

**SILAH GULF B.S.C. CLOSED
(FORMERLY SILAH GULF W.L.L.)**

**REPORT OF THE BOARD OF DIRECTORS,
INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS**

31 DECEMBER 2025

SILAH GULF B.S.C. CLOSED (FORMERLY SILAH GULF W.L.L.)

REPORT OF THE BOARD OF DIRECTORS

The Directors have pleasure in submitting their report and the audited financial statements of Silah Gulf B.S.C. Closed (formerly Silah Gulf W.L.L.) for the year ended 31 December 2025.

Principal activities and business development

The Company's principal activities are to operate call centers, to provide e-Hosting and storage facilities and to provide marketing consultancy services.

In the prior year, the Company was 100% held by Marsat W.L.L. ("the Parent Company"). On 22 May 2025, Marsat resolved to transfer 1% of its shareholding in the Company to Bahrain Investment Holding Company – Istithmar W.L.L.

On the same date, 22 May 2025, the Company's shareholders resolved to change the legal status of the Company to a Bahrain Shareholding Company (Closed). The regulatory formalities relating to this change were completed with the Ministry of Industry and Commerce on 24 August 2025.

Further, on 2 October 2025, the Company's shareholders resolved to change the nominal value of the Company's shares from BD 50 per share to BD 0.100 per share.

At an Extraordinary General Meeting held on 19 October 2025, the shareholders resolved to convert the Company into a Public Joint Stock Company, to offer 16,359,429 shares with a nominal value of BD 0.100 each to the public through an initial public offering (IPO), and to increase the authorised share capital from BD 3,817,200 to BD 5,453,142.9. The listing date on Bahrain Bourse is 10 February 2026 under the ticker symbol "*SILAH*". SICO B.S.C. has been appointed as the lead manager, listing agent, price stabilizer and liquidity provider for the IPO. The IPO-related costs are primarily borne by the Company's ultimate parent and will be recorded in the Company's equity upon completion of the equity transaction i.e. subsequent to the reporting date. Costs incurred directly by the Company have been deferred as of 31 December 2025 and will be deducted from equity upon completion of the transaction.

During the year, the Company has also submitted a non-binding letter of intent for the proposed acquisition of a privately held company registered in the Kingdom of Bahrain, subject to the completion of due diligence by the Company, which remained in progress as at the date of approval of these financial statements.

Subsequent to the reporting date and before the approval of these financial statements, proceeds from issuance of ordinary share of 16,359,429 amounted to BD 2,879,260. Transaction cost related to this transaction is estimated to be BD 593,106.

REVENUE

The Company's revenue for the current year BD 8,332,857 as compared to BD 7,174,168 for the previous year.

Results for the year

The Company generated revenue from its operations of BD 8,332,857 during the year ended 31 December 2025 (2024: BD 7,174,168). The Company made a profit of BD 470,798 during the year ended 31 December 2025 (2024: BD 608,142).

Movement in the retained earnings during the year was as follows:

	<i>BD</i>
Balance as of 1 January 2025	1,966,306
Profit for the year	470,798
Transferred to statutory reserve	(47,080)
Balance as of 31 December 2025	<u>2,390,024</u>

SILAH GULF B.S.C. CLOSED
REPORT OF THE BOARD OF DIRECTORS

Remuneration of the Board of Directors (BD)

Name	Fixed remunerations					Variable remunerations					End of service award	Aggregate amount (does not include expense allowance)	Expense allowance
	Remuneration of the chairman and BOD	Total Allowances for attending board and committee meetings	Salaries	Others	Total	Remuneration of the chairman and BOD	Bonus	Incentive plans	Others	Total			
First: Independent Directors													
Second: Non-Executive Directors													
Mohammed A. Al-Qaed	9,500	2,000	-	-	11,500	-	-	-	-	-	-	11,500	-
Donia Faisal Sarhan	7,500	2,750	-	-	10,250	-	-	-	-	-	-	10,250	-
Nada AlQassab	7,500	2,750	-	-	10,250	-	-	-	-	-	-	10,250	-
Heyam AlAwadhi	7,500	3,750	-	-	11,250	-	-	-	-	-	-	11,250	-
Mohamed AlRahma	7,500	2,750	-	-	10,250	-	-	-	-	-	-	10,250	-
Hazem Mubarak	7,500	2,400	-	-	9,900	-	-	-	-	-	-	9,900	-
Total	47,000	16,400	-	-	63,400	-	-	-	-	-	-	63,400	-

Remuneration to Executive Management (BD)

Executive management	Total paid salaries and allowances	Total paid remuneration (bonus)	Any other cash/ in kind remuneration for 2025*	Aggregate amount
Remuneration for key managerial personnel including CEO	186,768	43,174	12,120	242,062

*includes accrued end of service benefits

Auditors

Ernst & Young have expressed their willingness to continue in office and a resolution proposing their appointment as auditors of the Company, for the year ending 31 December 2026, will be submitted at the Annual General Meeting.

Signed on behalf of the Board of Directors



Mohammed A. Al Qaed
Chairman
26-Feb-26

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SILAH GULF B.S.C. CLOSED (FORMERLY SILAH GULF W.L.L.)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Silah Gulf B.S.C. Closed (formerly Silah Gulf W.L.L.) ("the Company"), which comprise the statement of financial position as at 31 December 2025, and the statements of comprehensive income, cash flows and changes in equity for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in audit of the financial statements for the year ended 31 December 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Improper revenue recognition

Refer to note 2 for the accounting policy, note 3 for estimates and judgment and note 13 for disclosures relating to revenue from contracts with customers.

**INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF
SILAH GULF B.S.C. CLOSED (FORMERLY SILAH GULF W.L.L.) (continued)**

Report on the Audit of the Financial Statements (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>The Company’s revenue is derived from operating call centers, e-Hosting, storage facilities, marketing consultancy services and value added services, as described in note 2 to the accompanying financial statements.</p> <p>Revenue is recognised either over time or at a point in time, depending on the nature of the underlying contractual arrangements, as detailed in note 13.</p> <p>Revenue recognition was considered a key audit matter due to significance of revenue to the financial statements, and the inherent risk of material misstatement arising from the application of revenue recognition criteria across multiple contractual terms, which increases the potential for misstatement. Accordingly, revenue recognition required significant auditor</p>	<p>Our audit procedures in relation to the matter, included the following:</p> <ul style="list-style-type: none"> i) Understood and evaluated the accounting policies with respect to revenue recognition and determined if resources deployed or achievement of project milestones appropriately reflect the transfer of services to the customer; ii) Understood and evaluated design effectiveness of management controls over revenue recognition; iii) For a sample of revenue transactions, obtained the relevant contracts to identify distinct performance obligations and verified the supporting documentation, including sales invoices; iv) For a sample of revenue adjustments recorded during the year, we obtained the related customer communications and assessed whether the adjustments pertained to variable consideration such as penalties or other invoice corrections and were recognized in the appropriate accounting period; v) Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognised in the correct period; vi) Agreed the revenue to related receipts on sample basis as evidence of collectability; and vii) Assessed the adequacy of disclosures made in the financial statements related to revenue.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SILAH GULF B.S.C. CLOSED (FORMERLY SILAH GULF W.L.L.) (continued)

Report on the Audit of the Financial Statements (continued)

Other information

Other information consists of the information included in the Company's Report of the Board of Directors, set out on page 1 and 2, other than the financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

The Company's Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SILAH GULF B.S.C. CLOSED (FORMERLY SILAH GULF W.L.L.) (continued)**

Report on the Audit of the Financial Statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SILAH GULF B.S.C. CLOSED (FORMERLY SILAH GULF W.L.L.) (continued)**

Report on Other Legal and Regulatory Requirements

As required by the Bahrain Commercial Companies Law, we report that:

- a) the Company has maintained proper accounting records and the financial statements are in agreement therewith;
- b) the financial information contained in the Report of the Board of Directors is consistent with the financial statements;
- c) Except for the non-compliances noted with respect to the Bahrain Corporate Governance Code, we are not aware of any violations of the Bahrain Commercial Companies Law, the Central Bank of Bahrain (CBB) Rule Book (applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse or the terms of the Company's memorandum and articles of association during the year ended 31 December 2025 that might have had a material adverse effect on the business of the Company or on its financial position; and
- d) satisfactory explanations and information have been provided to us by the Company's management in response to all our requests.

As required by the Ministry of Industry and Commerce in their letter dated 30 January 2020 in respect of Article (8) of Section (2) of Chapter (1) of the Bahrain Corporate Governance Code, we report that the Company:

- a) has not appointed Corporate Governance Officer; and
- b) does not have a Board of Director approved written guidance and procedures for corporate governance.

The Partner in charge of the audit resulting in this independent auditor's report is Nader



Partner's Registration No. 115
26 February 2026
Manama, Kingdom of Bahrain

SILAH GULF B.S.C. CLOSED (FORMERLY SILAH GULF W.L.L.)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 BD	2024 BD
ASSETS			
Non-current assets			
Furniture and equipment	4	51,345	50,344
Right-of-use assets	5	160,530	225,703
		<u>211,875</u>	<u>276,047</u>
Current assets			
Accounts receivable and prepayments	6	2,613,208	1,802,710
Bank balances and cash	7	5,899,886	6,695,873
		<u>8,513,094</u>	<u>8,498,583</u>
TOTAL ASSETS		<u>8,724,969</u>	<u>8,774,630</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	3,817,200	3,817,200
Statutory reserve	9	265,559	218,479
Retained earnings		2,390,024	1,966,306
Total equity		<u>6,472,783</u>	<u>6,001,985</u>
Non-current liabilities			
Lease liabilities	5	55,183	144,954
Employees' end of service benefits	11	410,278	395,054
		<u>465,461</u>	<u>540,008</u>
Current liabilities			
Lease liabilities	5	111,458	94,376
Accounts payable and accruals	12	1,675,267	2,138,261
		<u>1,786,725</u>	<u>2,232,637</u>
Total liabilities		<u>2,252,186</u>	<u>2,772,645</u>
TOTAL EQUITY AND LIABILITIES		<u><u>8,724,969</u></u>	<u><u>8,774,630</u></u>


 Mohammed A. Al Qaed
 Chairman


 Feras Jaafar Ahmed
 Chief Executive Officer

The attached notes 1 to 24 form part of these financial statements.

SILAH GULF B.S.C. CLOSED (FORMERLY SILAH GULF W.L.L.)

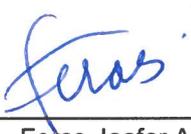
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025 BD	2024 BD
Revenue from contracts with customers	13	8,332,857	7,174,168
Cost of service delivery		(6,764,263)	(5,840,463)
GROSS PROFIT		1,568,594	1,333,705
Interest income		242,464	259,671
Other income	15	-	344,356
Depreciation on furniture and equipment	4	(24,828)	(17,373)
General and administration expenses	14	(1,219,477)	(1,247,743)
Finance costs	17	(19,906)	(11,145)
Directors' remuneration	21	(63,400)	(51,750)
PROFIT FOR THE YEAR BEFORE INCOME TAX		483,447	609,721
Income tax	18	(12,649)	(1,579)
PROFIT FOR THE YEAR		470,798	608,142
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		470,798	608,142
BASIC AND DILUTED EARNINGS PER SHARE	20	0.12	0.16



Mohammed A. Al Qaed
Chairman



Feras Jaafar Ahmed
Chief Executive Officer

The attached notes 1 to 25 form part of these financial statements.

SILAH GULF B.S.C. CLOSED (FORMERLY SILAH GULF W.L.L.)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Note	2025 BD	2024 BD
OPERATING ACTIVITIES			
Profit for the year before income tax		483,447	609,721
Adjustments for:			
Depreciation on furniture and equipment	4	24,828	17,373
Depreciation on right-of-use assets	5	109,035	87,104
Provision for employees' end of service benefits	11	90,289	74,914
Allowance for expected credit losses on trade receivables	6, 14	-	3,786
Allowance for expected credit losses on bank balances	7, 14	-	11,964
Finance costs	16	19,906	11,145
Interest income		(242,464)	(259,671)
Other income		-	(337,400)
General and administration expenses		-	(41,535)
Operating profit before working capital changes		485,041	177,401
Working capital changes:			
Accounts receivable and prepayments		(827,777)	764,276
Accounts payable and accruals		(474,064)	119,682
Cash flows (used in) from operations		(816,800)	1,061,359
Employees' end of service benefits paid	11	(75,065)	(55,589)
Income tax paid	18	(1,579)	-
Net cash flows (used in) from operating activities		(893,444)	1,005,770
INVESTING ACTIVITIES			
Purchase of furniture and equipment	4	(25,829)	(31,929)
Bank deposits placed with maturities of 90 days or more	7	500,000	(1,500,000)
Interest received		259,743	176,411
Net cash flows from (used in) investing activities		733,914	(1,355,518)
FINANCING ACTIVITIES			
Lease liabilities paid	5	(130,002)	(100,017)
Finance costs paid		(6,455)	(3,886)
Cash flows used in financing activities		(136,457)	(103,903)
DECREASE IN CASH AND CASH EQUIVALENTS		(295,987)	(453,651)
Cash and cash equivalents at 1 January		1,907,837	2,361,488
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	7	1,611,850	1,907,837

Non-cash transactions:

As of 31 December 2024

- During prior year, Company reversed long outstanding contract liability of BD 337,400 which is excluded from the other income and movement in account payables and accruals.
- During prior year, Company has reversed excess bonus provision of BD 41,535 which is excluded from the general and administration expenses and movement in account payables and accruals.

The attached notes 1 to 25 form part of these financial statements.

SILAH GULF B.S.C. CLOSED (FORMERLY SILAH GULF W.L.L.)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	<i>Share capital BD</i>	<i>Statutory reserve BD</i>	<i>Retained earnings BD</i>	<i>Share capital reserve BD</i>	<i>Total BD</i>
Balance at 1 January 2024	3,817,200	157,665	1,418,978	(891,000)	4,502,843
Income and total comprehensive income for the year	-	-	608,142	-	608,142
Transferred to statutory reserve (note 9)	-	60,814	(60,814)	-	-
Share option (note 10)	-	-	-	891,000	891,000
Balance at 31 December 2024	<u>3,817,200</u>	<u>218,479</u>	<u>1,966,306</u>	<u>-</u>	<u>6,001,985</u>
Income and total comprehensive income for the year	-	-	470,798	-	470,798
Transferred to statutory reserve (note 9)	-	47,080	(47,080)	-	-
Balance at 31 December 2025	<u>3,817,200</u>	<u>265,559</u>	<u>2,390,024</u>	<u>-</u>	<u>6,472,783</u>

The attached notes 1 to 25 form part of these financial statements.

SILAH GULF B.S.C. CLOSED (FORMERLY SILAH GULF W.L.L.)

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

1 CORPORATE INFORMATION

Silah Gulf B.S.C.Closed (formerly Silah Gulf W.L.L.) ("the Company") is a Bahrain Closed Shareholding Company incorporated in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce under commercial registration (CR) number 72853-1 on 24 September 2009. The Company's registered office is at Flat 601, Building 114, Road 385, Block 304, Manama, Kingdom of Bahrain. The Company also has one more employment office in the Kingdom of Bahrain which is registered with the Ministry of Industry and Commerce under CR number 72853-3.

The names of the shareholders of the Company along with their respective shareholding in the Company are as follows:

<i>Names of the shareholders</i>	<i>2025</i>		<i>2024</i>	
	<i>Number of shares</i>	<i>BD</i>	<i>Number of shares</i>	<i>BD</i>
Bahrain Investment Holding Company - Istithmar W.L.L.	381,500	38,150	-	-
Marsat W.L.L.	37,790,500	3,779,050	76,344	3,817,200
	38,172,000	3,817,200	76,344	3,817,200

During the year, 99% of the Company's shares are held by Marsat W.L.L. ("the Parent Company"), and the remaining 1% is held by Bahrain Investment Holding Company – Istithmar W.L.L. Both entities are registered in the Kingdom of Bahrain. The ultimate parent of the Company is Bahrain Mumtalakat Holding Co. B.S.C. (c), a company registered in the Kingdom of Bahrain. The ultimate parent is owned by the Government of the Kingdom of Bahrain (the "Government").

In the prior year, the Company was 100% held by Marsat W.L.L. ("the Parent Company"). On 22 May 2025, Marsat resolved to transfer 1% of its shareholding in the Company to Bahrain Investment Holding Company – Istithmar W.L.L.

On the same date, 22 May 2025, the Company's shareholders resolved to change the legal status of the Company to a Bahrain Shareholding Company (Closed). The regulatory formalities relating to this change were completed with the Ministry of Industry and Commerce on 24 August 2025.

Further, on 2 October 2025, the Company's shareholders resolved to change the nominal value of the Company's shares from BD 50 per share to BD 0.100 per share.

At an Extraordinary General Meeting held on 19 October 2025, the shareholders resolved to convert the Company into a Public Joint Stock Company, to offer 16,359,429 shares with a nominal value of BD 0.100 each to the public through an initial public offering (IPO), and to increase the authorised share capital from BD 3,817,200 to BD 5,453,142.9. The expected listing date on Bahrain Bourse is expected to be 10 February 2026 under the ticker symbol *SILAH*. SICO B.S.C. has been appointed as the lead manager, listing agent, price stabilizer, and liquidity provider for the IPO. The IPO-related costs are primarily borne by the Company's ultimate parent and will be recorded in the Company's equity upon completion of the equity transaction i.e. subsequent to the reporting date. Costs incurred directly by the Company have been deferred as of 31 December 2025 and will be deducted from equity upon completion of the transaction.

During the year, the Company has also submitted a non-binding letter of intent for the proposed acquisition of a privately held company registered in the Kingdom of Bahrain, subject to the completion of due diligence by the Company, which remained in progress as at the date of approval of these financial statements.

The Company's principal activities are to operate call centers, provide e-Hosting and storage facilities and provide marketing consultancy services. The Company also undertakes other activities through its branches in the Kingdom of Saudi Arabia and State of Kuwait. As of the reporting date, no material operations are being undertaken by the Company through its branch in State of Kuwait.

SILAH GULF B.S.C. CLOSED (FORMERLY SILAH GULF W.L.L.)

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

1 CORPORATE INFORMATION (continued)

The financial statements includes the assets, liabilities, revenue, costs, income and expenses of the Company and its branch in the Kingdom of Saudi Arabia and State of Kuwait.

The financial statements were authorised for issue by the Board of Directors on 26 February 2026.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and in conformity with the Bahrain Commercial Companies Law.

The financial statements are prepared under the historical cost convention. The financial statements have been presented in Bahraini Dinars (BD) being the functional currency of the Company.

The financial statements have been presented in Bahraini Dinars (BD), being the functional and presentation currency of the Company. However, the branches have functional currencies other than BD, in which case the respective local currency is the functional currency and BD is the presentation currency. The exchange rate applied in the conversion of Saudi Riyals (SAR) balances and transactions to BD is 1 SAR is equal to 0.10 BD.

New standards, amendments and interpretations effective from 1 January 2025

The Company applied for the first-time certain standards and amendments as listed below, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Lack of exchangeability – Amendments to IAS 21: For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company expects these standards issued to be applicable at a future date. The Company intends to adopt these standards if applicable, when they become effective:

- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments
- Annual Improvements to IFRS Accounting Standards - Volume 11
- Amendments to IFRS 9 and IFRS 7: Contract Referencing Nature-dependent Electricity
- IFRS 18: Presentation and Disclosure in Financial Statements
- IFRS 19: Subsidiaries without Public Accountability Disclosures;
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture; and
- Amendments to IAS 21: Translation to a Hyperinflationary Presentation Currency

Other standards, interpretations or amendments that have been issued but not yet effective are not likely to have any significant impact on the financial statements of the Company in the period of their initial application.

Current versus non-current classification

The Company presents assets and liabilities in its statement of financial position based on a current/ non-current classification.

2 MATERIAL ACCOUNTING POLICIES (continued)

Current versus non-current classification (continued)

An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Fair value measurement

The Company measures financial instruments such as derivatives, at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
- b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,
- c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

Furniture and equipment

Furniture and equipment are stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

IT and telecom equipment	3 to 5 years
Office equipment	3 to 5 years
Furniture and fixtures	3 to 5 years

Expenditure incurred to replace a component of an item of furniture and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written-off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of furniture and equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. An item of furniture and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amounts of the assets) is included in the statement of comprehensive income in the year the asset is derecognised.

The carrying values of furniture and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Leases - the Company as a lessee

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The initial cost of right-of-use assets includes an estimate of costs to be incurred by the Company in restoring the leased outlets to its original condition as required by the terms and conditions of the lease agreements. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful lives and the lease terms and are subject to impairment. Refer to the accounting policy on impairment of non-financial assets.

If ownership of the leased assets transfers to the Company at the end of the lease term, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

The Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2 MATERIAL ACCOUNTING POLICIES (continued)

Leases - the Company as a lessee (continued)

Lease liabilities (continued)

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense in the statement of comprehensive income on a straight-line basis over the lease term.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired assets.

Financial instruments - Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under "revenue from contracts with customers" policy.

2 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments - Initial recognition and subsequent measurement (continued)

Financial assets (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables, other receivables, bank deposits, bank balances and cash.

2 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments - Initial recognition and subsequent measurement (continued)

Financial assets (continued)

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, Value Added Tax (VAT) payable, income tax payable and lease liabilities which are measured at amortised cost using the effective interest rate method.

2 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments - Initial recognition and subsequent measurement (continued)

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments include option liability recognised by the Company as a result of put option contract entered into by the Company. For put option, the purchase value of the option shares is recorded as a liability and is subsequently adjusted to the current fair value of the option shares. Premiums received from put options that expire unexercised are treated by the Company on the expiration date as realized gains. The difference between the premium and the amount paid to settle the exercise of the option is also treated as a realized gain, or if the premium is less than the amount paid, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security or currency in determining whether the Company has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the shares purchased by the Company.

Derecognition of financial instruments

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Provisions

Provisions are recognised when the Company has an present obligation (legal or constructive) arising from a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement, or is included in the cost of an asset, if recognition criteria are satisfied. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

2 MATERIAL ACCOUNTING POLICIES (continued)

Employees' end of service benefits

The Company provides for end of service benefits to its expatriate employees in accordance with the Labour Laws of Kingdom of Bahrain, Saudi Arabia and Kuwait. The entitlement to these benefits is based upon the employees' final salary and length of service. The expected costs of these benefits are accrued over the period of employment.

For Bahraini employees, the Company makes contributions to the Social Insurance Organisation ('SIO') calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

Taxation

Taxation is provided in accordance with fiscal regulations applicable to the to the Company's branches operating outside the Kingdom of Bahrain.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities of foreign operations for financial reporting purposes and the amounts used for income tax purposes. Deferred tax is calculated on the basis of the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The tax effects on the temporary differences are disclosed under non-current liabilities as deferred tax.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. The carrying amount of deferred tax assets is reviewed at reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The branches offset deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as an expense or benefit in the profit or loss except when they relate to items credited or debited directly to the statement of other comprehensive income, in which case the tax is also recognised directly in the statement of comprehensive income.

Revenue from contracts with customers

The Company is engaged in operating call centers, providing e-Hosting and storage facilities and providing marketing consultancy services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

2 MATERIAL ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (continued)

Rendering of services (continued)

Revenue from rendering of services is recognised when services are rendered and the amount of revenue can be measured reliably. Revenue from call centre services, e-hosting and storage services, and consultancy or project-based services is recognised over time, as the customer simultaneously receives and consumes the benefits as the services are provided. Progress towards completion is measured using output methods, such as resources deployed or achievement of project milestones, as these measures best reflect the transfer of services to the customer. Other value-added services is recognised at the point in time when services are rendered because this is when the customer benefits from the Company's value added services.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some service contracts with customers have service penalty clauses in the event of non-performance of obligations by the Company. This gives rise to variable consideration for which a liability is recognised with a reduction in revenue.

Other income

Other income is recognised on an accrual basis when income is earned.

Interest income

Interest income is recognised as the interest accrues using the effective interest rate method.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All exchange differences are taken to the statement of comprehensive income.

Value added tax

Revenue, expenses and assets are recognised net of the amount of value added tax, except when the value added tax incurred on purchase of assets or services is not recoverable from the Government, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of value added tax receivable from, or payable to, the Government is included as part of payables or other receivables in the statement of financial position.

3 KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements requires the Board of Directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3 KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Judgements

In the process of applying the Company's material accounting policies, the Board of Directors has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

Going concern

The Company's Board of Directors has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue the business for the foreseeable future. Furthermore, the Board of Directors is not aware of any other material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(i) *Identifying performance obligations*

Management assesses each contract to identify distinct services. For call centre services, e-hosting and storage services, marketing consultancy services and value-added services, the Company concluded that each service represents a separate performance obligation, as customers can benefit from each service independently.

(ii) *Determination of transaction price*

The transaction price is determined based on fixed resource-billing fees, usage-based charges and any variable consideration, including service level agreement based incentives or penalties. Management applies the expected value method in estimating variable consideration and includes such amounts only when it is highly probable that a significant reversal will not occur.

(iii) *Determining the timing of revenue recognition*

Management determines whether revenue is recognised over time or at a point in time based on when control of the services transfers to the customer.

Call centre and e-hosting / storage services are recognised over time, as customers receive and consume the benefits as the services are delivered. Value-added services are recognised point in time, when services are delivered. For services recognised over time, the Company measures progress using output methods, such as resources deployed or the achievement of project milestones.

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The renewal periods for leases of office premises are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

3 KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Leases - estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the automotive sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 6.

At the statement of financial position date, gross receivables were BD 2,422,866 (2024: BD 1,592,309) and the provision for expected credit losses were BD 63,786 (2024: BD 63,786). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

Useful lives of furniture and equipment

The Company determines the estimated useful lives of its furniture and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset and physical wear and tear. The residual values and useful lives are reviewed annually and future depreciation charges would be adjusted where the useful lives differ from previous estimates.

Taxes

Uncertainty exists in interpreting the tax laws applicable to the Company's foreign branch, and judgement is required in assessing uncertain tax positions. Management estimates current and deferred tax based on the expected outcome of tax authority reviews, considering past experience and possible differences in interpretation. Deferred tax assets are recognised only when it is probable that future taxable profits will be available, and this assessment involves estimation of future profitability and the timing of reversal of temporary differences. Differences may arise between the actual tax outcomes and the assumptions made by management in measuring current and deferred tax balances. Such differences could result in future adjustments to tax expense or deferred tax recognised in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

4 FURNITURE AND EQUIPMENT

	<i>IT and telecom equipment BD</i>	<i>Office equipment BD</i>	<i>Furniture and fixtures BD</i>	<i>Total BD</i>
Cost:				
At 1 January 2025	882,645	281,860	351,834	1,516,339
Additions	-	25,386	443	25,829
At 31 December 2025	<u>882,645</u>	<u>307,246</u>	<u>352,277</u>	<u>1,542,168</u>
Accumulated depreciation:				
At 1 January 2025	882,645	254,769	328,581	1,465,995
Charge for the year	-	18,289	6,539	24,828
At 31 December 2025	<u>882,645</u>	<u>273,058</u>	<u>335,120</u>	<u>1,490,823</u>
Net book values:				
At 31 December 2025	<u><u>-</u></u>	<u><u>34,188</u></u>	<u><u>17,157</u></u>	<u><u>51,345</u></u>

	<i>IT and telecom equipment BD</i>	<i>Office equipment BD</i>	<i>Furniture and fixtures BD</i>	<i>Total BD</i>
Cost:				
At 1 January 2024	882,645	257,564	344,201	1,484,410
Additions	-	24,296	7,633	31,929
At 31 December 2024	<u>882,645</u>	<u>281,860</u>	<u>351,834</u>	<u>1,516,339</u>
Accumulated depreciation:				
At 1 January 2024	882,645	243,167	322,810	1,448,622
Charge for the year	-	11,602	5,771	17,373
At 31 December 2024	<u>882,645</u>	<u>254,769</u>	<u>328,581</u>	<u>1,465,995</u>
Net book values:				
At 31 December 2024	<u><u>-</u></u>	<u><u>27,091</u></u>	<u><u>23,253</u></u>	<u><u>50,344</u></u>

5 LEASES

The Company has entered into lease arrangements for office premises. Movements in the right of use assets are as follows:

	2025 BD	2024 BD
At 1 January	225,703	51,494
Addition	43,862	261,313
Depreciation charge for the year	(109,035)	(87,104)
As at 31 December	<u><u>160,530</u></u>	<u><u>225,703</u></u>

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NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

5 LEASES (continued)

Depreciation on right-of-use assets have been included in the statement of comprehensive income as follows:

	2025	2024
	BD	BD
Cost of service delivery	83,724	61,793
General and administration expenses	25,311	25,311
	109,035	87,104

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2025	2024
	BD	BD
At 1 January	239,330	70,775
Addition	43,862	261,313
Interest accretion	13,451	7,259
Payments	(130,002)	(100,017)
As at 31 December	166,641	239,330

	2025	2024
	BD	BD
Classified as:		
Current	111,458	94,376
Non-current	55,183	144,954
As at 31 December	166,641	239,330

The following are the amounts recognised in the statement of comprehensive income during the year:

	2025	2024
	BD	BD
Depreciation charge for the year	109,035	87,104
Interest accretion	13,451	7,259
Short term and low value leases:		
Cost of service delivery	6,871	19,497
General and administration expenses	36,501	21,516
	165,858	135,376

The Company had total cash outflows for leases (including short term and low value leases) of BD 173,374 during the year ended 31 December 2025 (2024: BD 141,030).

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NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

6 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2025	2024
	BD	BD
Trade receivables	2,422,866	1,592,309
Provision for expected credit losses	(63,786)	(63,786)
	2,359,080	1,528,523
Prepayments	42,415	89,359
Interest income receivable	119,276	136,555
Other receivables	92,437	48,273
	2,613,208	1,802,710

Related party receivables included in trade receivables and the related terms and conditions are disclosed in note 21.

Trade receivables are non-interest bearing and are generally on 30-90 days terms.

Movement in allowance for expected credit losses for trade receivables during the year, is as follows:

	2025	2024
	BD	BD
At 1 January	63,786	60,000
Charge for the year	-	3,786
At 31 December	63,786	63,786

As at 31 December, the ageing of trade receivables is as follows:

			<i>Past due</i>					
			<i>Less</i>	<i>31 – 60</i>	<i>61 – 90</i>	<i>91 – 365</i>	<i>More than</i>	
<i>Total</i>	<i>Current</i>	<i>30 days</i>	<i>days</i>	<i>days</i>	<i>days</i>	<i>365 days</i>		
<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	
2025								
Expected credit loss rate (%)	2.63%	0.05%	0.18%	1.87%	2.43%	2.88%	100.00%	
Gross trade receivable	2,422,866	1,285,016	375,858	252,285	190,571	273,868	45,268	
ECL	(63,786)	(630)	(670)	(4,708)	(4,628)	(7,882)	(45,268)	
Net	2,359,080	1,284,386	375,188	247,577	185,943	265,986	-	
2024								
Expected credit loss rate (%)	4.01%	0.66%	3.60%	5.50%	7.50%	9.50%	100.00%	
Gross trade receivable	1,592,309	1,122,492	306,037	85,629	20,525	20,416	37,210	
ECL	(63,786)	(7,370)	(11,017)	(4,710)	(1,539)	(1,940)	(37,210)	
Net	1,528,523	1,115,122	295,020	80,919	18,986	18,476	-	

It is not the practice of the Company to obtain collateral over receivables.

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NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

7 BANK BALANCES AND CASH

	2025	2024
	<i>BD</i>	<i>BD</i>
Cash in hand	500	500
Bank balances	1,111,350	1,907,337
Bank deposits with original maturities of less than three months (a)	500,000	-
Cash and cash equivalents	<u>1,611,850</u>	1,907,837
Bank deposits with original maturity of more than three months (b)	4,300,000	4,800,000
Bank balances and cash	<u>5,911,850</u>	6,707,837
Less: Allowance for expected credit losses	(11,964)	(11,964)
	<u><u>5,899,886</u></u>	<u><u>6,695,873</u></u>

All of the bank balances are with financial institutions in the Kingdom of Bahrain and Kingdom of Saudi Arabia and are denominated in Bahraini Dinars, Kuwaiti Dinars and Saudi Riyals. Deposits are placed with a financial institution in the Kingdom of Bahrain and are denominated in Bahraini Dinars.

- a) The deposits had maturity date of 1 January 2026 and earned interest at the rate of 3.25% as of 31 December 2025. The Company had no bank deposits with original maturities of less than three months as at 31 December 2024.
- b) The deposits have original maturities of twelve months (2024: twelve months) with effective interest rate ranging from 4.75% to 5.12% (2024: 4.65% to 5.10%) and maturing between 15 January 2026 to 6 November 2026 (2024: 16 January 2025 to 3 November 2025).

8 SHARE CAPITAL

	2025	2024
	<i>BD</i>	<i>BD</i>
38,172,000 shares of BD 0.100 each (2024: 76,344 shares of BD 50 each)	<u>3,817,200</u>	<u>3,817,200</u>

9 STATUTORY RESERVE

The Bahrain Commercial Companies Law requires 10% of the profit for the year to be transferred to the statutory reserve, until such time the reserve equals 50% of the Company's paid-up share capital. During the year ended 31 December 2025, BD 47,080 has been transferred to the statutory reserve at 10% of profit for the year (2024: BD 60,814). The reserve cannot be utilised for the purpose of distribution, except in such circumstances stipulated in the Bahrain Commercial Companies Law.

10 SHARE CAPITAL RESERVE

The Company and its shareholders, Marsat W.L.L. ("Marsat") and the Government of Kingdom of Bahrain, respectively, entered into a put and call option agreement ("Option agreement") on 15 December 2022.

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10 SHARE CAPITAL RESERVE (continued)

Pursuant to the Option agreement, the Company had the right, but not the obligation, to buy or sell the shares held by Marsat ("Option Shares") at the strike price specified in the Option agreement, at any time within five-year period commencing on the date from which Marsat acquired the shares ("Call Option"). Accordingly, Marsat also had the right to require the Company to acquire the option shares if Marsat exercises its option within the same period and same strike price specified in the option agreement ("Put Option"). The Put Option represented a written option over the Company's own equity instruments and, in accordance with IAS 32, gave rise to a financial liability, with a corresponding reduction in equity recognised within "share capital reserve".

During 2024, Marsat acquired 100% ownership of the Company and, as a result, the Option Agreement was terminated. The termination of the agreement constituted a settlement of the previously recognised financial liability. Accordingly, the option liability and the related share capital reserve were reversed during 2024.

11 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the statement of financial position during the year are as follows:

	2025	2024
	BD	BD
At 1 January	395,054	375,729
Provided during the year (note 16)	90,289	74,914
Paid during the year to employees	(28,002)	(21,746)
Paid during the year to Social Insurance Organization	(47,063)	(33,843)
At 31 December	410,278	395,054

Effective 1 March 2024, pursuant to an Edict number 109 of 2023 issued by His Royal Highness the Prime Minister of the Kingdom of Bahrain, the end of service benefits liability have been transferred to Social Insurance Organization (SIO) monthly and SIO will settle the amounts to employees' who are not covered under SIO Law for periods commencing 1 March 2024 when they leave the Company.

12 ACCOUNTS PAYABLE AND ACCRUALS

	2025	2024
	BD	BD
Trade and other payables	306,850	455,835
Accrued expenses	1,246,779	1,523,802
Contract liabilities - advance from customer (a)	2,568	75,353
VAT payable - net	97,909	73,180
Withholding tax payable	8,512	8,512
Income tax payable (note 18)	12,649	1,579
	1,675,267	2,138,261

a) Revenue recognised that was included in the contract liabilities at the beginning of the year was BD 75,353 (2024: BD 5,751).

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NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

13 REVENUE FROM CONTRACTS WITH CUSTOMERS

	2025	2024
	<i>BD</i>	<i>BD</i>
Type of service		
Fees from services rendered - recognised over time	8,275,205	7,104,925
Other value added services - recognised at a point in time	57,652	69,243
	<u>8,332,857</u>	<u>7,174,168</u>
	2025	2024
	<i>BD</i>	<i>BD</i>
Geographical markets		
Kingdom of Bahrain	6,711,219	5,976,083
State of Kuwait	318,880	637,918
Kingdom of Saudi Arabia	1,302,758	560,167
	<u>8,332,857</u>	<u>7,174,168</u>

14 GENERAL AND ADMINISTRATION EXPENSES

	2025	2024
	<i>BD</i>	<i>BD</i>
Staff costs	901,565	831,324
Allowance for expected credit losses on trade receivables (note 6)	-	3,786
Allowance for expected credit losses on bank balances (note 7)	-	11,964
Depreciation on right-of-use assets (note 5)	25,311	25,311
Rental expenses	36,501	21,516
Legal and professional fees	56,177	167,456
Meetings and conferences	21,947	18,071
Repairs and maintenance	24,598	51,320
Other expenses	153,378	116,995
	<u>1,219,477</u>	<u>1,247,743</u>

15 OTHER INCOME

Other income recognised during prior year include reversal of a long outstanding contract liability of BD 337,400 related to a completed service contract, following final settlement with the customer.

16 EMPLOYEE BENEFITS EXPENSE

Employee benefits expense incurred by the Company are as follows:

	2025	2024
	<i>BD</i>	<i>BD</i>
Salaries and other benefits	6,093,581	5,529,222
Employees' end of service benefits (note 11)	90,289	74,914
Contributions to the Social Insurance Organisation	732,425	608,006
	<u>6,916,295</u>	<u>6,212,142</u>
	2025	2024
	<i>BD</i>	<i>BD</i>
These have been included in the statement of comprehensive income as follows:		
Cost of service delivery	6,014,730	5,380,818
General and administration expenses (note 14)	901,565	831,324
	<u>6,916,295</u>	<u>6,212,142</u>

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NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

17 FINANCE COSTS

	2025	2024
	<i>BD</i>	<i>BD</i>
Interest on lease liabilities (note 5)	13,451	7,259
Charges on letters of guarantee	376	1,398
Bank charges	6,079	2,488
	<u>19,906</u>	<u>11,145</u>

18 INCOME TAX

The Company is exposed to income tax on its operations in Kingdom of Saudi Arabia operations. Movement in the income tax payable during the year was as follows:

	2025	2024
	<i>BD</i>	<i>BD</i>
Opening balance	1,579	-
Charge for the year	12,649	1,579
Payments during the year	(1,579)	-
Closing balance (note 12)	<u>12,649</u>	<u>1,579</u>

b. Status of assessments

The Branch in Kingdom of Saudi Arabia has submitted its income tax returns till the year ended December 31, 2024 to Zakat, Tax, and Customs Authority ("ZATCA") and have obtained the required certificates and is in the process for submitting the income tax returns for the year ended December 31, 2025.

c. Deferred tax

As at December 31, 2025, the Branch in Kingdom of Saudi Arabia has tax loss amounted to BD 312,747. Further, as at December 31, 2025, the management, being conservative and based on its judgement, has not recorded deferred tax assets in respect of these tax losses and other deductible temporary differences as there are no tax planning opportunities.

19 SEGMENT INFORMATION

The Company reports its operating and reportable segments in a manner consistent with the internal reporting provided to the Board of Directors ("BOD"). BOD is the Chief Operating Decision-maker ("CODM"). An operating segment is a component of an entity that engages in business activities from which it earns revenues and incur expenses, whose operating results are regularly reviewed by CODM to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. CODM, is responsible for allocating resources and assessing performance of the segments. In determining the segments, CODM has considered the nature of the products and services, type or class of customer for the products and services, and methods used to distribute the products or provide the services. Based on CODM's reasonable judgment and assessment, CODM has chosen to organise the Company by geographical areas irrespective of the services. State of Kuwait is not considered as an operating segment by CODM as its discrete financial information is not available and resources are not allocated to the State of Kuwait to assess its performance. No two or more operating segments have been aggregated into a single operating segment.

SILAH GULF B.S.C. CLOSED (FORMERLY SILAH GULF W.L.L.)

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

19 SEGMENT INFORMATION (continued)

The CODM evaluates performance based on 'segment profit', which represents profit after income tax and is measured on a basis consistent with the Company's financial statements. The following tables present the revenue, segment profit, specified items included in the measurement of segment profit, and capital expenditure for the years ended 31 December 2025 and 2024, together with segment assets, liabilities, and non-current operating assets as at 31 December 2025 and 2024, respectively.

For the year ended 31 December 2025

	<i>Kingdom of Bahrain and State of Kuwait BD</i>	<i>Kingdom of Saudi Arabia BD</i>	<i>Adjustments and eliminations BD</i>	<i>Total BD</i>
Financial sector	1,645,390	-	-	1,645,390
Government sector	2,305,228	914,803	-	3,220,031
Health sector	62,435	-	-	62,435
Retail sector	-	198,896	-	198,896
Telecom sector	2,851,106	159,385	-	3,010,491
Others	165,940	29,674	-	195,614
Segment revenue	7,030,099	1,302,758	-	8,332,857
Cost of service delivery	(5,719,570)	(1,044,693)	-	(6,764,263)
Interest income	242,464	-	-	242,464
Depreciation on furniture and equipment	(17,567)	(7,261)	-	(24,828)
General and administration expenses	(1,034,531)	(184,946)	-	(1,219,477)
Finance costs	(19,196)	(710)	-	(19,906)
Directors' remuneration	(63,400)	-	-	(63,400)
Income tax	-	(12,649)	-	(12,649)
Segment profit	418,299	52,499	-	470,798
Capital expenditure	21,451	4,378	-	25,829

As at 31 December 2025

	<i>Kingdom of Bahrain and State of Kuwait BD</i>	<i>Kingdom of Saudi Arabia BD</i>	<i>Adjustments and eliminations BD</i>	<i>Total BD</i>
Assets	7,822,496	902,473	-	8,724,969
Liabilities	2,061,586	190,600	-	2,252,186
Non-current operating assets	193,917	17,958	-	211,875

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NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

19 SEGMENT INFORMATION (continued)

<i>For the year ended 31 December 2024</i>	<i>Kingdom of Bahrain and State of Kuwait BD</i>	<i>Kingdom of Saudi Arabia BD</i>	<i>Adjustments and eliminations BD</i>	<i>Total BD</i>
Financial sector	1,506,130	-	-	1,506,130
Government sector	1,691,100	222,775	-	1,913,875
Health sector	63,667	-	-	63,667
Retail sector	-	157,882	-	157,882
Telecom sector	3,194,013	133,209	-	3,327,222
Others	159,090	46,302	-	205,392
Segment revenue	<u>6,614,000</u>	<u>560,168</u>	<u>-</u>	<u>7,174,168</u>
Cost of service delivery	(5,466,788)	(373,675)	-	(5,840,463)
Interest income	259,671	-	-	259,671
Other income	344,356	-	-	344,356
Depreciation on furniture and equipment	(13,455)	(3,918)	-	(17,373)
General and administration expenses	(1,031,353)	(216,390)	-	(1,247,743)
Finance costs	(10,803)	(342)	-	(11,145)
Directors' remuneration	(51,750)	-	-	(51,750)
Income tax	-	(1,579)	-	(1,579)
Segment profit/ (loss)	<u>643,878</u>	<u>(35,736)</u>	<u>-</u>	<u>608,142</u>
Capital expenditure	<u>26,021</u>	<u>5,908</u>	<u>-</u>	<u>31,929</u>
<i>As at 31 December 2024</i>	<i>Kingdom of Bahrain and State of Kuwait BD</i>	<i>Kingdom of Saudi Arabia BD</i>	<i>Adjustments and eliminations BD</i>	<i>Total BD</i>
Assets	<u>8,508,914</u>	<u>265,716</u>	<u>-</u>	<u>8,774,630</u>
Liabilities	<u>2,649,676</u>	<u>122,969</u>	<u>-</u>	<u>2,772,645</u>
Non-current operating assets	<u>255,206</u>	<u>20,841</u>	<u>-</u>	<u>276,047</u>

During the year ended 31 December 2025, revenue from entities under the control of the Government of the Kingdom of Bahrain, reported within the Bahrain operating segment, amounted to BD 2,305,228 (2024: BD 1,691,100). Revenue from entities under the control of Government of Kingdom of Saudi Arabia, reported within the Saudi Arabia operating segments, amounted to BD 914,803 (2024: BD 222,775). Revenue from these government-related customers individually exceeded 10% of the Company's total revenue for the year.

Revenue from one telecommunications-sector customer also exceeded the 10% threshold, amounting to BD 2,529,003 (2024: BD 2,556,095), arising in the Kingdom of Bahrain.

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NOTES TO THE FINANCIAL STATEMENTS

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20 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit or loss for the period attributed to the ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period and is as follows:

	<i>For the year ended</i>	
	<i>31 December 2025</i>	<i>31 December 2024</i>
Profit for the period (BD)	470,798	608,142
Weighted average number of shares (after share split)*	3,817,200	3,817,200
Basic and diluted earnings per share (BD)	0.12	0.16

The weighted average number of shares for all periods presented has been restated to reflect the share split performed on 2 October 2025.

Basic and diluted earnings per share are the same since the Company has not issued any instrument that would have a dilutive effect.

Subsequent to the reporting date and before the approval of these financial statements, the Company issued 16,359,429 ordinary shares for total proceeds of BD 2,879,260. As these shares were issued after the reporting date, they have not been included in the calculation of basic and diluted earnings per share for the year ended 31 December 2025.

21 RELATED PARTY TRANSACTIONS

Related parties represent the shareholders, directors and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's Board of Directors.

In the ordinary course of business, the Company renders call centre services for entities related to the Government of the Kingdom of Bahrain. Being an entity under the control of the Government of the Kingdom of Bahrain, the Company qualifies as a government related entity under the definitions provided in International Accounting Standard 24 Related Party Disclosures ("IAS 24"). Accordingly, the Company considers Government departments, ministries and other Government controlled organizations as its related parties.

The Company has significant transactions with the Government of the Kingdom of Bahrain and related entities. For the year ended 31 December 2025, BD 2,206,988 of the Company's revenue was generated from Government (For the year ended 31 December 2024: BD 1,691,100). As of 31 December 2025, BD 400,153 of the trade receivables are due from Government (31 December 2024: BD 180,966).

Terms and conditions of transactions with related parties

Outstanding balances at the year end arise in the normal course of business and are unsecured, profit free and settlement occurs in cash, and are usually settled within 30 to 90 days. The Company has provided bid security and performance bonds to related parties amounting to BD 279,436 (2024: BD 283,108) issued in the normal course of business.

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NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

21 RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	2025	2024
	BD	BD
Salaries and other benefits	229,942	214,048
Employees' end of service benefits	12,120	12,120
	242,062	226,168

Directors' remuneration including sitting fee for the year ended 31 December 2025 was BD 63,400 (2024: BD 51,750).

22 COMMITMENTS AND CONTINGENCIES

Guarantees

As of 31 December 2025, guarantees given by the Company's bankers in the normal course of business amounted to BD 279,436 (2024: BD 283,108).

Capital expenditure commitments

There were no contracted commitments for capital expenditure as of 31 December 2025 and 31 December 2024.

Legal cases and claims

There are no material legal cases or claims against the Company as of 31 December 2025 (2024: same).

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are credit, liquidity and currency risks. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and causes the other party to incur a financial loss.

The Company is exposed to credit risk on its receivables, bank balances and bank deposits.

Credit risk related to receivables:

Credit risk is managed by the Company's established policies, procedures and controls relating to the receivables credit risk management. Outstanding receivables are regularly monitored. The Company provides services to various customers in the Kingdom of Bahrain, Saudi Arabia and State of Kuwait. Its five largest customers account for 69% (2024: 70%) of the outstanding trade receivables at 31 December 2025.

An impairment analysis is performed at each reporting date to measure expected credit losses. Based on the Company's assessment, a provision for expected credit loss of BD 63,786 was recognised on its trade receivables as of 31 December 2025 (2024: BD 63,786).

Credit risk related to bank balances and bank deposits:

The Company seeks to limit its credit risk with respect to bank balances and deposits by dealing with reputable banks.

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NOTES TO THE FINANCIAL STATEMENTS

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23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Maximum exposure to credit risk at the reporting date is the carrying values of receivables, bank balances and bank deposits as shown in the statement of financial position.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. Liquidity risk may result from an inability to realise a financial asset quickly at an amount close to its fair value. The Company's objective is to maintain a balance between the continuity of funding and flexibility by ensuring that sufficient funds are available. Trade accounts payable are normally settled in less than 3 months of the date of receipt of service.

The table below summarises the maturities of the Company's undiscounted financial liabilities at the reporting date based on contractual payment dates:

31 December 2025	On Demand BD	Less than 3 months BD	3 to 12 months BD	1 to 5 years BD	Total BD
Trade and other payables	-	306,850	-	-	306,850
VAT payable - net	-	97,909	-	-	97,909
Lease liabilities	-	27,178	85,251	61,294	173,723
	-	431,937	85,251	61,294	578,482
31 December 2024	On Demand BD	Less than 3 months BD	3 to 12 months BD	1 to 5 years BD	Total BD
Trade and other payables	-	455,835	-	-	455,835
VAT payable - net	-	73,180	-	-	73,180
Lease liabilities	-	23,849	71,547	151,792	247,188
	-	552,864	71,547	151,792	776,203

Changes in liabilities arising from financing activities

31 December 2025	As at 1 January 2025 BD	Additions BD	Payments BD	Interest accretion BD	As at 31 December 2025 BD
Lease liabilities (note 5)	239,330	43,862	(130,002)	13,451	166,641
	239,330	43,862	(130,002)	13,451	166,641
31 December 2024	As at 1 January 2024 BD	Additions BD	Payments BD	Interest accretion BD	As at 31 December 2024 BD
Lease liabilities (note 5)	70,775	261,313	(100,017)	7,259	239,330
	70,775	261,313	(100,017)	7,259	239,330

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23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company transacts in Bahraini Dinars, Saudi Riyals, US Dollars and Kuwaiti Dinars. As the Bahraini Dinar and Saudi Riyal are pegged to the US Dollar, balances in Saudi Riyals and US Dollars are not considered to represent a significant currency risk. At the date of the statement of financial position, the Company is exposed to foreign currency risk on a bank balance and receivables amounting to BD 190,116 collectively (2024: BD 282,185) denominated in Kuwaiti Dinars.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates of Kuwaiti Dinars with all other variables held constant, on the Company's results for the year:

	2025		2024	
	<i>Increase/ decrease in exchange rate to BD</i>	<i>Effect on results BD</i>	<i>Increase/ decrease in exchange rate to BD</i>	<i>Effect on results BD</i>
Kuwaiti Dinars	5%	9,506	5%	14,109
	-5%	(9,506)	-5%	(14,109)

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital base in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it, in light of changes in business conditions. To maintain or adjust the capital structure, the Company relies on the support of the shareholders. Equity comprises share capital, statutory reserve and retained earnings and is measured at BD 6,472,783 as at 31 December 2025 (2024: BD 6,001,985).

No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024.

24 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. Financial assets comprise bank balances, cash, bank deposits and receivables. Financial liabilities comprise of trade and other payables, Value Added Tax (VAT) payable, income tax payable and lease liabilities.

The fair values of the Company's financial assets and financial liabilities are not materially different from their carrying values as of the date of the statement of financial position.

SILAH GULF B.S.C. CLOSED (FORMERLY SILAH GULF W.L.L.)

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

25 SUBSEQUENT EVENTS

Subsequent to the reporting date and before the approval of these financial statements, the Company issued 16,359,429 ordinary shares for total proceeds of BD 2,879,260. Transaction cost related to this transaction is estimated to be BD 593,106.

This share issuance represents a non-adjusting subsequent event in accordance with IAS 10 – Events after the Reporting Period, as the transaction does not provide evidence of conditions that existed as at 31 December 2025.

Accordingly, no adjustments have been made to the financial statements for the year ended 31 December 2025. However, the issuance has been disclosed as it is material and relevant to an understanding of the Company's capital structure.