740,884)	34,224,205
For the six-month ended 30 June 2025							
Balance as at 1 January 2025 (audited)	35,000,000	1,217,244	(325,600)	28,802,118	64,693,762	(2,557,294)	62,136,468
Loss for the period	-	-	-	(1,465,493)	(1,465,493)	-	(1,465,493)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,465,493)	(1,465,493)	-	(1,465,493)
Balance as at 30 June 2025 (unaudited)	35,000,000	1,217,244	(325,600)	27,336,625	63,228,269	(2,557,294)	60,670,975



A. Ramadan

Chief Financial Officer
Ahmed Ramadan

Fahd Suleiman Al-Aidi

Chief Executive Officer
Fahd Suleiman Al-Aidi

Mohammed Ibrahim Al-Mansour

Chairman of Board of Directors
Mohammed Ibrahim Al-Mansour

The accompanying notes (1) to (18) form an integral part of this interim condensed consolidated financial information

KNOWLEDGE NET COMPUTER COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(Saudi Riyals)

	30 June 2025 (unaudited)	30 June 2024 (unaudited)
Cash flows from operating activities		
Loss before zakat	(1,265,493)	(1,481,635)
Adjustments to reconcile loss before zakat to the net cash inflow / (outflow) from changes in operating activities:		
Depreciation of property and equipment	133,648	242,960
Amortization of intangible assets	1,550,321	1,238,629
Depreciation of right-of-use assets	175,978	448,732
Loss on the derecognition of equity accounted associate	1,970,314	-
Fair value loss on financial assets at FVTPL	1,834,051	-
Gain on lease disposal	-	(23,613)
Defined employees' benefit plan obligations	1,350,884	701,071
Finance cost	13,413	40,646
	5,763,116	1,166,790
Changes in operating assets and liabilities		
Prepayments and other assets	(4,850,294)	(1,081,880)
Contracts assets	(1,479,948)	(2,700,382)
Accounts receivable	407,883	(2,052,550)
Changes in related parties, net	5,753,124	2,040,911
Contracts liabilities	376,488	3,047,430
Accrued expenses and other liabilities	135,411	496,035
Cash generated from operating activities	6,105,780	916,354
Defined employees' benefit plan obligations paid	(3,307,521)	(205,710)
Zakat paid	(937,749)	(669,406)
Net cash generated from operating activities	1,860,510	41,238
Cash flows from investing activities		
Additions to property and equipment	(63,003)	(7,100)
Additions to intangible assets	(1,950,000)	(2,289,815)
Disposal of property and equipment	15,337	-
Net cash used in investing activities	(1,997,666)	(2,296,915)
Cash flows from financing activities		
Lease liabilities paid	(191,625)	(468,473)
Transactions with non-controlling interests	-	400,000
Net cash used in financing activities	(191,625)	(68,473)
Net decrease in cash and cash equivalents	(328,781)	(2,324,150)
Cash and cash equivalents at beginning of the period	448,562	4,748,987
Cash and cash equivalents at end of the period	119,781	2,424,837


Chief Financial Officer
 Ahmed Ramadan


Chief Executive Officer
 Fahd Suleiman Al-Aidi


Chairman of Board of Directors
 Mohammed Ibrahim Al-Mansour

The accompanying notes (1) to (18) form an integral part of this interim condensed consolidated financial information

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

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

1- ORGANIZATION AND ACTIVITIES

Knowledge Net Computer Company (the "Company" or "Parent Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia ("KSA") under commercial registration number 1010160878 (Unified number) 7001406599 dated 23 Jamada Alawal 1421H (corresponding to 23 August 2000).

- a. On 22 Rabi Alawal 1443H (corresponding to 28 October 2021), it has been approved to convert the legal form of the Company from a limited liability company to a closed joint stock company. On 28 December 2022, the Capital Market Authority's ("CMA") resolution in respect of offering 20% of the Company's shares in the Parallel Market has been issued under a condition of completing the offering within six months from the date of resolution. On 20 March 2023, the Company's shares registered with trading number 9561 have been offered in the Parallel Market ("NOMU").
- b. The issued and authorised share capital of the Company as at 30 June 2025 consists of 3,500,000 ordinary shares (2024: 3,500,000 ordinary shares), at SAR 10 per each as at 30 June 2025 (2024: SAR 10).
- c. The Company and its subsidiaries (collectively the "Group") are authorized to engage in the wholesale of computers and their accessories, including sale of printers and toners, wholesale of software and includes importing, system analysis, designing and programming the specific software, maintenance of software and designing the websites.
- d. The following are the subsidiaries of the Company included in this interim condensed consolidated financial information:

Name of the subsidiary company	Country of incorporation	Effective ownership (%)	
		30 June 2025	31 December 2024
Knowledge Net for Business Services Co.	KSA	100%	100%
SoftMore FZE LLC	UAE	100%	100%
PropertyNet FZE LLC	UAE	50%	50%
Vcentral Holding Ltd	UAE	45%	45%
Amwal Information Technology Company	KSA	45%	45%

1) Knowledge Net for Business Services Co

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

2) Softmore FZE LLC.

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

3) Property Net FZE LLC

Property Net FZE LLC ("PNFL") is registered in United Arab Emirates as a limited liability company that was established with a capital of 100,000 UAE dirhams and under license number 5005444 dated 22 August 2010. PNFL 's authorized activity represents trading in computer software & equipment requisites.

4) Vcentral Holding Ltd

Vcentral Holding Ltd ("VHL") is registered in United Arab Emirates as a limited liability company that was established with a capital of 1,000 USD and under license number 000003698 dated 05 May 2020. VHL holds 100% of Amwal Information Technology Company, located in Riyadh, Saudi Arabia. VHL's authorized activity represents systems analysis, design and programming of special software, maintenance of software and design of web pages, interface design.

The registered Company's address is
P.O. 12611, Al Olaya district
Mecca Road, Riyadh
Kingdom of Saudi Arabia.

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

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

2- BASIS OF PREPARATION

Statement of compliance

This interim condensed consolidated financial information has been prepared in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). This interim condensed consolidated financial information should be read in conjunction with the Group's last annual audited consolidated financial statements as at and for the year ended 31 December 2024 (last annual audited consolidated financial statements). The accompanying interim condensed consolidated financial information does not include all the information that is required to prepare a complete set of financial statements in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia by SOCPA and other standards and pronouncements that are issued by the SOCPA. However, 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 performance since the last annual audited consolidated financial statements.

In addition, results for the interim period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

Basis of measurement

The interim condensed consolidated financial information has been prepared according to the historical cost principle, going concern basis and the accrual basis of accounting. Other basis will be used if International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the SOCPA require and are stated in the material accounting policy information (Note 4).

Functional and presentation currency

The interim condensed consolidated financial information is presented in Saudi Riyals, which is the Group's functional and presentation currency.

Use of assumptions, estimates and judgments

In preparing this interim condensed consolidated financial information, the Group's management has made the judgements estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the Group's management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited consolidated financial statements.

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

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

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

Standards	Title	Effective date
IAS 21	Lack of Exchangeability	1 January 2025

KNOWLEDGE NET COMPUTER COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)

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

Standards	Title	Effective date
IFRS 9 & IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures Contracts Referencing Nature-dependent Electricity	
Annual Improvements to IFRS Accounting Standards Amendments to	IFRS 1 First-time Adoption of International Financial Reporting Standards. IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7. IFRS 9 Financial Instruments. IFRS 10 Consolidated Financial Statements; and IAS 7 statement of cashflows	1 January 2026
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027

4- MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of interim condensed consolidated financial information is consistent with those followed in preparing the Group's last annual audited consolidated financial statements.

KNOWLEDGE NET COMPUTER COMPANY**(A SAUDI JOINT STOCK COMPANY)****NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)****FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****5- INTANGIBLE ASSETS**

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

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

b. The movement in intangible assets is as follows:

	30 June 2025 (unaudited)	31 December 2024 (audited)
Cost		
Balance at the beginning of the period / year	31,819,284	34,702,835
Additions during the period / year	1,950,000	3,693,529
Additions to discontinued operations during the period / year	-	249,488
Disposal from discontinued operations during the period / year	-	(6,826,568)
Balance at the end of the period / year	33,769,284	31,819,284
Accumulated amortization		
Balance at the beginning of the period / year	(12,663,438)	(12,439,816)
Charge for the period / year	(1,550,321)	(2,772,046)
Charge on discontinued operations for the period / year	-	(549,198)
Disposal from discontinued operations during the period / year	-	3,097,622
Balance at the end of the period / year	(14,213,759)	(12,663,438)
Net book value at the end of the period / year	19,555,525	19,155,846

6- FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

a. The movement in financial assets at fair value through Profit or Loss ("FVTPL") is as follows:

	30 June 2025 (unaudited)	31 December 2024 (audited)
Cost		
Balance at the beginning of the period / year	-	-
Addition during the period / year	31,018,037	-
Fair value loss during the period / year	(1,834,051)	-
Balance at the end of the period / year	29,183,986	-

As at 9 April 2025, the Group lost significant influence over the Fund (Investment in equity accounted associate) following the resignation of two members of the Board of Directors representing the Group. Accordingly, the investment in equity accounted associate (Note 7) was derecognized from 'Investment in Equity Accounted Associate' and recognized as 'Financial Assets at Fair Value Through Profit or Loss (FVTPL)' in accordance with IFRS.

KNOWLEDGE NET COMPUTER COMPANY**(A SAUDI JOINT STOCK COMPANY)****NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)****FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****7- INVESTMENT IN EQUITY ACCOUNTED ASSOCIATE**

	30 June 2025 (unaudited)	31 December 2024 (audited)
Balance at the beginning of the period / year	32,988,351	-
Additions during the period / year	-	49,288,920
Impairment for the period / year	-	(16,300,569)
Loss on the derecognition during the period / year	(1,970,314)	-
Disposal during the period / year	(31,018,037)	-
Balance at the end of the period / year	-	32,988,351

8- PREPAYMENTS AND OTHER ASSETS

	30 June 2025 (unaudited)	31 December 2024 (audited)
Other receivables	4,511,081	-
Cash margin against letters of guarantee	1,031,984	932,164
Advances to employees	626,745	422,506
Prepaid expenses	503,703	464,494
Value added tax (VAT)	-	95,165
Other assets	208,870	117,760
	6,882,383	2,032,089

9- RELATED PARTY TRANSACTIONS AND BALANCES

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

a. Due from related parties

	30 June 2025 (unaudited)	31 December 2024 (audited)
The International Company for Project Management and Technology	5,500,747	5,490,035
Knowledge Net Real Estate Company *	-	2,790,187
Takharoj for Information Technology Company *	-	43,700
Tadud Financial Technology Company *	-	620,894
IT Solutions for Financial Technology Company *	-	1,462,752
	5,500,747	10,407,568

b. Due to related parties

	30 June 2025 (unaudited)	31 December 2024 (audited)
Mr. Abdulrahman Yahya Abdullah Al-Yahya	1,541,404	1,541,404
Watar Business for Trading Co.	1,047,178	1,047,178
Mr. Khalid Abdulrahman Mohammed Al-Mousa	253,539	253,539
Mr. Hani Al Mansour	678,755	678,755
Mr. Muhammad Ibrahim Abdulaziz Al-Mansour	338,000	-
Mr. Muhammad Ahmed Alsaeed Attiya	508,303	-
	4,367,179	3,520,876

* During the period, the Group ceased to have significant influence over the Fund (Associate). Accordingly, the Fund and its related entities are no longer considered related parties of the Group.

KNOWLEDGE NET COMPUTER COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
9- RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

c- The following are significant transactions with related parties:

Related party name	Nature of relationship	Nature of transaction	Transaction	
			30 June 2025 (unaudited)	30 June 2024 (unaudited)
The International Company for Project Management and Technology	Ownership by BOD member	Advances	-	405,379
		Programs development & support services	(3,362,369)	(2,289,815)
		Expenses on behalf	2,308,268	-
		Payments	1,064,813	-
KN Technologies L.L.C	Ownership by major shareholder	Payments	-	705,489
		Expenses on behalf	-	(838,052)
Mr. Abdulrahman Yahya Abdullah Al-Yahya	BOD Member	Financing	-	(332,105)
Mr. Hani Bin Mohamed Bin Brahim Abdulaziz Al-Mansour	A Person related to BOD Member	Receipt	-	(678,755)
Mr. Khalid Abdulrahman Mohammed Al-Mousa	BOD Member	Financing	-	100,000
Mr. Muhammed Ibrahim Abdulaziz Al-Mansour	BOD Chairman	Financing	(338,000)	-
Mr. Muhammad Ahmed Alsaeed Attiya	BOD Member	Financing	(508,303)	-
Mr. Raad Abdulaziz Muhammad Al-Abdulqader	BOD Member	Financing	-	50,000

d. Compensation of key management personnel

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including senior management and board of directors (executive or otherwise).

Type of transaction	30 June 2025 (unaudited)	30 June 2024 (unaudited)
Salaries and other benefits	1,540,424	1,668,645
Defined employees' benefit plan obligations	156,255	191,165
	1,696,679	1,859,810

10- CONTRACT ASSETS AND LIABILITIES
a. Contract assets

	30 June 2025 (unaudited)	31 December 2024 (audited)
Contract assets	11,110,288	9,630,340
(Less): Provision for expected credit losses - c	(830,319)	(830,319)
	10,279,969	8,800,021

b. The movement in contract assets is as follows:

	30 June 2025 (unaudited)	31 December 2024 (audited)
Balance at the beginning of the period / year	9,630,340	6,008,960
Revenue recognized during the period / year	4,867,233	10,467,208
Revenue billed during the period / year	(3,387,285)	(6,845,828)
Balance at the end of the period / year	11,110,288	9,630,340

KNOWLEDGE NET COMPUTER COMPANY**(A SAUDI JOINT STOCK COMPANY)****NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)****FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****10- CONTRACT ASSETS AND LIABILITIES (CONTINUED)**

c. The movement in expected credit losses is as follows:

	30 June 2025 (unaudited)	31 December 2024 (audited)
Balance at the beginning of the period / year	(830,319)	(706,728)
Charge for the period / year	-	(123,591)
Balance at the end of the period / year	(830,319)	(830,319)

d. Contract liabilities

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

The movement in contract liabilities is as follows:

	30 June 2025 (unaudited)	31 December 2024 (audited)
Balance at the beginning of the period / year	3,184,940	6,533,469
Invoices issued during the year period / year	9,614,990	33,158,679
Revenue recognized during the period / year	(9,238,502)	(36,002,211)
Discontinued operations for the period / year	-	(504,997)
Balance at the end of the period / year	3,561,428	3,184,940

11- ACCOUNTS RECEIVABLE

	30 June 2025 (unaudited)	31 December 2024 (audited)
Accounts receivable	12,355,395	12,763,278
(Less): provision for expected credit losses - a	(1,075,811)	(1,075,811)
	11,279,584	11,687,467

a. The movement in expected credit losses is as follows:

	30 June 2025 (unaudited)	31 December 2024 (audited)
Balance at the beginning of the period / year	(1,075,811)	(334,128)
Charge for the period / year	-	(741,683)
Balance at the end of the period / year	(1,075,811)	(1,075,811)

The ageing of accounts receivable is as follows:

	Total	< 90 days	90 – 180 days	180-360 days	> 360 days
30 June 2025 (unaudited)	12,355,395	4,729,426	2,222,307	3,554,947	1,848,715
31 December 2024 (audited)	12,763,278	7,638,674	2,411,770	186,763	2,526,071

KNOWLEDGE NET COMPUTER COMPANY**(A SAUDI JOINT STOCK COMPANY)****NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)****FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****12- REVENUE**

The Group generates revenue as below:

	30 June 2025 (unaudited)	30 June 2024 (unaudited)
Maintenance and technical support services	8,836,926	6,765,627
Implementation of program licenses	3,984,638	3,185,954
Sale of program licenses	3,289,500	6,749,063
Consulting services	1,794,195	12,228,172
	17,905,259	28,928,816

Timing of recognition of revenues

	30 June 2025 (unaudited)	30 June 2024 (unaudited)
Over time	14,615,759	22,179,753
Point in time	3,289,500	6,749,063
	17,905,259	28,928,816

Geographical source of revenues

	30 June 2025 (unaudited)	30 June 2024 (unaudited)
Revenues generated in geographical location of KSA	14,073,085	26,204,770
Revenues generated outside geographical location of KSA	3,832,174	2,724,046
	17,905,259	28,928,816

13- LOSS PER SHARE

	30 June 2025 (unaudited)	30 June 2024 (unaudited)
Loss for the period attributable to the shareholders of the Parent Company	(1,465,493)	(543,602)
Weighted average number of shares	3,500,000	3,500,000
Basic and diluted loss per share based on loss for the period	(0.42)	(0.16)

Diluted Earnings Per Share ("EPS") is determined by adjusting the loss for the period and the weighted average number of ordinary shares outstanding during the period for the effects of all dilutive potential ordinary shares. Since the Company has no such dilutive potential ordinary shares, the calculation and presentation of basic and dilutive EPS of the Company will be same.

KNOWLEDGE NET COMPUTER COMPANY**(A SAUDI JOINT STOCK COMPANY)****NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)****FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****14- FAIR VALUE OF FINANCIAL INSTRUMENTS**

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and cash equivalents, financial assets at FVOCI and FVTPL, due from related parties accounts receivable and contract assets. Financial liabilities consist of due to related parties and lease liabilities.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale

The following table shows the carrying amounts 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 not measured at fair value if the carrying amount is a reasonable approximation of fair value

	Level 1	Level 2	Level 3	Total
30 June 2025 (unaudited)				
Financial assets at FVOCI	-	-	28,750	28,750
Financial assets at FVTPL	-	-	29,183,986	29,183,986
	-	-	29,212,736	29,212,736
	Level 1	Level 2	Level 3	Total
31 December 2024 (audited)				
Financial assets at FVOCI	-	-	28,750	28,750

The fair value of the investment is determined in accordance with the principles of IFRS 13 – Fair Value Measurement. The Group applies an income approach to determine the fair value, which involves the use of valuation techniques based on discounted future cash flows and other relevant assumptions that reflect market participant perspectives at the measurement date.

There were no transfers between levels of the fair value hierarchy for the period ended 30 June 2025 and year ended 31 December 2024. Additionally, there were no changes in the valuation techniques. Furthermore, there were no transfers into and out of level 3 measurements.

15- CONTINGENCIES AND COMMITMENTS

The Group has outstanding bank letters of guarantee as at 30 June 2025 amounting to SAR 3,498,961 (31 December 2024: SAR 3,399,141) covered by cash margins held at banks as at 30 June 2025 amounting to SAR 1,031,984 (31 December 2024: SAR 932,164).

16- SUBSEQUENT EVENTS

No events have occurred subsequent to the financial position date which requires adjustment to, or disclosure of, in this interim condensed consolidated financial information.

17- RE-CLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures of the previous year have been either regrouped or reclassified, wherever necessary, in order to conform with the presentation adopted in the current period financial statements. Such regroupings or reclassifications did not affect previously reported net loss or equity.

18- APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

This interim condensed consolidated financial information has been approved for issuance by the Groups' Board of Directors on 08 Rabi Alawal 1447 AH (corresponding to 31 August 2025).