EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY

(A LISTED JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2026

EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
(A LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2026

PKF Al-Bassam
Chartered Accountants

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

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

INTRODUCTION

We have reviewed the accompanying interim condensed financial statements of Edarat Communications and Information Technology Company (the "Company") as of 30 June 2026 which comprises:

- The interim condensed statement of financial position as at 30 June 2026;
- The interim condensed statement of profit or loss and other comprehensive income for the six-month period then ended;
- The interim condensed statement of changes in equity for the six-month period then ended;
- The interim condensed statement of cash flows for the six-month period then ended; and
- The notes to the interim condensed financial statements.

Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

PKF Al-Bassam
Chartered Accountants

Ibrahim Ahmed Albassam
Certified Public Accountant
License No. 337
Riyadh, Kingdom of Saudi Arabia
19 Safar 1448H
Corresponding to: 2 August 2026

شركة بي كي اف البسام
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PKF Al Bassam
chartered accountants

EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
(A LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Note	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
ASSETS			
Non-current assets			
Investment in associates	4	**400,000**	-
Equipment, net	5	**22,120,621**	21,625,161
Intangible assets, net		**2,520,646**	2,449,553
Right of use asset, net		**1,038,066**	830,943
Total non-current assets		**26,079,333**	24,905,657
Current assets			
Contract assets, net	6	**15,371,098**	28,788,643
Due from related parties, net	7.3	**57,326,454**	50,973,287
Trade receivables, net	8	**15,293,409**	13,110,433
Prepayment and other receivables		**13,456,286**	16,759,880
Cash and cash equivalents		**36,239,215**	31,281,150
Total current assets		**137,686,462**	140,913,393
TOTAL ASSETS		**163,765,795**	165,819,050
EQUITY AND LIABILITIES			
Equity			
Share capital	9	**75,600,000**	50,400,000
Treasury shares	10	**(614,487)**	(559,219)
Employee stock ownership plan shares		**(2,108,097)**	(2,163,365)
Share-based payment reserve	11	**504,640**	197,957
Actuarial reserve		**(3,976,312)**	(3,976,312)
Retained earnings		**45,768,320**	51,182,489
TOTAL EQUITY		**115,174,064**	95,081,550
Liabilities			
Non-current liabilities			
Employees' post-employment benefits		**11,023,185**	9,799,732
Long term loan	12.1	**2,582,229**	3,918,828
Lease liability		**306,676**	-
Total non-current liabilities		**13,912,090**	13,718,560
Current liabilities			
Trade payables		**8,063,247**	26,049,597
Accrued expenses and other payables	13	**9,607,844**	14,189,863
Due to a related party	7.3	**-**	90,378
Contract liabilities		**11,952,487**	8,271,593
Current portion of lease liability		**542,902**	711,415
Provision for zakat and tax	14	**1,838,950**	3,583,736
Current portion of loan	12.1	**2,673,199**	2,673,199
Short term financing	12.2	**1,012**	1,449,159
Total current liabilities		**34,679,641**	57,018,940
TOTAL LIABILITIES		**48,591,731**	70,737,500
TOTAL EQUITY AND LIABILITIES		**163,765,795**	165,819,050
Contingencies and commitments	15		

Ghassan Abou Ammar	Erick Baduy	Dr. Abdullah Al Ghamdi
Chief Financial Officer	**Chief Executive Officer**	**Chairman**

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
(A LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2026 (Unaudited)	2025 (Unaudited)
Revenue	16	**91,639,061**	75,152,675
Cost of revenue		**(57,879,710)**	(47,235,436)
Gross profit		**33,759,351**	27,917,239
Selling and marketing expenses		**(3,144,193)**	(3,160,966)
General and administrative expenses		**(8,946,232)**	(7,239,366)
Other income		**26,087**	25,000
Reversal of provision / (provision for impairment) of financial assets	6.1, 7.4, 8.1	**535,814**	(382,914)
Share-based payment expense	11	**(306,683)**	-
Operating profit		**21,924,144**	17,158,993
Finance cost		**(306,232)**	(171,404)
Profit before zakat and income tax		**21,617,912**	16,987,589
Zakat and tax for the period	14	**(1,832,081)**	(1,744,589)
Net profit for the period		**19,785,831**	15,243,000
Other comprehensive income for the period		**-**	-
Total comprehensive income for the period		**19,785,831**	15,243,000
Basic and diluted earnings per share (restated)	17	**2.62**	2.02

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Chief Financial Officer	**Chief Executive Officer**	**Chairman**

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EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
(A LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Treasury shares	Employee stock ownership plan (ESOP) shares	Share based payment reserve	Actuarial reserve	Retained earnings	Total equity
For the six-month period ended 30 June 2025							
Balance as at 1 January 2025 (audited)	25,200,000	(880,410)	-	-	(1,479,041)	40,041,153	62,881,702
Increase in share capital	25,200,000	-	-	-	-	(25,200,000)	-
Profit for the period	-	-	-	-	-	15,243,000	15,243,000
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	15,243,000	15,243,000
Purchase of treasury shares	-	(1,842,174)	-	-	-	-	(1,842,174)
Balance as at 30 June 2025 (unaudited)	50,400,000	(2,722,584)	-	-	(1,479,041)	30,084,153	76,282,528
For the six-month period ended 30 June 2026							
Balance as at 1 January 2026 (audited)	**50,400,000**	**(559,219)**	**(2,163,365)**	**197,957**	**(3,976,312)**	**51,182,489**	**95,081,550**
Increase in share capital (Note 9)	**25,200,000**	-	-	-	-	**(25,200,000)**	-
Profit for the period	-	-	-	-	-	**19,785,831**	**19,785,831**
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	**19,785,831**	**19,785,831**
Forfeited shares under ESOP (Note 10)	-	**(55,268)**	**55,268**	-	-	-	-
Share-based payment expense (Note 11)	-	-	-	**306,683**	-	-	**306,683**
Balance as at 30 June 2026 (unaudited)	**75,600,000**	**(614,487)**	**(2,108,097)**	**504,640**	**(3,976,312)**	**45,768,320**	**115,174,064**

Ghassan Abou Ammar
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Chairman

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EDARAT COMMUNICATIONS AND INFORMATION TECHNOLOGY COMPANY
(A LISTED JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASHFLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	For the six-month period ended 30 June 2026 (Unaudited)	For the six-month period ended 30 June 2025 (Unaudited)
Cash flows from operating activities			
Profit before zakat and income tax		**21,617,912**	16,987,589
Adjustments for:			
Depreciation on equipment		**2,806,054**	1,469,181
Amortization of intangibles		**470,635**	369,637
Amortization on right of use asset		**373,983**	293,275
(Reversal of) / provision for impairment on financial assets	6.1,7.4, 8.1	**(535,814)**	382,914
Provision for employees' post-employment benefits		**1,309,264**	1,013,159
Interest expense on lease liability		**38,624**	46,654
Equity share based payment reserve	11	**306,683**	-
Gain on disposal of equipment		**(26,087)**	-
		26,361,254	20,562,409
Movement in working capital:			
Trade receivables, net		**(2,216,681)**	(19,984,884)
Prepayments and other receivables		**3,303,594**	(1,363,382)
Due from related parties, net		**(6,317,470)**	5,773,056
Contract assets, net		**13,551,367**	(5,921,170)
Trade payables		**(17,986,350)**	3,510,670
Accrued expenses and other payables		**(4,582,019)**	5,301,060
Contract liabilities		**3,680,894**	7,154,200
Due to a related party		**(90,378)**	(363,050)
Employees' post-employment benefits paid		**(85,811)**	(74,144)
Zakat and income tax paid		**(3,576,867)**	(2,757,837)
Net cash generated from operating activities		**12,041,533**	11,836,928
Cash flows from investing activities			
Purchase of equipment		**(3,301,514)**	(6,278,699)
Purchase of intangibles		**(541,728)**	(294,422)
Purchase of treasury shares		**-**	(1,842,174)
Proceeds from sale of equipment		**26,087**	-
Net cash used in investing activities		**(3,817,155)**	(8,415,295)
Cash flows from financing activities			
Lease liabilities paid		**(481,567)**	(372,592)
Short-term financing, net		**(1,448,147)**	(2,483,096)
Long-term loans paid	12.1	**(1,336,599)**	6,510,069
Net cash (used in) / generated from financing activities		**(3,266,313)**	3,654,381
Net change in cash and cash equivalents		**4,958,065**	7,076,014
Cash and cash equivalents at 1 January		**31,281,150**	12,758,446
Cash and cash equivalents at 30 June		**36,239,215**	19,834,460

Non-Cash transaction

	Notes	2026	2025
Issuance of share capital from retained earnings	9	**25,200,000**	25,200,000
Increase in right of use asset and lease liabilities		**581,106**	

Ghassan Abou Ammar
Chief Financial Officer

Erick Baduy
Chief Executive Officer

Dr. Abdullah Al Ghamdi
Chairman

The accompanying notes 1 to 22 form an integral part of these interim condensed financial statements.

(All amounts in Saudi Riyals unless otherwise stated)

1. ORGANIZATION AND ITS ACTIVITIES

Edarat Communications and Information Technology Company (the "Company") is a Listed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010255311 and unified number 7001566152 issued on 22/08/1429H (corresponding to 23/08/2008G).

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

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

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

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

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

2. BASIS OF PREPARATION

2.1. Statement of compliance

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

2.2. Basis of measurement

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

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's financial statements for the year ended 31 December 2025.The performance of the Company for the six-month period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

2. BASIS OF PREPARATION (CONTINUED)

2.3. Functional and presentation currency

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

2.4. Use of estimates and judgements

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

The significant judgements and estimates made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those described in the Company's financial statements for the year ended 31 December 2025.

2.5. New amended standards and interpretations:

The new standards and amendments to standards disclosed in the Company's 2025 annual financial statements remain unchanged.

IFRS 18 "Presentation and Disclosure in Financial Statements" will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. In compliance with the Capital Market Authority (CMA) directives, the Company will continue to prepare its statutory financial statements in accordance with IAS 1 until the mandatory effective date. The Company has not early adopted the new standard.

Management, under the continuous oversight of the Board of Directors, is currently The Company is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its financial statements.

a) Structure of the Statement of Profit or Loss

IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss, namely operating, investing, financing, zakat and income tax, and discontinued operations. Classification of income and expenses depends on the main business activities of an entity.

Neither net profit nor net assets will change as a result of the Company's adoption of IFRS 18. The Company already presents subtotal for 'operating profit' in its income statement, however based on the specific guidance of IFRS 18 on expenses classification between operating, investing and financing categories, the amount of operating profit may differ from the previously reported amounts.

b) Management-defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to users' management's view of an aspect of the financial performance of the entity as a whole. The Company will be required to disclose specific information about MPMs in a single note in the financial statements.

The Company is in process of determining which public communications should be considered when identifying MPMs. MPMs relate to the same reporting period as the financial statements. Therefore, MPMs disclosed by the Company following adoption of IFRS 18 will be determined based on public communications issued by the Company relating to the 2027 interim reporting period.

2.5. New amended standards and interpretations (Continued)

c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to Company information in financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Company is assessing the grouping of items based on similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

The Company is also assessing line items currently labelled as 'other' and will use more informative labels.

d) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Company currently uses profit before zakat and income tax for the year/period as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. The Company will classify cash flows from interest paid as financing activities rather than operating activities under this guidance. Cash flows from interest and dividends received and from dividends paid will continue to be classified as investing activities and financing activities, respectively.

The Company is in the process of assessing other impacts of the consequential amendments.

2.5.1. Standards and amendments effective in the current period

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the amendment
IFRS 9 & IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7
	Contracts Referencing Nature-dependent Electricity	1 January 2026	These amendments modify the ‘own use’ requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.

(All amounts in Saudi Riyals unless otherwise stated)

2.5. New amended standards and interpretations (Continued)

2.5.2. Standards and amendments issued but not yet effective

The following standards and amendments have been issued but are not yet effective for the reporting period ended 30 June 2026, and have not been early adopted by the Company:

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 18	Presentation and Disclosure in Financial statements	January 1, 2027	IFRS 18 replaces IAS 1 and establishes a new framework for the presentation and disclosure of financial statements. The standard introduces new categories for income and expenses (operating, investing and financing) and requires presentation of new subtotals, including operating profit or loss and profit or loss before financing and income taxes. It also enhances guidance on aggregation and disaggregation, introduces disclosure requirements for management-defined performance measures, and removes classification options for interest and dividends in the statement of cash flows.
IFRS 19	Subsidiaries without Public Accountability	January 1, 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard affects disclosure requirements only and does not impact recognition or measurement

3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company’s annual financial statements as at 31 December 2025.

4. INVETSMENT IN ASSOCIATES

As of 27 April 2026 (effective date), the Company acquired 40% equity interest for SAR 0.4 million in National Excellence Data Centers Company, a limited liability company incorporated in the Kingdom of Saudi Arabia. As of effective date, National Excellence Data Centers Company became an associate of the Company after completion of all regulatory and legal requirements.

As of 30 June 2026, the Associate has not commenced its commercial operations

(All amounts in Saudi Riyals unless otherwise stated)

5. EQUIPMENT, NET

	Transport equipment	Assets cloud & colocation hardware	Computer and office equipment	General facilities	Furniture and fixtures	Total
Cost:						
As at 1 January 2025	543,425	10,635,429	3,630,350	2,341,295	264,075	17,414,574
Additions during the year	-	16,658,338	255,956	-	-	16,914,294
Disposals during the year	(182,484)	-	-	-	-	(182,484)
As at 31 December 2025	**360,941**	**27,293,767**	**3,886,306**	**2,341,295**	**264,075**	**34,146,384**
Additions during the period	**127,826**	**2,809,117**	**229,116**	**22,010**	**113,445**	**3,301,514**
Disposals during the period	**(138,888)**	**-**	**-**	**-**	**-**	**(138,888)**
As at 30 June 2026	**349,879**	**30,102,884**	**4,115,422**	**2,363,305**	**377,520**	**37,309,010**
Accumulated depreciation:						
As at 1 January 2025	543,425	4,705,634	2,968,441	537,997	220,447	8,975,944
Depreciation	-	3,153,745	329,495	220,041	24,482	3,727,763
Depreciation on disposal	(182,484)	-	-	-	-	(182,484)
As at 31 December 2025	**360,941**	**7,859,379**	**3,297,936**	**758,038**	**244,929**	**12,521,223**
Depreciation	**13,315**	**2,527,571**	**147,141**	**111,121**	**6,906**	**2,806,054**
Depreciation on disposal	**(138,888)**	**-**	**-**	**-**	**-**	**(138,888)**
As at 30 June 2026	**235,368**	**10,386,950**	**3,445,077**	**869,159**	**251,835**	**15,188,389**
Net book value:						
As at 30 June 2026	**114,511**	**19,715,934**	**670,345**	**1,494,146**	**125,685**	**22,120,621**
As at 31 December 2025	-	19,434,388	588,370	1,583,257	19,146	21,625,161

(All amounts in Saudi Riyals unless otherwise stated)

6. CONTRACT ASSETS, NET

This represents accrued revenues that have been recognized based on projects due to achievements of milestones against which the invoices have not been issued until 30 June 2026. The contract assets are transferred to receivables when the right becomes unconditional. This usually occurs when the Company issued an invoice to the customer.

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Contract assets	**15,761,541**	29,312,908
Provision for impairment loss on contract assets (Note 6.1)	**(390,443)**	(524,265)
	15,371,098	28,788,643

Significant changes in the contract assets during the period are as follows:

	30 June 2026	31 December 2025
Balance at the beginning of the period / year	**29,312,908**	16,328,556
Less: Transfer from contract assets to trade receivables (billed)	**(26,196,030)**	(16,180,056)
Works completed but not yet billed	**12,644,663**	29,164,408
Balance at the end of the period / year	**15,761,541**	29,312,908

6.1 Movement in provision is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**524,265**	2,773
(Reversal) / provision during the period / year	**(133,822)**	521,492
Balance at the end of the period / year	**390,443**	524,265

7. RELATED PARTY TRANSACTIONS AND BALANCES

7.1 Related Parties and relationships

Al Moammar Information Systems	-	Major shareholder with 30% holding
Excellence Medical System Co.	-	Subsidiary of Al Moammar Information Systems
Edarat Lebanon	-	Entity under common control
Phoenicia Tech Worldwide	-	Entity under common control
National Excellence Data Centers	-	Associate

7.2 Transactions and balances with associate companies and shareholders

Balances and transactions between the Company and its Dubai branch have been eliminated in these financial statements and are not disclosed in this note.

Sales of services to related parties were made at the Company’s usual list prices, less average discounts. Purchase of services were made at market price adjusted to reflect the nature of services received and the relationships between the parties. The outstanding amounts are unsecured and will be settled in cash. No guarantees have been given or received. Below is the list of transactions with related parties other than disclosed elsewhere in these financial statements.

(All amounts in Saudi Riyals unless otherwise stated)

7 RELATED PARTY TRANSACTION AND BALANCES (CONTINUED)

Name of Related Party	Nature of transaction	For the six-month period ended 30 June 2026 (Unaudited)	2025 (Unaudited)
Al Moammar Information Systems	Services rendered	**50,153,052**	27,120,187
Al Moammar Information Systems	Service acquired	**(41,341)**	(5,783,108)
Al Moammar Information Systems	Acquisition of 40% equity interest in associate	**(400,000)**	-
Excellence Medical Systems	Service rendered	**637,134**	763,118
Edarat Lebanon	Service acquired	**(374,893)**	(273,000)

7.3 Related party balances

Name of related party	Nature of relationship	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Due from related parties, net			
Al Moammar Information Systems	Major shareholder	**56,496,993**	51,202,515
Excellence Medical Systems	Affiliate company	**693,650**	376,279
Edarat Lebanon	Affiliate company	**305,621**	-
		57,496,264	51,578,794
Provision for impairment		**(169,810)**	(605,507)
		57,326,454	50,973,287

		30 June 2026 (Unaudited)	31 December 2025 (Audited)
Due to a related party			
Edarat Lebanon	Affiliate company	-	90,378

7.4 Movement in provision for impairment is as follows

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**605,507**	327,116
(Reversal) / provision for the period / year	**(435,697)**	278,391
Balance at the end of the period / year	**169,810**	605,507

(All amounts in Saudi Riyals unless otherwise stated)

7 RELATED PARTY TRANSACTION AND BALANCES (CONTINUED)

7.5 Transactions with key management personnel

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

	For the six-months period ended					
	30 June 2026 (Unaudited)			30 June 2025 (Unaudited)		
	BOD & Committees	**Key management personnel**	**Total**	BOD & Committees	Key management Personnel	Total
Salaries and compensation	**-**	**1,525,107**	**1,525,107**	-	1,869,915	1,869,915
Allowances	**-**	**248,274**	**248,274**	-	319,214	319,214
Periodic remunerations	**298,500**	**-**	**298,500**	980,500	-	980,500
Post-employment benefits	**-**	**164,774**	**164,774**	-	96,813	96,813
Total	**298,500**	**1,938,155**	**2,236,655**	980,500	2,285,942	3,266,442

8. TRADE RECEIVABLES, NET

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivables	**15,418,844**	13,202,163
Provision for impairment of trade receivables	**(125,435)**	(91,730)
	15,293,409	13,110,433

8.1 Movement in provision is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**91,730**	268,993
Provision / (reversal) for the period / year	**33,705**	(177,263)
Balance at the end of the period / year	**125,435**	91,730

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

	For the six-month period ended 30 June 2026			For the year ended 31 December 2025		
Aging Bucket	**Gross receivables**	**Credit impaired**	**ECL rate**	Gross receivables	Credit impaired	ECL rate
Current / not yet due	**6,510,170**	**4,490**	**0.07%**	5,465,854	859	0.02%
0-30 days	**950,029**	**-**	**0.00%**	2,168,469	1,118	0.05%
31-60 days	**2,812,326**	**1,312**	**0.05%**	3,764,242	1,250	0.03%
61-90 days	**2,719,468**	**73,535**	**2.70%**	698,909	45,698	0.12%
91-120 days	**994,387**	**4,418**	**0.44%**	-	-	0%
121-150 days	**1,432,464**	**41,680**	**2.91%**	1,104,689	42,805	0.43%
Total balance	**15,418,844**	**125,435**	**0.81%**	13,202,163	91,730	0.69%

9. SHARE CAPITAL

The Board of Directors in their meeting dated 12 April 2026 decided to submit a recommendation to the Company's Extraordinary General Assembly to increase the Company's share capital from SAR 50,400,000 to SAR 75,600,000 through transfer from retained earnings by granting half share for each one share by issuing 2,520,000 new shares to reach a total of 7,560,000 shares. On 10 May 2026, corresponding to 23 Dhul al-Qidah 1447, the Capital Market Authority ("CMA") approved the Company's request to increase the capital by capitalization from retained earnings through the issuance of 2,520,000 new shares, representing 50% of the company's capital. The Extraordinary General Assembly approved the capital increase on 14 June 2026.

The Company's share capital at 30 June 2026 amounted to SAR 75,600,000 (31 December 2025: SAR 50,400,000), consisting of 7,560,000 shares (31 December 2025: 5,040,000 shares) of SAR 10 each.

10. TREASURY SHARES

On 11 September 2025, the Company granted 8,384 shares to employees having cost of SAR 2,282,614 and transferred the amount from Treasury shares to ESOP shares. As of 30 June 2026, the Company holds 2,257 shares at a cost of SAR 614,487 (31 December 2025: 2,054 shares at a cost of SAR 559,219) after forfeiture of 641 shares (31 December 2025: 438 shares) due to exit of eligible employees. Accordingly, the forfeited shares at cost of SAR 55,268 (31 December 2025: SAR 119,249) has been transferred from ESOP shares to treasury shares.

11. SHARE-BASED PAYMENT RESERVE

On 11 September 2025, the Company granted 8,384 shares to its employees under its Employee Stock Ownership Program ("ESOP"). As per vesting condition, the Company will vest 25% of granted shares to eligible employees at the end of completion of each year over a period of four years (first vesting year will be completed on 10 September 2026).

The grant-date fair value was determined using market price on the grant date at SAR 210 per share. The management estimates an annual forfeiture rate of 15%. The total number of shares estimated to vest during the vesting period will be 5,243 shares with a total grant-date fair value of SAR 1,101,079. The cost of derecognized allocated treasury shares is SAR 2,282,614 with a difference in fair value of shares expected to vest is SAR 1,181,536.

For the period ended 30 June 2026, the Company has recorded share-based payment expense of SAR 306,683 (30 June 2025: Nil) and reserve has been created with the same amount in statement of changes in equity. As of 30 June 2026, the share-based payment reserve is amounted to SAR 504,640 (31 December 2025: SAR 197,957).

12. LOANS

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

The bank facility agreement includes a financial covenant requiring that the leverage ratio defined as total liabilities to tangible net worth does not exceed 1.25:1. Management actively monitors this ratio to ensure compliance with the covenant terms. As of the reporting date, the Company was in full compliance with this requirement.

(All amounts in Saudi Riyals unless otherwise stated)

12 LOANS (CONTINUED)

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
12.1 Long term loan		
Non-current portion	**2,582,229**	3,918,828
Current portion	**2,673,199**	2,673,199
	5,255,428	6,592,027
Movement for the long-term loan		
Balance at the beginning of the period / year	**6,592,027**	-
Obtained during the period /year	**-**	8,019,557
Paid during the period / year	**(1,336,599)**	(1,427,530)
Balance at the end of the period / year	**5,255,428**	6,592,027
12.2 Short term financing		
Short term loans	**-**	1,430,854
Credit card	**1,012**	18,305
	1,012	1,449,159

13. ACCRUED EXPENSES AND OTHER PAYABLE

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Accrued cost of services	**3,689,192**	9,050,706
Accrued staff costs	**2,307,955**	2,467,407
Value added tax	**1,682,627**	1,345,410
Other accrued expenses	**1,928,070**	1,326,340
	9,607,844	14,189,863

14. PROVISION FOR ZAKAT AND TAX

14.1 Zakat and Income tax expenses are as below:

	For the six-month period ended	
	2026 (Unaudited)	2025 (Unaudited)
Zakat expense	**1,076,158**	846,841
Income tax expense	**755,923**	897,748
	1,832,081	1,744,589

14.2 Changes in provision are as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**3,583,736**	2,777,143
Charge during the period / year	**1,832,081**	3,571,138
Payments made during the period / year	**(3,576,867)**	(2,764,545)
Balance at the end of the period / year	**1,838,950**	3,583,736

14.3 Status of zakat assessments

The Company submitted its zakat and tax returns until 2025 and has obtained provisional zakat certificate from Zakat, Tax and Customs Authority (“ZATCA”) valid till 23 Dhu al-Qi’dah 1448H corresponding to 30 April 2027.

(All amounts in Saudi Riyals unless otherwise stated)

14. ZAKAT AND INCOME TAX (CONTINUED)

14.3 Status of zakat assessments (continued)

The Company has closed all Zakat assessments for the years 2018, 2023 & 2024. The Company did not receive any other assessment from ZATCA.

15. CONTINGENCIES AND COMMITMENTS

a) Contingencies: The Company has bank performance guarantees as part of the credit facility agreement amounting to SAR 1.42 million as at 30 June 2026 (31 December 2025: SAR 1.89 million).

b) Commitments: During 2025 the company has issued two promissory notes for a total of SAR 5.4 million as a guarantee against financing agreement with one of its strategic business partners to supply equipment related to the expansion of cloud infrastructure. As at 30 June 2026, the Company did not have any other capital commitments (31 December 2025: Nil).

16. REVENUE

	For the six-month period ended 30 June 2026 (Unaudited)	For the six-month period ended 30 June 2025 (Unaudited)
Revenue by service line		
Data center engineering service revenue	**55,763,759**	44,193,798
Cloud services revenue*	**35,875,302**	30,958,877
	91,639,061	75,152,675

*This includes revenue amounting to Nil (30 June 2025: SAR 86,932) earned as an agent.

Revenue by geographical distribution		
Revenue from services by Edarat, KSA	**90,863,320**	74,155,086
Revenue from services by Edarat Branch, UAE	**775,741**	997,589
	91,639,061	75,152,675

17. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. During the period, the share capital of the Company has increased from 5.04 million shares to 7.56 million shares. As at 30 June 2026, the Company has 15,000 shares (10,000 shares before bonus issue) of its own categorized as treasury shares to offer to its employees as employee stock ownership plan.

Earnings per share is calculated based on the revised number of shares in issue following the bonus share issue on 14 June 2026 and prior comparatives have been restated accordingly. The effect of the increase of share capital in the comparative figure was taken retrospectively.

The calculation of diluted earnings per ordinary share is based on net profit attributable to ordinary shareholders of the Company and weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares. There were no potentially dilutive shares outstanding at any time during the periods ended 30 June 2026 and 30 June 2025, respectively.

(All amounts in Saudi Riyals unless otherwise stated)

17. EARNINGS PER SHARE (CONTINUED)

	For the six-month period ended 30 June (Unaudited)	
	2026	**2025 (restated)**
Net profit attributable to ordinary shareholders (SAR)	**19,785,831**	15,243,000
Weighted average number of ordinary shares in issue – (restated)	**7,545,000**	7,545,000
Basic and diluted earnings per share (SAR) – (restated)	**2.62**	2.02

18. OPERATING SEGMENTS

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

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

	For the six-month period ended 30 June 2026 (Unaudited)			
	Data center engineering services	**Cloud services**	**Unallocated**	**Total**
Segment revenue	**56,027,956**	**35,611,105**	**-**	**91,639,061**
Segment cost of revenue	**(24,992,981)**	**(32,886,729)**	**-**	**(57,879,710)**
Total gross profit	**31,034,975**	**2,724,376**	**-**	**33,759,351**
Other cost	**-**	**-**	**(13,973,520)**	**(13,973,520)**
Net profit	**31,034,975**	**2,724,376**	**(13,973,520)**	**19,785,831**

	As at 30 June 2026 (Unaudited)			
	Data center engineering services	**Cloud services**	**Unallocated**	**Total**
Total assets	**62,281,847**	**57,003,619**	**44,480,329**	**163,765,795**
Total liabilities	**10,922,659**	**21,824,477**	**15,844,595**	**48,591,731**

(All amounts in Saudi Riyals unless otherwise stated)

18. OPERATING SEGMENTS (CONTINUED)

Segment reporting on the basis of components:

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

	As at 31 December 2025 (Audited)			
	Data center engineering services	Cloud services	Unallocated	Total
Total assets	73,660,950	55,946,407	36,211,693	165,819,050
Total liabilities	37,246,127	14,486,362	19,005,011	70,737,500

19. FAIR VALUES

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

(All amounts in Saudi Riyals unless otherwise stated)

20. RECLASSIFICATION FOR PRIOR PERIOD FIGURES

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

	Balance before reclassification (30 June 2025)	Amount of reclassification	Balance after reclassification (30 June 2025)
General and administrative expenses	10,400,332	(3,160,966)	7,239,366
Selling & marketing expense	-	3,160,966	3,160,966

21. SUBSEQUENT EVENTS

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

22. APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed financial statements were approved by the Board of Directors on 14th Safar, 1448H corresponding to 28 July 2026.