Dar Al Balad Business Solutions Company
A Saudi Joint Stock Company
Riyadh – Kingdom of Saudi Arabia

The Interim
Condensed Consolidated Financial Statements (Unaudited) and
Independent Auditor's Review Report
For the Three-Month and Six-Month Periods Ended
June 30, 2026

Dar Al Balad Business Solutions Company
A Saudi Joint Stock Company
Riyadh – Kingdom of Saudi Arabia

INDEX

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Talal Abu-Ghazaleh & Co. Certified Public Accountants
Professional Register No. 4030276601 سجل شركة مهنية رقم ٤٠٣٠٢٧٦٦٠١

Independent Auditor's Review Report on The Interim Condensed Consolidated Financial Statements

To the Shareholders of
Dar Al Balad Business Solutions Company
A Saudi joint stock company
Riyadh – Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Dar Al Balad Business Solutions Company (A Saudi Joint Stock Company)**, ("the Company") and its subsidiary (the "Group"), as of June 30, 2026, and related interim condensed consolidated statements of comprehensive income for the three-month and six-month periods then ended, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes related to the condensed interim financial information.

Management is responsible for the preparation and presentation of these interim condensed financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting" as 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 International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of the 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 condensed consolidated interim financial information for the three-month and six-month periods ended 30 June, 2026 of Dar Al Balad Business Solutions Company (A Saudi Joint Stock Company) is not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

Talal Abu-Ghazaleh & Co.

C.R 4030276601
Public Accountants
TALAL ABU-GHAZALEH & CO.

Waleed Ahmed Bamarouf
Certified Public Accountant - Licence No. 408
Date: Safar 28, 1448(H) corresponding August 11, 2026(G)
Jeddah – Kingdom of Saudi Arabia

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فرع جدة – طريق الملك عبدالعزيز فرعي – حي الخالدية
مبنى صباح سنتر رقم (٦٣٧٤) الطابق الثالث
هاتف : ٤٣٠ ٦٠ ٦٠ ١٢ ٩٦٦+
فاكس : ٤٠٢ ٦٠ ٦٠ ١٢ ٩٦٦+
ص.ب : ٢٠١٣٥ جدة ٢١٤٥٥ السعودية

Dar Al Balad Business Solutions Company
A Saudi Joint Stock Company
Riyadh – Kingdom of Saudi Arabia

The interim condensed consolidated statement of financial position (unaudited)
as of June 30, 2026

Exhibit "A"

ASSETS	Notes	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Current Assets		**(SR)**	**(SR)**
Cash and cash equivalents		13,844,084	28,479,727
Trade receivables and contract assets – net	4	172,308,412	122,683,946
Other debit balances	5	8,462,257	13,398,020
Inventory		1,861,210	2,523,061
Due from related parties	6	176,239	6,057,084
Investments at fair value through profit or loss	7	25,464,312	26,509,837
Total Current Assets		**222,116,514**	**199,651,675**
Non - Current Assets			
Property and equipment- net	8	5,734,083	5,124,579
Right-of-use assets - net	a/9	541,290	593,394
Total Non Current Assets		**6,275,373**	**5,717,973**
Total Assets		**228,391,887**	**205,369,648**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable		3,019,625	1,870,755
Other credit balances	10	4,872,100	16,747,094
Lease liabilities - current portion	c/9	99,271	99,271
Zakat provision	11	2,784,016	4,626,027
Total Current Liabilities		**10,775,012**	**23,343,147**
Non-Current Liabilities			
Lease liabilities - non current portion	c/9	412,378	481,963
Employees' defined benefit obligation	12	11,909,626	10,714,663
Total Non-Current Liabilities		**12,322,004**	**11,196,626**
Total Liabilities		**23,097,016**	**34,539,773**
Shareholders' Equity			
Capital	13	70,000,000	70,000,000
Treasury shares	14	(10,237,500)	-
Additional capital contributions		32,077,126	21,839,626
Statutory reserve		-	-
Retained earnings		113,455,245	78,990,249
Total Shareholders' Equity		**205,294,871**	**170,829,875**
Total Liabilities and Shareholders' Equity		**228,391,887**	**205,369,648**

The accompanying notes from (1) to (29) constitute an integral part of these interim condensed consolidated financial statements

Managing Director:	Executive Director:	Financial Manager:
Abdul Aziz Ibrahim Bin Salmah	George Ghajar	Ali Emara

Dar Al Balad Business Solutions Company
A Saudi Joint Stock Company
Riyadh – Kingdom of Saudi Arabia

The interim condensed consolidated statement of comprehensive income (unaudited)
for the three-month and six-month periods ended June 30, 2026

Exhibit "B"

	Notes	For the Three-Month Period Ended June 30		For the Six-Month Period Ended June 30	
		2026	2025	2026	2025
		(SR)	(SR)	(SR)	(SR)
Revenues	15	82,245,966	79,195,439	166,572,265	155,754,131
Cost of revenues	16	(66,028,432)	(63,934,037)	(131,063,592)	(124,245,590)
Gross profit		**16,217,534**	**15,261,402**	**35,508,673**	**31,508,541**
Selling and distribution expenses	17	(406,051)	(430,945)	(787,771)	(818,566)
General and administrative expenses	18	(2,617,095)	(2,092,590)	(5,142,026)	(4,022,359)
Expected credit loss expense		(367,929)	(529,893)	(1,351,252)	(977,556)
Profit from operations		**12,826,459**	**12,207,974**	**28,227,624**	**25,690,060**
Other income		202,800	196,219	574,370	298,364
(Losses) gains on investments	19	(464,748)	(121,923)	(515,118)	844,708
Finance costs		(18,174)	(5,020)	(132,988)	(138,529)
Income for the period before Zakat		**12,546,337**	**12,277,250**	**28,153,888**	**26,694,603**
Zakat		(1,403,303)	(1,030,246)	(2,688,892)	(1,942,054)
Total comprehensive income		**11,143,034**	**11,247,004**	**25,464,996**	**24,752,549**
Basic and diluted earnings per share for the shareholders of the company	20	**0.1599**	**0.1607**	**0.3654**	**0.3536**

The accompanying notes from (1) to (29) constitute an integral part of these interim condensed consolidated financial statements

Managing Director:	Executive Director:	Financial Manager:
Abdul Aziz Ibrahim Bin Salmah	George Ghajar	Ali Emara

Dar Al Balad Business Solutions Company
A Saudi Joint Stock Company
Riyadh – Kingdom of Saudi Arabia

The interim condensed consolidated statement of changes in equity (unaudited)
for the six-month period ended June 30, 2026

Exhibit "C"

	Notes	Capital	Treasury shares	Additional capital contributions	Statutory reserve	Retained earnings	Total Shareholders' Equity
For the period ended June 30, 2026		(SR)	(SR)	(SR)	(SR)	(SR)	(SR)
Balance at the beginning of the period - audited	13	70,000,000	-	21,839,626	-	78,990,249	**170,829,875**
Treasury shares for the employee share ownership program	14	-	(10,237,500)	10,237,500	-	-	**-**
Dividend distributions recovered (*)		-	-	-	-	9,000,000	**9,000,000**
Total comprehensive income		-	-	-	-	25,464,996	**25,464,996**
Balance at the end of the period - unaudited		**70,000,000**	**(10,237,500)**	**32,077,126**	**-**	**113,455,245**	**205,294,871**
For the period ended June 30, 2025							
Balance at the beginning of the period - audited		50,000,000	-	10,000,000	4,260,797	40,412,370	**104,673,167**
Acquisition of a subsidiary		-	-	21,839,626	-	-	**21,839,626**
Increase in share capital		20,000,000	-	(10,000,000)	-	(10,000,000)	**-**
Total comprehensive income		-	-	-	-	24,752,549	**24,752,549**
Transferred of statutory reserve (**)		-	-	-	(4,260,797)	4,260,797	**-**
Balance at the end of the period - unaudited		**70,000,000**	**-**	**21,839,626**	**-**	**59,425,716**	**151,265,342**

(*) On January 29, 2026, the General Assembly resolved to cancel the dividend distribution for the year 2024. amounting to SR 9,000,000, based on the recommendation of the Company's financial advisor. The distributed dividends are to be returned by the shareholders within 15 days from the date of the resolution. On the same day, the shareholders returned the distributed dividends amounting to SR 9,000,000 to the Company's bank account.

(**) On February 12, 2025, the shareholders resolved to transfer the statutory reserve amounting to SR 4,260,797 to retained earnings.

The accompanying notes from (1) to (29) constitute an integral part of these interim condensed consolidated financial statements

Managing Director:	Executive Director:	Financial Manager:
Abdul Aziz Ibrahim Bin Salmah	**George Ghajar**	**Ali Emara**

Dar Al Balad Business Solutions Company
A Saudi Joint Stock Company
Riyadh – Kingdom of Saudi Arabia

The interim condensed consolidated statement of cash flows (unaudited) for the Six-month period ended June 30, 2026

Exhibit "D"

	For the Six-Month Period Ended June 30 (Unaudited)	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES	**(SR)**	**(SR)**
Income for the period before Zakat - Exhibit "C"	28,153,888	26,694,603
Adjustments to reconcile income for the period before Zakat to net cash used in operating activities		
Depreciation of property, plant, and equipment	522,961	586,993
Depreciation of right-of-use assets	52,104	49,504
Expected credit loss allowance	1,351,252	977,555
Finance costs	132,988	138,529
Provision for employee benefits obligation	1,933,915	860,000
Losses (gains) on investments	515,118	(844,708)
Changes in Operating Assets and Liabilities		
Accounts receivables and contract assets	(50,975,719)	(49,367,828)
Other debit balances	4,935,763	1,850,005
Inventory	661,851	676,051
Accounts payable	1,148,870	(909,581)
Other credit balances	(11,874,994)	(3,971,161)
Net transactions with a related party	5,880,845	(2,001,530)
Cash flows from operations	**(17,561,158)**	**(25,261,568)**
Zakat - paid	(4,530,903)	(3,332,417)
Finance cost - paid	(120,581)	(125,704)
Employee benefit obligation - paid	(738,952)	(535,866)
Net Cash flows used in Operating Activities	**(22,951,594)**	**(29,255,555)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to investments at fair value through profit or loss	(119,121)	(6,869,034)
Proceeds from sale of investments at fair value	649,529	8,661,300
Additions to property, plant and equipment	(1,132,465)	(45,340)
Net cash flows (used in) from investing activities	**(602,057)**	**1,746,926**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability	(81,992)	(20,000)
Reversal of dividends distribution	9,000,000	-
Net Cash flows from (used in) Financing Activities	**8,918,008**	**(20,000)**
Net decrease in cash and cash equivalents	**(14,635,643)**	**(27,528,629)**
Cash and cash equivalents at beginning of period	28,479,727	24,018,509
Cash acquired	-	10,899,503
Cash and cash equivalents at end of the period	**13,844,084**	**7,389,383**
Supplementary Information on Non-Cash Activities:		
Increase in share capital	-	20,000,000
Investments in a subsidiary against additional capital contribution	-	21,839,626
Transfer of statutory reserve to retained earnings	-	4,260,797

The accompanying notes from (1) to (29) constitute an integral part of these interim condensed consolidated financial statements

Managing Director:	Executive Director:	Financial Manager:
Abdul Aziz Ibrahim Bin Salmah	**George Ghajar**	**Ali Emara**

1. Legal Entity and Activities

Dar Al-Balad for Business Solutions Company – A Joint Stock Company (hereinafter referred to as the "**Company**") was established under Unified No. 7002303746, Commercial Registration No. 1010168374 issued in Riyadh on 9/11/1442 H. and valid until 9/11/1540 H. The Company's activities include, operation and maintenance of buildings; extension and installation of computer networks and wired and wireless telecommunications; maintenance and operation of electrical, electronic, and computer facilities; installation and maintenance of machinery and equipment; and computer and telephone operations.

The consolidated financial statements include the assets, liabilities, and results of operations of the company and the following branches:

Branch Name	Commercial Registration Number	Registration Date (Hijri)	Issued Location
Dar Al-Balad Company for Communications and Information Technology	4030263432	14/03/1435 H	Jeddah
Durar Al-Balad Company for Contracting	1010355941	12/01/1434 H	Riyadh
Da'irat Al-Balad Company for Trading	1010218342	18/03/1427 H	Riyadh

Acquisition of a Subsidiary:

The Company, Dar Al Balad Business Solutions, acquired all the shares of GSC Solutions Company (formerly: Specialized Chemicals Company) from its previous owner, Dar Al Balad Trading Company, which is a major shareholder in Dar Al Balad Business Solutions, at their carrying value of SR 21,839,626 as of December 31, 2024. The Company recognized the corresponding amount as additional capital, as stipulated in the Share Transfer Agreement signed between the parties on January 1, 2025.

The transfer of the shares was completed with the Ministry of Commerce on January 13, 2025, following which the Company became the owner of 100% of GSC Solutions Company's share capital amounting to SR 500,000. The Company accounted for the net assets acquired at their carrying amounts in accordance with the opinion issued by the Accounting Standards Committee of the Saudi Organization for Chartered and Professional Accountants (SOCPA), dated December 18, 2014, regarding the accounting treatment of business combination transactions involving entities under common control.

The accompanying condensed consolidated financial information includes GSC Solutions Company, which is controlled by the Group and in which the Group holds a controlling equity interest. As of June 30, the details of this company are as follows:

	2026		2025	
Company Name	Capital	Ownership percentage	Capital	Ownership percentage
	(SR)	%	(SR)	%
GSC Solutions Company	500,000	100%	500,000	100%

The following is a summary of its assets, revenues and expenses as at June 30, 2026 and December 31, 2025:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(SR)	(SR)
Statement of financial position:		
Total current assets	19,263,522	16,930,967
Total non-current assets	4,723,049	5,095,468
Total current liabilities	(2,485,225)	(2,792,492)
Total non-current liabilities	(1,372,330)	(1,347,502)
Net assets	**20,129,016**	**17,886,441**
Statement of comprehensive income:		
Revenue	6,910,188	20,879,866
Cost of revenue	(2,708,599)	(10,252,648)
Expenses	(1,803,223)	(4,529,376)
Other income	442	389,032
Gains (losses) from investments at fair value through profit or loss	113,317	(453)
Finance charge	(36,711)	(81,933)
Zakat	(232,839)	(407,624)
Net profit	**2,242,575**	**5,996,864**
Items that will not be reclassified subsequently to profit or (Loss):		
Remeasurement gains on long-term employee benefit obligations	-	49,951
Total other comprehensive income items for the year	-	**49,951**
Total comprehensive income for the year	**2,242,575**	**6,046,815**

Request for Listing on the Financial Market:

The Company's Extraordinary General Assembly approved on April 18, 2025 to file an application with the Capital Market Authority to register and offer its shares on the main Saudi stock market ("Tadawul") and to offer 21 million ordinary shares representing 30% of the Company's share capital, and authorized the Board of Directors with full authority to complete the offering and listing process. The Company's management prepared the registration and offering file and submitted it to the Capital Market Authority and relevant authorities. On Rajab 11, 1447 H, corresponding to December 31, 2025, the Capital Market Authority issued its approval based on the application of Dar Al Balad for Business Solutions Company to register its shares and offer 21 million shares for public subscription, representing 30% of the Company's total shares. The Authority's approval of the application is effective for a period of six months from the date of the Authority's Board resolution, and the approval shall be void if the offering and listing of the Company's shares is not completed within this period. The offering process was completed during the current period from May 10, 2026 to May 14, 2026. On May 19, 2026, the Saudi Exchange ("Tadawul") announced the listing of the Company's shares on the Main Market, and trading in the Company's shares commenced on May 20, 2026.

The condensed consolidated financial information represents only the assets, liabilities, and results of operations of the aforementioned commercial registrations.

The Company's registered address is as follows:

Kingdom of Saudi Arabia - Riyadh - Al Olaya District
P.O. Box: 285121, Postal Code: 11323

2. Basis of preparation

a) Statement of compliance

- These interim condensed consolidated financial statements for the six-month period ended as of June 30, 2026 have been prepared in accordance with International Accounting Standard No. (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other pronouncements and other standards endorsed by Saudi Organization for Chartered and Professional Accountants (SOCPA).
- The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other pronouncements and other standards endorsed by Saudi Organization for Chartered and Professional Accountants (SOCPA), and should be read in conjunction with the consolidated financial statements for the Group for the year ended as of December 31, 2025. In addition, the business results for the six-month period ended as of June 30, 2026 are not necessarily an indication for the expected results for the year ended December 31, 2026.

b) Basis of measurement

These interim condensed consolidated financial statements have been prepared on historical cost basis using the accrual basis and going concern assumption, unless otherwise noted.

c) Functional and presentation currency

These interim condensed consolidated financial statements have been presented in Saudi Riyals, which represents the functional and presentation currency for the group.

d) Use of estimates, assumptions and judgments

- Preparing the interim condensed consolidated financial statements requires management to make some judgments, estimates and assumptions that affect the application of the group's accounting policies and the amounts presented for assets, liabilities, revenues and expenses. Actual results may differ from these estimates.
- Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the period in which the estimates are revised and in any future periods affected by the revisions.
- The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those disclosed in the Group's annual financial statements.

3. Material accounting policy information

The material information relating to the accounting policies applied in the preparation of the interim condensed consolidated financial statements is consistent with that applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2025, except for the adoption of new standards and amendments to standards and interpretations as disclosed in note (27).

4. Trade receivables and contract assets – net

a) This item consists of the following:

	June 30, 2026 (Unaudited) (SR)	December 31, 2025 (Audited) (SR)
Accounts receivables	103,355,586	75,260,530
Contract assets – note (4/b)	76,920,882	54,040,220
Total	**180,276,468**	**129,300,750**
Expected credit loss allowance - note (4/c)	(7,968,056)	(6,616,804)
Total	**172,308,412**	**122,683,946**

b) Contract assets:

	June 30, 2026 (Unaudited) (SR)	December 31, 2025 (Audited) (SR)
Balance at the beginning of the period / year	54,040,220	24,483,555
Additions arising from acquisition	-	3,003,414
Additions during the period / year	91,943,245	52,603,516
Work billed during the period / year	(69,062,583)	(26,050,265)
Total	**76,920,882**	**54,040,220**

c) The movement in the expected credit loss allowance during the period / year was as follows:

	June 30, 2026 (Unaudited) (SR)	December 31, 2025 (Audited) (SR)
Balance at the beginning of the period / year	6,616,804	5,234,231
Additions arising from acquisition	-	592,966
Charged during period / year	1,351,252	789,607
Balance at the end of the period / year	**7,968,056**	**6,616,804**

d) The aging of trade receivables and contract assets, based on the Group's provision matrix, was as follows:

Period / year	Total Accounts receivables and Contract assets (SR)	0-90 Days (SR)	91-180 Days (SR)	181-270 Days (SR)	271-360 Days (SR)	More than one year (SR)
June 30, 2026 (Unaudited)	180,276,468	112,918,274	26,175,946	23,592,991	7,812,146	9,777,112
December 31, 2025 (Audited)	129,300,750	106,144,191	11,018,612	7,768,511	3,280,637	1,088,799

5. Other debit balances

This item consists of the following:

	June 30, 2026 (Unaudited) (SR)	December 31, 2025 (Audited) (SR)
Advances to suppliers	2,541,367	1,001,264
Prepaid expenses	2,250,594	3,765,352
Advance value added tax payments	1,701,773	7,909,949
Employees receivable	1,152,423	357,992
Letters of guarantee	816,100	363,463
Total	**8,462,257**	**13,398,020**

6. Related parties

a) Due from related parties:

	Nature of relationship	June 30, 2026 (Unaudited) (SR)	Collections during the period (SR)	Offering expenses (SR)	Revenue (*) (SR)	December 31, 2025 (Audited) (SR)
Dar Al Balad Trading Company	Shareholder	21,942	(10,139,175)	4,106,664	-	6,054,453
Diesel Equipment Company	Sister company	1,819	(62,760)	-	62,760	1,819
International Manufacturing Industries Company	Sister company	151,666	-	-	151,666	-
Direct Energy Company	Sister company	812	(210,528)	-	210,528	812
Dar Al Balad Contracting and Operations Company	Sister company	-	(828,000)	-	828,000	-
Fala Agricultural Company	Sister company	-	(301,206)	-	301,206	-
Saudi Tunisian Company	Sister company	-	(212,223)	-	212,223	-
Total		176,239	(11,753,892)	4,106,664	1,766,383	6,057,084

(*) The revenues comprise management service fees charged to related parties, including a profit margin.

b) The terms and pricing of transactions with related parties have been approved by the Company's management.

c) Related party balances are non-interest bearing and have no specified repayment terms.

d) The key management personnel compensation for the six-month period was as follows:

	June 30, 2026 (Unaudited) (SR)	June 30, 2025 (Unaudited) (SR)
Salaries, bonuses and allowances	1,094,447	819,600
Defined employee benefits	18,884	7,008
	1,113,331	**826,608**

e) The key management personnel benefits included in non-current liabilities amounted to the following:

	June 30, 2026 (Unaudited) (SR)	December 31, 2025 (Audited) (SR)
Defined employee benefit obligations	1,056,724	2,344,836

7. Investments at fair value through profit or loss

a) This item consists of the following:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(SR)	(SR)
Investments in investment portfolios – note (7/b)	13,373,866	14,402,601
Investments in equity instruments – note (7/c)	12,090,446	12,107,236
Total	**25,464,312**	**26,509,837**

b) The movement in investment portfolios during the period / year was as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(SR)	(SR)
Balance at the beginning of the period / year	14,402,601	12,941,172
Additions during the period / year	119,121	342,627
Purchases during the period / year	-	6,900,802
Sales during the period / year	-	(8,577,294)
Gain on sale of investments during the period / year	-	354,378
Total investments before end of period / year fair value measurement	**14,521,722**	**11,961,685**
Unrealized (losses) gains from fair value measurement of investments	(1,147,856)	2,440,916
Balance at the end of the period / year	**13,373,866**	**14,402,601**

c) The movement in investments in equity instruments at fair value through profit or loss during the period/year was as follows:

	Ownership percentage	Balance at the beginning of the period	Revaluation loss during the period	Balance at the end of the period
	%	(SR)	(SR)	(SR)
Durr Real Estate Company (*)	8.89%	12,107,236	(16,790)	12,090,446

(*) During 2024, an investment was made in Durr Real Estate Company (a limited liability company), acquiring an 8.89% of its capital for SR 8,890 along with investment as additional capital contribution of SR 11,991,110. The investee company's activities include: electrical wiring installation, computer and communication network installation, land and real estate trading and subdivision, off-plan sales activities, and general construction of non-residential buildings (such as schools, hospitals, hotels, etc.). These investments were valued at book value as it did not differ from fair value, which was prepared by an external party in 2024. During 2025, a valuation was obtained from an external valuator, Ahmed Zaki Al-Kulaibi Management Consulting Company, resulting in revaluation gains of SR 107,236. At the end of the current period ended June 30, 2026, a valuation was obtained from an external valuator, Ahmed Zaki Al-Kulaibi Management Consulting Company, resulting in revaluation loss of SR 16,790.

8. Property and equipment- net

This item consists of the following

	June 30, 2026 (Unaudited) (SR)	December 31, 2025 (Audited) (SR)
Cost		
Balance at the beginning of the period / year	12,377,347	1,357,660
Additions arising from acquisition	-	10,830,154
Additions during the period / year	1,132,465	189,533
Total	**13,509,812**	**12,377,347**
Accumulated depreciation		
Balance at the beginning of the period / year	7,252,768	968,095
Additions arising from acquisition	-	5,125,423
Depreciation during the period / year	522,961	1,159,250
Balance at the end of the period / year	**7,775,729**	**7,252,768**
Net book value	**5,734,083**	**5,124,579**

- The property and equipment include buildings with a net carrying amount of SR 3,851,082, constructed on land leased from the Saudi Authority for Industrial Cities and Technology Zones (MODON) at a nominal lease rental for a period of 20 years

9. Right-of-use assets – net

The Group entered into lease agreements for the factory land and administrative building for operational purposes, as follows:

- The lease terms range from one to twenty years.
- Lease payments for the leased assets are made semi-annually or annually, in accordance with the respective lease agreements.
- The lessee is obligated to settle the remaining lease payments for the leased assets in the event of early termination of the lease before the expiry of the contractual lease term.

a) The movement in right-of-use assets during the period / year was as follows:

	June 30, 2026 (Unaudited) (SR)	December 31, 2025 (Audited) (SR)
Cost		
Balance at the beginning of the period / year	1,467,710	957,638
Additions arising from acquisition	-	563,032
Disposals during the period / year	-	(175,605)
Additions during the period / year	-	122,645
Total	**1,467,710**	**1,467,710**
Accumulated depreciation		
Balance at the beginning of the period / year	874,316	693,864
Additions arising from acquisition	-	110,721
Disposals during the period / year	-	(28,477)
Depreciation related to right-of-use assets	52,104	98,208
Balance at the end of the period / year	**926,420**	**874,316**
Net book value	**541,290**	**593,394**

b) The movement in lease liabilities during the period / year was as follows:

	June 30, 2026 (Unaudited) (SR)	December 31, 2025 (Audited) (SR)
Balance at the beginning of the period / year	581,234	240,346
Additions arising from acquisition	-	442,350
Additions during the period / year	-	122,645
Disposals during the period / year	-	(148,483)
Interest on lease liabilities during the period / year	12,407	26,368
Payments during the period / year	(81,992)	(101,992)
Balance at the end of the period / year	**511,649**	**581,234**

c) The minimum lease payments and the present value of lease liabilities comprise the following:

	June 30, 2026 (Unaudited) (SR)	December 31, 2025 (Audited) (SR)
Present value of lease liabilities – Current portion	99,271	99,271
Present value of lease liabilities – Non-current portion	412,378	481,963

10. Other credit balances

This item consists of the following

	June 30, 2026 (Unaudited) (SR)	December 31, 2025 (Audited) (SR)
Value added tax payable	1,683,719	11,322,143
Accrued salaries, wages and bonuses	1,320,290	3,152,335
Accrued expenses	909,545	807,045
Accrued social insurance	616,595	670,574
Advances from customers	59,775	140,409
Board of directors' remuneration	8,007	470,000
Withholding tax	-	47,323
Others	274,169	137,265
Total	**4,872,100**	**16,747,094**

11. Zakat

a) The movement on the Zakat provision was as follows:

	June 30, 2026 (Unaudited) (SR)	December 31, 2025 (Audited) (SR)
Zakat provision balance at the beginning of the period / year	4,626,027	2,919,985
Additions resulting from acquisition	-	499,358
Zakat provision recognized during the period / year	2,688,892	4,539,101
Zakat provision paid during the period / year	(4,530,903)	(3,332,417)
Zakat provision balance at the end of the period / year	**2,784,016**	**4,626,027**

b) Dar_Al-Balad Business Solutions Company

- The Company has submitted its zakat returns and financial statements to the Zakat, Tax and Customs Authority ("ZATCA") up to the end of 2025 and obtained a valid zakat certificate effective until 30 April 2027. During 2025, ZATCA issued a zakat assessment for the year 2023, which was finalized with no additional zakat liabilities arising on the Company. On 5 July 2026, ZATCA requested preliminary information for the examination of the Company's zakat return and withholding tax returns for the year 2025. Based on the information submitted, ZATCA has not issued any additional zakat or tax liabilities.

c) GSC Solutions Company

- The Company has submitted its zakat returns and financial statements to the Zakat, Tax and Customs Authority ("ZATCA") up to the end of 2025 and obtained a valid zakat certificate effective until April 30, 2027. During 2025, ZATCA issued a zakat assessment for the year 2020, which resulted in a zakat liability of SR 10,488. The amount was paid, and the zakat assessment was finalized.

12. Employees' defined benefit obligations

General description of the defined benefit plan:

The Group is required to pay end-of-service benefits (a defined benefit plan) in accordance with the Saudi Labor Law. The benefit is calculated based on one-half of the employee's final monthly salary for each of the first five years of service, including partial years, and one full final monthly salary for each subsequent year of service, including partial years. Vesting factors are applied in cases of resignation. The end-of-service benefit plan is unfunded.

Valuation methodology and key actuarial assumptions:

In compliance with the requirements of IAS 19 – Employee Benefits, the Projected Unit Credit Method has been used to determine the defined benefit obligation. Under this method, the expected cost of benefits earned by employees in service at the valuation date is determined for each benefit expected to vest. The projected benefit obligation is based on the benefit formula and the employee's service up to the valuation date, with benefits measured using the estimated final salary expected to be earned at retirement. The defined benefit obligation represents the actuarial present value of the expected future benefits attributable to employees in service as of the valuation date.

The following table presents the components of the net employee benefit expense recognized in the statement of profit or loss, the amounts recognized in the statement of other comprehensive income, and the balances presented in the statement of financial position:

12-1 Defined benefit employee obligations:

	June 30, 2026 (Unaudited) (SR)	December 31, 2025 (Audited) (SR)
Recognized liability for employees' defined benefit obligation	11,909,626	10,714,663

12-2 Movement in present value of defined benefit obligations:

	June 30, 2026 (Unaudited) (SR)	December 31, 2025 (Audited) (SR)
Present value of defined obligations at the beginning of the period / year	10,714,663	10,015,102
Additions resulting from acquisition	-	876,711
Current period / year cost	1,933,915	3,845,882
Paid during the period / year	(738,952)	(1,248,203)
Actuarial gains arising of re-measurement	-	(2,774,829)
Present value of the employees defined obligations at the end of the year	**11,909,626**	**10,714,663**

12-3 Expense recognized in income statement:

	June 30, 2026 (Unaudited) (SR)	December 31, 2025 (Audited) (SR)
Current service cost	1,933,915	3,306,827
Net interest expense	-	539,055
Total	**1,933,915**	**3,845,882**

13. Share capital

The Company's share capital was determined at SR 70,000,000 divided into 70,000,000 shares with a nominal value of SR 1 per share.
The Extraordinary General Assembly of the Company approved, on April 18,2025, the request to list the Company's shares on the financial market "Tadawul" and to offer 30% of the Company's capital.

14. Treasury shares

The Ordinary General Assembly approved the Group's Employee Share Ownership Program and the allocation of 1.5% of the Company's shares as treasury shares for the purposes of the program. On the offering date, Dhu Al-Qi'dah 23, 1447, corresponding to May 10, 2026, a total of 1,050,000 shares were allocated as treasury shares for the Group's Employee Share Ownership Program. As ownership of these shares was transferred to the Company, they were recognized as treasury shares.

The offering price was determined at SR 9.75 per share, resulting in a total value of SR 10,237,500, which was allocated from additional capital contributions.

The purpose of allocating and holding these shares as treasury shares is to grant them to certain employees of the Group based on specified performance criteria. As at the date of authorization for issue of the interim condensed consolidated financial statements for the period ended June 30, 2026, the Group had not yet approved the employee share grant scheme or the related plan.

15. Revenues

a) The Group's revenue is derived from the provision of information systems services and technical support services for telecommunications and information technology systems and software. Such revenue comprises the following:

	Timing of revenue recognition	For the Three-Month Period Ended June 30		For the Six-Month Period Ended June 30	
		2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
		(SR)	(SR)	(SR)	(SR)
Managed business services	Over time	8,093,555	8,836,095	20,523,099	18,000,181
IT consulting services	Over time	36,982,052	25,749,751	66,914,285	50,612,751
Management IT services	Over time	34,827,496	36,755,292	72,224,693	73,010,299
Industrial chemical impurity purification services	At point of time	154,528	172,312	3,516,472	4,407,402
Industrial supply	At point of time	1,303,149	913,500	2,209,937	2,071,050
Industrial maintenance services	Over time	885,186	6,768,489	1,183,779	7,652,448
Total		82,245,966	79,195,439	166,572,265	155,754,131

b) The geographical distribution of revenue recognized was as follows:

	For the Six-Month Period Ended June 30	
	2026 (Unaudited)	2025 (Unaudited)
	(SR)	(SR)
Revenue within the Kingdom of Saudi Arabia	166,138,870	151,919,962
Revenue outside the Kingdom of Saudi Arabia	433,395	3,834,169
Total	**166,572,265**	**155,754,131**

16. Cost of revenues

a) This item consists of the following:

	For the Three-Month Period Ended June 30		For the Six-Month Period Ended June 30	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
	(SR)	(SR)	(SR)	(SR)
Cost of management IT services	28,703,954	30,372,158	59,228,635	60,510,477
Cost of IT consulting services	29,355,386	21,025,875	52,991,169	40,931,246
Cost of managed business services	6,219,047	7,483,016	16,135,189	14,913,861
Cost of industrial supply	1,323,411	544,728	1,826,178	1,248,639
Cost of industrial maintenance services	384,421	4,401,587	523,344	5,207,344
Cost of industrial chemical impurity purification services	42,213	106,673	359,077	699,178
Other cost	-	-	-	734,845
Total	66,028,432	63,934,037	131,063,592	124,245,590

b) The distribution of cost of revenue was as follows:

	For the Three-Month Period Ended June 30		For the Six-Month Period Ended June 30	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
	(SR)	(SR)	(SR)	(SR)
Salaries, wages and related benefits	56,352,836	52,612,004	113,927,455	103,274,636
Medical insurance expense	3,625,898	1,812,592	4,416,979	3,636,177
GOSI	1,876,733	1,656,052	3,680,394	3,173,103
Repairs and maintenance	1,750,047	5,052,988	2,708,599	7,155,162
Employee benefits	904,127	400,000	1,873,915	800,000
Government fees	412,127	1,171,656	1,618,988	2,291,009
Commissions	54,000	53,000	1,185,434	2,290,900
Travel and tickets	508,358	365,161	851,365	711,907
Others	544,306	810,584	800,463	912,696
	66,028,432	63,934,037	131,063,592	124,245,590

17. Selling and distribution expenses

This item consists of the following

	For the Three-Month Period Ended June 30		For the Six-Month Period Ended June 30	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
	(SR)	(SR)	(SR)	(SR)
Salaries, wages and related benefits	279700	275,799	354,194	534,322
Marketing expenses	-	-	209,050	-
Employee benefits	30,000	30,000	60,000	60,000
Freight	35,175	7,662	49,665	47,800
Sales commissions	25,500	16,110	38,000	41,610
Government fees and subscriptions	13,075	10,760	24,150	15,472
GOSI	7,303	18,048	14,618	18,046
Travel and transportation	1,973	16,725	2,862	16,725
Other	13,325	55,841	35,232	84,591
Total	**406,051**	**430,945**	**787,771**	**818,566**

18. General and administrative expenses

This item consists of the following

	For the Three-Month Period Ended June 30		For the Six-Month Period Ended June 30	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
	(SR)	(SR)	(SR)	(SR)
Salaries, wages and related benefits	1,515,877	1,043,270	2,953,417	1,979,606
Depreciation of property, plant and equipment	273,979	292,601	522,961	586,993
Withholding tax and value added tax	109,812	93,161	445,718	238,939
Legal and professional fees	262,000	222,000	344,500	282,000
Government fees and subscriptions	121,220	66,312	201,829	116,784
Board members' allowances	58,000	26,000	58,000	26,000
Depreciation of right-of-use assets	26,052	11,451	52,104	49,504
Hotel accommodation	16,796	65,462	31,231	119,199
Other	233,359	272,333	532,266	623,334
Total	**2,617,095**	**2,092,590**	**5,142,026**	**4,022,359**

19. (Losses) gains on investments

This item consists of the following

	For the Three-Month Period Ended June 30		For the Six-Month Period Ended June 30	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
	(SR)	(SR)	(SR)	(SR)
Net (losses) from investments at fair value through profit or loss (Note 7/ b))	(767,628)	(208,627)	(1,164,647)	-
Dividends from investments	173,283	12,847	287,671	-
Bank deposit income	129,597	73,857	361,858	844,708
(Losses) gains on investments	(464,748)	(121,923)	(515,118)	844,708

20. Basic and diluted earnings (loss) per share to the Company's shareholders

Earnings per share are calculated based on the net results for the period attributable to the Company's shareholders divided by the weighted average number of shares outstanding. Diluted earnings per share are the same as basic earnings per share, as the Company had no dilutive instruments outstanding during the period, as follows:

	For the Three-Month Period Ended June 30		For the Six-Month Period Ended June 30	
	2026	2025	2026	2025
	(SR)	(SR)	(SR)	(SR)
Net income for shareholders of the Company	11,143,034	11,247,004	25,464,996	24,752,549
Weighted average number of shares	69,698,343	70,000,000	69,698,343	70,000,000
	SR/SHARE	SR/SHARE	SR/SHARE	SR/SHARE
The basic and diluted earnings per share to shareholders of the Company	0.1599	0.1607	0.3654	0.3536

The weighted average number of shares was calculated in accordance with the requirements of International Accounting Standard (IAS) 33, "Earnings per Share", taking into consideration the effect of treasury shares as disclosed in note 14. The weighted average number of shares as at June 30, 2026 was as follows:

	June 30, 2026
	Number of shares
Number of shares	70,000,000
Number of treasury shares	(1,050,000)
Total number of shares	**68,950,000**
Weighted average number of shares as at 30 June 2026	(69,698,343)
Adjustments to the weighted average number of shares	**(748,343)**

21. Bank Facilities:

Dar Al Balad Business Solutions Company has a Shariah-compliant credit facility agreement with the Saudi Investment Bank amounting to SR 10,000,000 (2025: SR 10,000,000) for the purpose of financing the purchase and sale of goods and issuing various guarantees. The key guarantees associated with the agreement include the provision of a performance and financial guarantee (Kafala Ghorm wa Adaa) by: the Kafala Program for financing small and medium enterprises, major shareholders, and the issuing company. The utilized facility amounts are repaid in a lump sum after six months with interest based on the Saudi Central Bank (SAMA) rate plus 1% annually.

On June 25, 2026, the Company entered into a Shariah-compliant credit facilities agreement with the Saudi National Bank for an amount of SR 20 million to finance bid and performance guarantees and the Company's working capital requirements. As security for the facilities, the Company provided promissory notes, in addition to an assignment of project proceeds and guarantees of payment and performance in favor of the Bank.

22. Financial risk management

- The Group's principal financial assets include cash and cash equivalents and other receivables and balances. The Group's principal financial liabilities comprise accounts payable and other payables. The main purpose of these financial liabilities is to finance the Group's operations.
- The Group is exposed to market risk, credit risk, liquidity risk, and environmental and climate-related risks. The Group's senior management oversees the management of these risks. The Company reviews and approves policies for managing each of these risks, which are summarized below:

a) Capital Risk:

The components of the capital are reviewed on a regular basis and the cost of capital and related risks are assessed regularly. Capital is managed to ensure business continuity and to maximize returns through optimal balance of equity and debt.

b) Foreign currency risk:

- Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.
- Exchange rate risk arises as a result of executing commercial transactions in foreign currencies, which imposes a certain type of risk as a result of fluctuations in the exchange rates of these currencies during the year.

c) **Interest rate risk:**

- Interest rate risk is the risk that the value of a financial Instrument will fluctuate due to changes in market interest rates.
- The risk arises on exposure to a fluctuation in market interest rates resulting from depositing in bank and borrowings.
- Risk management is established by maintaining a combination of floating and fixed interest rate balances during the financial year in an appropriate manner.

d) **Other Rate Risk:**

- Represent the risks that the value of a financial Instrument will fluctuate due to changes in market rates (other than those resulting from interest rate risk and foreign currency risk), whether these changes arise from factors specific to an individual financial instrument or to the issuer or factors affecting all similar financial instruments traded in the market.
- The risk arises from investing in equity instruments.
- The Group is not exposed to other rate risk.

e) **Credit Risk:**

- Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Credit policies are maintained that require dealing with only creditworthy parties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.
- Regularly, the credit ratings of debtors and the volume of transactions with those debtors during the period are monitored.
- Ongoing credit evaluation is performed on the financial condition of debtors.
- The carrying amount of financial assets recorded in the consolidated financial statements represents the maximum exposure to credit risk without taking into account the value of any collateral obtained.

f) **Liquidity risk**

- It is the risk of being unable to settle financial obligations that are settled by delivering cash or another financial asset.
- Liquidity risk is managed by monitoring cash flows and comparing them with the maturity dates of financial assets and financial liabilities.
- The following are the details of working capital:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(SR)	(SR)
Current Assets	222,116,514	199,651,675
Current Liabilities	(10,775,012)	(23,343,147)
Net	**211,341,502**	**176,308,528**

- The table below summarizes the Group's financial liabilities based on the contractual undiscounted cash flows. The amounts presented in the table represent the undiscounted cash flows. Balances due within twelve months equal their carrying amounts, as the effect of discounting is not significant.

As of June 30, 2026

Description	Carrying amount (SR)	Less than one year (SR)	From 1 year to 5 years (SR)	More than 5 years (SR)
Accounts payable	3,019,625	3,019,625	-	-
Other credit balan	4,872,100	4,872,100	-	-
Lease liabilities	511,649	99,271	238,794	173,584
Total	8,403,374	7,990,996	238,794	173,584

As of December 31, 2025

Description	Carrying amount (SR)	Less than one year (SR)	From 1 year to 5 years (SR)	More than 5 years (SR)
Accounts payable	1,870,755	1,870,755	-	-
Other credit balan	16,747,094	16,747,094	-	-
Lease liabilities	581,234	99,271	238,794	243,169
Total	19,199,083	18,717,120	238,794	243,169

g) <u>Fair value measurement of financial investments through profit or loss</u>

Financial investments are measured at fair value as at the date of the consolidated financial statements. Gains or losses arising from changes in fair value are recognized in the statement of profit or loss for the period in which they arise. Fair value is determined in accordance with the following policies:

- Investments in investment portfolios:

  The fair value of investments in investment portfolios is determined based on quoted closing market prices at the end of the reporting period, or based on the net asset value (NAV) provided and periodic reports received from the investment portfolio managers.

- Unlisted equity investments:

  Investments in equity instruments that are not listed in active financial markets are measured at fair value. Where an active market is not available, fair value is determined based on cost/carrying amount as a reasonable approximation of fair value when there is no material difference between them.

  The fair value measurement is periodically corroborated and supported by valuation reports prepared by qualified independent external valuers, using established valuation techniques, such as the discounted cash flow method or recognized property valuation methods for the assets of the investee company. Any resulting revaluation differences are recognized in the statement of profit or loss.

23. Segment Information

The following are the significant segment information of the Group as at the date of the condensed interim financial statements:

	For the Six-Month Period Ended June 30, 2026			For the year ended December 31, 2025			June 30, 2025
	Assets (Unaudited)	Liabilities (Unaudited)	Total comprehensive income (Unaudited)	Assets (Unaudited)	Liabilities (Unaudited)	Total comprehensive income (Unaudited)	Total comprehensive income (Unaudited)
	(SR)	(SR)	(SR)	(SR)	(SR)	(SR)	(SR)
Head Office	204,405,315	19,239,464	23,222,421	183,343,213	30,399,779	47,320,218	19,474,698
Construction, operation and maintenance of chemical processing units	23,986,572	3,857,552	2,242,575	22,026,435	4,139,994	5,996,864	5,277,851
Total	228,391,887	23,097,016	25,464,996	205,369,648	34,539,773	53,317,082	24,752,549

The Group provides all of its services within the same economic environment, categorized by geographical segment, both inside and outside the Kingdom of Saudi Arabia, as disclosed in note 15.

24. Contingent liabilities and commitments

The Group has contingent liabilities relating to letters of guarantee issued for the Group amounting to SR 4,910,078 as of June 30, 2026, and the bank has withheld cash collateral against the letters of guarantee amounting to SR 816,100 (December 31, 2025: Letters of guarantee amounted to SR 5,098,927, and cash collateral against letters of guarantee amounted to SR 363,463).

25. Subsequent Events

The management believes that there are no events after the reporting period that have a material impact and require adjustment to or disclosure in the consolidated financial statements.

26. Geopolitical changes

In light of the geopolitical tensions in the region, management continues to monitor the situation to assess any potential risks to supply chains and logistics operations. No material impact on the Group's operations has been identified up to the date of approval of these consolidated financial statements. Given the evolving nature of these events, the potential financial impact cannot currently be reliably quantified. Accordingly, these developments are considered non-adjusting events, and no adjustments have been made to the consolidated financial statements in this regard.

27. New and Revised International Financial Reporting Standards and Interpretations

a) New and revised IFRSs and interpretations issued that became effective:

The following new and amended IFRS, which became effective for the financial periods commencing on or after 1 January 2026 or thereafter, were followed in the preparation of the Group's consolidated financial statements and did not have a material impact on the amounts and disclosures contained in the consolidated financial statements in the current period as follows:

Standard / Interpretation	Description	Effective date
Amendments to – IFRS 9 – IFRS 7	Classification and measurement of financial instruments	January 1, 2026
Amendments to: – IFRS 1 – IFRS 7 – IFRS 9 – IFRS 10 – IAS 7	Annual improvements to IFRS Accounting Standards	January 1, 2026

b) New and revised IFRSs and interpretations that are not effective yet

The Group did not adopt any of the following new amended standards that were issued but not yet effective:

Standard / Interpretation	Description	Effective date
IFRS 18	Presentation and disclosure in consolidated financial statements	January 1, 2027
Amendments to: IAS 21	Translation to a hyperinflationary presentation currency	January 1, 2027
IFRS 19	Subsidiaries without public accountability: disclosures	January 1, 2027
IFRS 10 IAS 28	Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely
IFRS S1 IFRS S2	General requirements for the disclosure of sustainability-related financial information Climate-related disclosures	January 1, 2024 (Application is subject to the adoption of the two standards by the regulatory authorities)

The standards, interpretations, and amendments effective as of January 1, 2026, have no material impact on the Group's consolidated financial statements. As for the other standards, interpretations, and amendments mentioned above, the Group is currently assessing their impact on the consolidated financial statements upon adoption.

c) Initial application of IFRS 18 "Presentation and Disclosure in Financial Statements"

The International Accounting Standards Board has issued International Financial Reporting Standard (IFRS) No. 18, "Presentation and Disclosure in Financial Statements," which replaces the presentation and disclosure requirements previously set out in International Accounting Standard (IAS) 1, "Presentation of Financial Statements." This standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted, and is to be applied retrospectively in accordance with the requirements of IAS 8.

The Group has performed a preliminary assessment of the requirements of the standard. Based on the nature of its activities and the concentration of its assets and revenues, the assessment concluded that Business Services, Information Technology and Industrial Services represents a specified main business activity under the standard. Accordingly, the Group expects to classify income and expenses related to Information Technology services, as well as other income, within the operating category, while finance costs related to lease liabilities will be classified within the financing category. The impact of applying the Standard resulted in the following:

	For the Six-Month Period Ended June 30, 2026 (SR)
Profit from operating activities	28,801,992
(Losses) from investing activities	(515,116)
(Losses) from financing activities	(132,988)
Income for the period before zakat	**28,153,888**
Zakat	(2,688,892)
Total comprehensive income for the period	**25,464,996**

Based on the current assessment, the Group does not expect the application of the standard to have a material impact on net profit or equity. The expected impact will primarily relate to the reclassification of certain items within the statement of profit or loss and changes in the presentation of required subtotals, including operating profit and profit before financing costs and Zakat, in addition to providing enhanced disclosures relating to the nature of expenses and aggregation and disaggregation requirements. The Group will also restate comparative information in accordance with the standard.

Management-defined performance measures represent subtotals of income and expenses used in Business Services, Information Technology and Industrial Services outside the consolidated financial statements and reflect management's view of an aspect of the entity's overall financial performance. The Group will be required to disclose specific information relating to such measures in a single note within the financial statements.

The Group is currently in the process of identifying the Business Services, Information Technology and Industrial Services to be considered when determining management-defined performance measures. These measures will relate to the same reporting period covered by the financial statements. Accordingly, the management-defined performance measures to be disclosed upon application of IFRS 18 will be determined based on the Group's Business Services, Information Technology and Industrial Services relating to the interim reporting period for the year 2027.

The issuance of IFRS 18 has also introduced consequential amendments to IAS 7, "Statement of Cash Flows," whereby the statement of cash flows prepared using the indirect method will start from operating profit instead of profit before Zakat and income tax. In addition, interest paid related to lease liabilities will be classified within financing activities. The Group does not expect these amendments to affect the net change in cash and cash equivalents, as the impact is limited to reclassification and changes in the starting point of certain items.

Upon initial application of the standard, the Group will restate comparative information and disclose the nature and amounts of transition adjustments, as required by the standard.

Management continues to implement the transition plan to the standard, which includes updating consolidated financial statement templates, aligning the chart of accounts with the new presentation line items, completing disclosure requirements, and preparing the necessary comparative information prior to the mandatory effective date.

28. Approval of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements were approved by the Board of Directors on Safar 27, 1448(H) corresponding August 10, 2026(G).

29. General

a) Certain comparative figures have been reclassified to conform with the presentation of the current period.

b) The amounts presented in the consolidated financial statements are rounded to the nearest Saudi Riyal.