

NASEEJ FOR TECHNOLOGY COMPANY
(A Saudi Joint Stock Company)

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

NASEEJ FOR TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NASEEJ FOR TECHNOLOGY COMPANY
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Naseej for Technology Company (A Saudi Joint Stock Company) ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2025, and the interim condensed consolidated statement of profit or loss and the other comprehensive income, changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

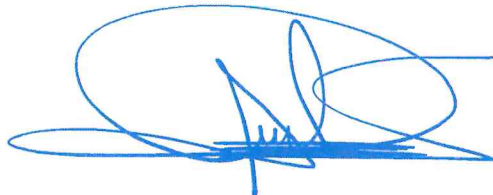
Scope of review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information requires inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

For Maham Company for Professional Services



Abdulaziz Sud Al Shabeebi
Certified Public Accountant
License no. (339)
Date :11 Safar1447 H
Corresponding to: 5 August 2025



Naseej for Technology Company
(A Saudi Joint Stock Company)

Interim condensed consolidated statement of financial position

As at 30 June 2025

		30 June 2025 (Unaudited)	31 December 2024 (Audited) (Restated – Note 23)	01 January 2024 (Audited) (Restated – Note 23)
	Notes	ﷲ	ﷲ	ﷲ
Assets				
Non-current assets				
Property and equipment	4	1,479,993	1,794,572	2,658,095
Intangible assets	5	37,125,095	30,577,889	16,417,676
Right-of-use assets	6	2,901,307	3,236,008	3,742,855
Investment in associate at equity method	7	10,041,316	9,901,208	10,074,780
Goodwill		179,953	184,080	294,663
Deferred tax assets		8,489	8,684	15,398
Total non-current assets		51,736,153	45,702,441	33,203,467
Current assets				
Contract assets	8	52,690,327	66,501,557	57,756,495
Project in progress	9	15,717,360	14,584,609	20,061,424
Accounts receivables	10	133,620,218	77,982,784	105,598,387
Prepayments and other current assets	11	29,051,871	27,838,161	17,178,360
Inventory		39,249	39,249	43,527
Cash and cash equivalents		10,962,721	45,343,513	20,970,756
Total current assets		242,081,746	232,289,873	221,608,949
Total assets		293,817,899	277,992,314	254,812,416
Equity and liabilities				
Equity				
Share capital	13	50,000,000	50,000,000	50,000,000
Other reserve		1,090,170	1,101,101	10,534,612
Retained earnings		82,843,600	82,730,871	68,492,288
Equity attributable to equity holders of the parent		133,933,770	133,831,972	129,026,900
Non-controlling interest		1,320,839	951,941	795,460
Total equity		135,254,609	134,783,913	129,822,360
Liabilities				
Non-current liabilities				
Employees defined benefits liabilities		20,032,227	19,476,113	26,921,249
Lease liabilities non-current portion	6	1,660,217	1,925,123	2,253,808
Total non-current liabilities		21,692,444	21,401,236	29,175,057
Current liabilities				
Murabaha financing	14	22,636,904	13,732,132	18,835,702
Trade payables		45,314,341	50,167,840	34,639,120
Accrued expenses and other current liabilities	15	32,930,148	26,366,482	17,041,904
Contract liabilities	16	33,870,461	27,078,755	20,461,294
Leases liabilities - current portion	6	608,269	658,324	669,213
Zakat and income tax	17	1,510,723	3,803,632	4,167,766
Total current liabilities		136,870,846	121,807,165	95,814,999
Total liabilities		158,563,290	143,208,401	124,990,056
Total Equity and liabilities		293,817,899	277,992,314	254,812,416



Abdullah Abdulrahman Al-Mutlaq
CFO



Othman Abdulmohsin Al-Abdulkareem
CEO



Abduljabbar Abdulrahman Al-Abduljabbar
Chairman

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

Naseej for Technology Company
(A Saudi Joint Stock Company)

Interim condensed consolidated statement of profit or loss and other comprehensive income
For the six-month period ended 30 June 2025

	Notes	30 June 2025 (Unaudited) س.م	30 June 2024 (Unaudited) س.م
Revenue	18	100,177,608	103,551,657
Cost of revenue		(77,182,447)	(81,663,772)
Gross profit		22,995,161	21,887,885
Selling and marketing expenses		(10,390,705)	(9,824,501)
General and administrative expenses		(9,152,703)	(9,590,574)
Provision for expected credit losses		(1,213,761)	(194,589)
Profit from operations		2,237,992	2,278,221
Share of results of associate at equity method	7	164,341	(717,409)
Finance costs		(888,166)	(1,054,996)
Other income, net		158,578	769,237
Profit before zakat and income tax		1,672,745	1,275,053
Zakat and income tax	17	(1,191,118)	(2,249,581)
Net profit (loss) for the period		481,627	(974,528)
Total comprehensive income:			
Items that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translation differences		(10,931)	(1,423,514)
Other comprehensive loss for the period		(10,931)	(1,423,514)
Total comprehensive income (loss) for the period		470,696	(2,398,042)
Profit (loss) attribute to:			
Equity holders of the parent		112,729	(964,946)
Non-controlling interests		368,898	(9,582)
Net profit (loss) for the period		481,627	(974,528)
Total comprehensive income (loss) attribute to:			
Equity holders of the parent		101,798	(2,388,460)
Non-controlling interests		368,898	(9,582)
Total comprehensive income (loss) for the period		470,696	(2,398,042)
Earnings (loss) per share attributable to ordinary equity holders of the parent	20	0.02	(0.19)



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Chairman

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Interim condensed consolidated statement of changes in shareholders' equity
For the six-month period ended 30 June 2025

	Attributed to equity holders of the parent					Non-controlling interest	Total Equity
	Share capital	Statutory reserve	Other reserves	Retained earnings	Total		
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Balance as at 1 January 2024 (Audited)	50,000,000	10,631,789	(97,177)	68,492,288	129,026,900	795,460	129,822,360
Transfer of statutory reserve to retained earnings	-	(10,631,789)	-	10,631,789	-	-	-
Net loss for the period	-	-	-	(964,946)	(964,946)	(9,582)	(974,528)
Other comprehensive loss	-	-	(1,423,514)	-	(1,423,514)	-	(1,423,514)
Total comprehensive loss for the period	-	-	(1,423,514)	(964,946)	(2,388,460)	(9,582)	(2,398,042)
Dividends distribution	-	-	-	-	-	(105,800)	(105,800)
As at 30 June 2024 (Unaudited)	50,000,000	-	(1,520,691)	78,159,131	126,638,440	680,078	127,318,518
Balance as at 1 January 2025 (Audited)	50,000,000	-	1,101,101	82,730,871	133,831,972	951,941	134,783,913
Net profit for the period	-	-	-	112,729	112,729	368,898	481,627
Other comprehensive loss	-	-	(10,931)	-	(10,931)	-	(10,931)
Total comprehensive income for the period	-	-	(10,931)	112,729	101,798	368,898	470,696
As at 30 June 2025 (Unaudited)	50,000,000	-	1,090,170	82,843,600	133,933,770	1,320,839	135,254,609



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	30 June 2025 (Unaudited) ﷲ	30 June 2024 (Unaudited) ﷲ
OPERATING ACTIVITIES		
Profit before Zakat and income tax	1,672,745	1,275,053
Adjustments to reconcile profit before zakat and income tax to net cash flows:		
Depreciation of property and equipment	369,208	377,845
Amortization of intangible assets	1,210,322	376,363
Depreciation of a right-of-use asset	334,690	341,211
Provision for employee defined benefit obligations	1,918,243	1,444,095
Finance costs	888,166	1,054,996
Provision for expected credit losses	1,213,761	194,589
Share of results of associates at equity-method	(164,341)	717,409
	<u>7,442,794</u>	<u>5,781,561</u>
Change in operating assets and liabilities		
Accounts receivables	(56,851,195)	(6,289,220)
Project in progress	(1,132,751)	(4,493,760)
Prepayments and other current assets	(1,213,710)	4,852,032
Amounts due from related parties	-	96,973
Inventory	-	4,278
Contract assets	13,811,230	129,253
Contract liabilities	6,791,706	16,345,075
Accrued expenses and other current liabilities	6,563,666	5,249,359
Trade payables	(4,853,499)	(11,709,900)
	<u>(29,441,759)</u>	<u>9,965,651</u>
Employee defined benefit obligation paid	(1,362,129)	(5,227,154)
Zakat paid	(3,484,027)	(4,377,701)
Net cash flows (used in) / from operating activities	<u>(34,287,915)</u>	<u>360,796</u>
INVESTING ACTIVITIES		
Additions to property and equipment	(67,549)	(181,333)
Additions to intangible assets	(7,757,528)	(7,581,143)
Net cash flows used in investing activities	<u>(7,825,077)</u>	<u>(7,762,476)</u>
FINANCING ACTIVITIES		
Loan receipts	20,911,271	20,930,248
Loans paid	(12,836,687)	(19,903,148)
Payment of lease liability	(372,941)	(379,961)
Dividend distributed	-	(105,800)
Net cash flows from financing activities	<u>7,701,643</u>	<u>541,339</u>
Net change in cash and cash equivalents	<u>(34,411,349)</u>	<u>(6,860,341)</u>
Currency translation differences for foreign transactions	30,557	(342,944)
Cash and cash equivalent at the beginning of the period	45,343,513	20,970,756
Cash and cash equivalents at end of the period	<u>10,962,721</u>	<u>13,767,471</u>



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Chairman

1- GENERAL INFORMATION

Naseej for Technology Company (the 'Company') is a Saudi Joint Stock Company registered in Kingdom of Saudi Arabia, under Commercial Registration No. 1010137106 dated 11 Rabi' al Awwal 1416 H (Corresponding to 8 August 1995 AD). The Company's registered address is P.O. Box 20129, Riyadh 11455, Kingdom of Saudi Arabia.

The principal activity of the Company is to provide computers services (databases and information systems), internet, electronic communications, maintenance of computer hardware and networks, and wholesale and retail of office furniture and stationery supplies in accordance with License Issued to the Company by General Authority for Media Regulation

These interim condensed consolidated financial statements comprise the financial statements of the Company and its following subsidiaries (Collectively referred to as the "Group").

Subsidiary companies:

Name of subsidiaries	Country of incorporation	Principal activities	Ownership %	
			30 June 2025 (Unaudited)	31 December 2024 (Audited)
Naseej for Retail of Computer and Accessories	Kuwait	Information technology services	100	100
Arabian Advanced Systems Lebanon Company	Lebanon	Information technology services	100	100
Arabian Advanced Systems Egypt Company*	Egypt	Information technology services	100	100
Arabian Advanced Systems Morocco Company	Morocco	Information technology services	100	100
Arabian Advanced Systems Syria Company**	Syria	Information technology services	100	100
Arabian Advanced Systems Establishment	Qatar	Information technology services	100	100
Naseej for Technology Company LLC.	Qatar	Information technology services	100	100
Naseej Lab for Technologies Company	Saudi Arabia	Information technology services	100	100
Sprintive Software LLC.	Jordan	Information technology services	60	60

* In 2023, Advanced Arab Systems Egypt (a subsidiary) acquired 70% of Appsinnovate Software Company.

**The company has not carried out any business since 2011.

***1% of the Group's ownership interest in its subsidiaries registered in Lebanon, Egypt, and Syria is held in the names of certain Group executives on its behalf, in order to meet local regulatory requirements in those countries.

These interim condensed consolidated financial statements also include the assets, liabilities and results of operations of the following branch records of the Company:

Branch name	Branch	Branch Commercial Registration No.	Establishment Year
Naseej for Technology Company – Riyadh (AUC) branch	Riyadh	1010467905	2017
Naseej for Technology Company – Dubai branch	Dubai	1691059	1997

The Company has investments in the following associates:

Company Name	Country	Activity	June 30, 2025	December 31, 2024
Al-Bayanat Al-Rakamyeh for Information Technology	Jordan	IT Services	45%	45%
Infosystech Information System Company	Egypt	IT Services	50%	50%

2 - BASIS OF PREPARATION

2-1 Statement of compliance

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

These interim condensed consolidated financial statements do not include all the information required for a complete set of financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group as at and for the year ended 31 December 2024.

2-2 Basis of measurement

The Group’s interim condensed consolidated financial statements have been prepared on the historical cost basis, except employee defined benefit liabilities which are measured under the projected unit credit method.

2-3 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyals (ﷲ), which is the Group's functional and presentation currency.

2-4 Transactions and balances

Transactions in foreign currencies are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies other than Saudi Riyals are recognized in profit or loss.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate applicable at the date of the initial transactions.

2-5 Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiary as of 30 June 2025. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Control is achieved when the Group is exposed to, or has rights to, variable returns from its relationship with the investee, and has the ability to affect the returns by exercising its power over the investee. In particular, the Group controls an investee only when the Group has:

- Control over the investee company;
- Exposure to risks, and has rights to obtain different returns through its relationship with the investee company.
- The ability to use its power over the investee company to affect its returns.

The Group conducts a reassessment to ascertain whether or not it exercises control over an investee when facts and circumstances indicate that there is a change in one or more of the three elements of control mentioned above.

When the Group has less than a majority of the voting rights of an investee, it has control over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee individually.

2- BASIS OF PREPARATION (CONTINUED)

2-5 Basis of consolidation (continued)

The Group considers all relevant facts and circumstances when determining whether it exercises control over an investee, including:

- The size of the Group's voting rights in proportion to the size of the voting rights owned by other parties.
- Potential voting rights owned by the Group or voting rights owned by other parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances indicating that the Group has, or does not have, the current ability to direct the relevant activities when decisions need to be made, including voting methods at previous shareholders' meetings.

Consolidation of a subsidiaries begins when the Group obtains control over the subsidiary and ceases when the Group ceases to exercise such control. Specifically, the income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date on which control is transferred to the Group until such control ceases.

All assets and liabilities, as well as equity, revenues, expenses and cash flows relating to intra-group transactions are eliminated in full when consolidating the financial statements.

2-6 Changes in material accounting policies

The accounting policies applied in these interim condensed consolidated financial statements are the same policies applied to the Group's annual consolidated financial statements as at and for the year ended 31 December 2024.

2-7 New and amended standards and interpretations

The Group has applied the following standards and amendments for the first time, effective for annual periods beginning on or before January 1, 2025, and they have no impact on the Group's interim condensed consolidated financial statements:

- The amendments related to the lack of exchangeability between a currency and a foreign currency under IAS 21 (The Effects of Changes in Foreign Exchange Rates)

In addition, Certain new accounting standards and interpretations have been issued but are not effective for the period ending June 30, 2025, and the Group has not early adopted them.

3- SIGNIFICANT ASSUMPTIONS AND ESTIMATES

In preparing these interim condensed consolidated financial statements, requires management to make judgments, estimates, and assumptions as of the date of the interim condensed consolidated financial statements, which affect the reported amounts of revenue, expenses, assets, and liabilities, as well as the disclosure of contingent assets and liabilities. However, due to the inherent uncertainty of these assumptions and estimates, actual results may differ and may require a material adjustment to the carrying amounts of the affected assets or liabilities in future periods. Estimates and judgments are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future, and as a result, the accounting estimates may differ from the actual outcomes related to those estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2024.

4 - PROPERTY AND EQUIPMENT

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
<u>Cost:</u>		
At the beginning of the period / year	10,111,894	10,683,717
Additions during the period / year	67,549	291,298
Currency translation difference for foreign transactions	(32,829)	(863,121)
At the end of the period/ year	10,146,614	10,111,894
<u>Accumulated depreciation:</u>		
At the beginning of the period / year	8,317,322	8,025,622
Charged for the period / year	369,208	766,058
Currency translation difference for foreign transactions	(19,909)	(474,358)
At the end of the period/ year	8,666,621	8,317,322
<u>Net book value:</u>		
As at the end of the period / year	1,479,993	1,794,572

5 - INTANGIBLE ASSETS

The intangible assets represent the development costs of the "Midad" platform and several other internally developed programs and applications. These include salaries and benefits related to technical staff, as well as subscription fees and software licenses used in the development process. Below is a summary of the movement in intangible assets:

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) (Restated- Note 23) ﷲ
<u>Cost:</u>		
At the beginning of the period / year	31,330,614	16,417,676
Additions during the period / year	7,757,528	14,912,938
At the end of the period/ year	39,088,142	31,330,614
<u>Accumulated amortization:</u>		
At the beginning of the period / year	752,725	-
Charged for the year / period	1,210,322	752,725
At the end of the period/ year	1,963,047	752,725
<u>Net book value:</u>		
As at the end of the period / year	37,125,095	30,577,889

*The balance includes development costs for applications that are not yet ready for use, and therefore, no amortization was recorded for them as of 30 June 2025, amounting to ﷲ 14,881,689 (31 December 2024: ﷲ 7,124,161).

On 31 December 2024, the Group conducted an impairment study of intangible assets. The evaluation was based on assumptions related to future sales, pricing, growth rates, and other relevant factors. The study concluded that the recoverable amount of the assets, including intangible assets as of 31 December 2024, exceeded their carrying amount as of that date, and accordingly, no impairment loss was recognized.

During the period ended 30 June 2025, no significant indicators of impairment were identified that would require a reassessment of the intangible assets' value. As such, no additional impairment test was conducted during the period.

6 - LEASE CONTRACTS

a) Right of use assets

The Group has lease contracts for buildings and offices used in its operations. In general, the Group is prohibited from transferring the leased assets or subleasing them.

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
Cost:		
At the beginning of the period / year	4,487,463	4,531,566
Additions during the period / year	-	422,276
Disposals during the period / year	-	(466,349)
Currency translation differences	(43)	(30)
At the end of the period/ year	4,487,420	4,487,463
Accumulated depreciation:		
At the beginning of the period / year	1,251,455	788,711
Charged for the period / year	334,690	750,227
Disposals during the period / year	-	(287,445)
Currency translation differences	(32)	(38)
At the end of the period/ year	1,586,113	1,251,455
Net book value:		
As at the end of the period / year	2,901,307	3,236,008

b) Lease liabilities

The following is a statement of the book value of recognized lease liabilities and the changes during the period/year:

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
At the beginning of the period / year	2,583,447	2,923,021
Additions during the period / year	-	422,276
Disposals during the period / year	-	(130,210)
Financial charges during the period / year	57,978	161,725
Amounts paid during the period / year	(372,941)	(793,370)
Currency translation differences	2	5
	2,268,486	2,583,447

The net present value of lease payments is presented in the statement of financial position as follows:

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
lease liabilities -current portion	608,269	658,324
lease liabilities - non -current portion	1,660,217	1,925,123
	2,268,486	2,583,447

7 - INVESTMENTS IN ASSOCIATE AT EQUITY METHOD

	Ownership Percentage %		30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
	30 June 2025	31 December 2024		
Al-Bayanat Al-Rakamyeh for Information Technology	45%	45%	8,636,166	8,820,267
Infosystech Information System Company	50%	50%	1,405,150	1,080,941
			<u>10,041,316</u>	<u>9,901,208</u>

The summary of the movement in the balance of investments in associates at equity method is as follows:

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
At the beginning of the period / year	9,901,208	10,074,780
Share of results of associate companies	164,341	959,670
Dividends	-	(537,446)
Currency translation differences	(24,233)	(595,796)
At the end of the period/ year	<u>10,041,316</u>	<u>9,901,208</u>

8 - CONTRACT ASSETS

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
At the beginning of the period / year	71,509,424	60,869,686
Additions during the period/ year	74,204,317	204,642,344
Invoiced during the period/ year	(88,015,547)	(194,002,606)
	<u>57,698,194</u>	<u>71,509,424</u>
Less: Provision for expected credit losses	(5,007,867)	(5,007,867)
Balance at the end of the period/ year	<u>52,690,327</u>	<u>66,501,557</u>

The movements in the provision for expected credit losses for contract assets during the period/year was as follows:

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
At the beginning of the period / year	5,007,867	3,113,191
Charged during the period/ year	-	1,894,676
Balance at the end of the period/ year	<u>5,007,867</u>	<u>5,007,867</u>

9 - PROJECT IN PROGRESS

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) (Restated- Note 23) ﷲ
Project in progress	25,690,150	24,557,399
Impairment of Project in progress	(9,972,790)	(9,972,790)
Balance at the end of the period/ year	15,717,360	14,584,609

The following is the movement on projects in progress:

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) (Restated- Note 23) ﷲ
As at the beginning of the period/year	24,557,399	23,053,262
Additions during the period/year	56,785,436	160,605,467
Transferred to cost of revenue	(55,652,685)	(159,101,330)
	25,690,150	24,557,399
Provision for impairment on projects in progress	(9,972,790)	(9,972,790)
Balance at the end of the period/ year	15,717,360	14,584,609

The movements in the provision for impairment on project in progress during the period/year was as follows:

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
As at the beginning of the period/year	9,972,790	2,991,837
Additions during the period/year	-	6,980,953
Balance at the end of the period/ year	9,972,790	9,972,790

The projects in progress include a project for the Ministry of Foreign Affairs that was terminated based on the Ministry's decision not to proceed with its acquisition. As per the agreement, the Company is entitled to recover the actual costs incurred, in addition to a 20% profit margin representing overheads and profit.

The Company completed the agreed-upon procedures and submitted the external auditor's report on the incurred expenses to the Ministry on 30 March 2020. The Ministry responded by confirming the Company's entitlement to claim ﷲ 9.9 million, while requesting the completion of certain documents to assess the possibility of disbursement. Based on management's assessment, a full impairment provision for the project was recognized in prior periods.

10 - ACCOUNTS RECEIVABLES

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
Accounts receivables	140,255,439	89,238,582
Provision for expected credit losses	(6,635,221)	(11,255,798)
Balance at the end of the period/ year	133,620,218	77,982,784

10 - ACCOUNTS RECEIVABLES (CONTINUED)

The movement in the provision for expected credit losses during the period/year was as follows:

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
As at the beginning of the period/year	11,255,798	11,257,955
Charged during the period/year	1,213,761	3,591
Written off during the period/year	(5,833,596)	-
Currency translation difference	(742)	(5,748)
Balance at the end of the period/ year	6,635,221	11,255,798

The aging analysis of trade receivables was as follows:

	From 0 to 90 days	From 91 days to 180 days	From 181 days to 270 days	From 271 days to 360 days	More than 360 days	Total
30 June 2025	73,042,970	24,915,928	12,128,028	4,272,048	25,896,465	140,255,439
31 December 2024	50,090,746	9,271,277	4,142,416	2,332,720	23,401,423	89,238,582

Trade receivables include an amount of ﷲ 126,174,464 (December 31, 2024: ﷲ 67,722,994) due from government entities or entities under government control. These entities are granted longer credit periods compared to other commercial customers, in light of the nature of the transactions and the payment conditions associated with these parties.

11 - PREPAYMENTS AND OTHER CURRENT ASSETS

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
Prepaid subscription	11,821,692	15,075,576
Letter of guarantees margins	8,214,035	7,590,203
Advance payments to suppliers	4,338,433	1,041,301
Travel advances	1,372,577	862,353
Prepayments	1,243,947	901,793
Employee advances and custodies	1,038,200	906,545
Insurance deposits	71,619	71,806
Others	951,368	1,388,584
	29,051,871	27,838,161

12 - TRANSACTIONS WITH RELATED PARTIES AND THEIR BALANCES

Related parties include shareholders, affiliates, key management personnel of the Group, and entities controlled, jointly controlled, or significantly influenced by such parties. Transactions with related parties and their specific terms are approved in accordance with the policies adopted by the Group companies. Below is a summary of transactions with related parties:

Related party	Relation with the Company
Al-Bayanat Al-Rakamyeh for Information Technology	Associate
Infosystech Information Systems Company	Associate

During the current and comparative periods, no transactions or balances were recorded with related parties, except as described below.

12 - TRANSACTIONS WITH RELATED PARTIES AND THEIR BALANCES (CONTINUED)

Compensation of Key Management Personnel:

This includes the Group's senior management personnel and key executives who have the authority and responsibility for planning, directing, and controlling the Group's activities, as well as members of the Board of Directors.

	30 June 2025 (Unaudited) ﷲ	30 June 2024 (Unaudited) ﷲ
Salaries of key management personnel	1,767,468	2,771,746
Board of directors' Remunerations	604,000	312,000
	<u>2,371,468</u>	<u>3,083,746</u>

13 – SHARE CAPITAL

The authorized, issued, and paid-up share capital of the Company is amounts to ﷲ 50 million, comprising of 5 million shares with a nominal value of ﷲ 10 each as of 30 June 2025 (31 December 2024: Same).

14 – MURABAHA FINANCING

On 5 March 2025, the Group renewed the previously signed bank facility agreement with Al Rajhi Bank, originally dated 17 January 2024. The purpose of the facility is to finance working capital requirements, and to facilitate the issuance of letters of guarantee (both bid and performance guarantees), advance payment guarantees, as well as deferred sales facilities. The facility limit granted by Al Rajhi Bank during the period amounted to ﷲ 6 million.

The Group also continued to benefit from the credit facility agreement signed with Riyad Bank on 17 October 2023, with a facility limit of ﷲ 15 million available during the period under this agreement.

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
As at the beginning of the period/year	13,732,132	18,835,702
Received during the period/year	20,911,271	27,930,248
Repayments during the period/year	(12,836,687)	(34,834,665)
Financing costs charged during the period/year	830,188	1,800,847
	<u>22,636,904</u>	<u>13,732,132</u>

15 – ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
Taxes Payable	11,903,711	9,820,361
Deferred revenue	11,626,194	7,069,203
Accrued expenses and other credit balances	7,621,804	8,197,168
Advance from customers	1,778,439	1,279,750
	<u>32,930,148</u>	<u>26,366,482</u>

16 – CONTRACT LIABILITIES

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
As at the beginning of the period/year	27,078,755	20,461,294
Advance received during the period/year	95,443,639	200,304,098
Transferred to revenue	(88,651,933)	(193,686,637)
Balance at the end of the period/ year	33,870,461	27,078,755

17 - ZAKAT AND INCOME TAX

17-1 Amounts recognized in profit or loss

	30 June 2025 (Unaudited) ﷲ	30 June 2024 (Unaudited) ﷲ
Zakat	1,188,490	2,039,646
Current income tax	2,433	2,496
Deferred income tax	195	5,779
Zakat and Tax Differences – Prior Years	-	201,660
	1,191,118	2,249,581

17-2 Zakat and Tax Status:

The Group has submitted its zakat declarations to the Zakat, Tax and Customs Authority (ZATCA) for all years up to 2024 and has obtained the final zakat certificate for all years through 2024. All subsidiaries regularly submit their zakat and/or income tax declarations in accordance with the regulations of their respective countries of incorporation. Management is not aware of any material disputed obligations that would require additional disclosures.

18 - REVENUES

	30 June 2025 (Unaudited) ﷲ	30 June 2024 (Unaudited) ﷲ
Breakdown of revenue by type of revenue		
Knowledge asset management solutions	47,623,839	54,916,141
Education solutions	31,308,545	4,745,223
Electronic solutions	21,245,224	43,890,293
	100,177,608	103,551,657

All of the Group's revenues are generated from services that are recognized over a period of time or revenues that are recognized at a point in time, as follows:

	30 June 2025 (Unaudited) ﷲ	30 June 2024 (Unaudited) ﷲ
Breakdown of revenue by timing of recognition:		
Revenue recognized over a period of time	74,232,875	82,414,795
Revenue recognized at point in time	25,944,733	21,136,862
	100,177,608	103,551,657

18 – REVENUES (CONTINUED)

	30 June 2025 (Unaudited) ﷲ	30 June 2024 (Unaudited) ﷲ
Breakdown of revenues by geographic markets:		
Kingdom of Saudi Arabia	73,910,083	81,639,022
Gulf Cooperation Council ("GCC") countries	23,042,028	17,921,603
Other countries	3,225,497	3,991,032
	100,177,608	103,551,657

19 - COMMITMENTS AND CONTINGENCIES

The Group has outstanding letters of guarantee amounting to ﷲ 45.2 million (31 December 2024: ﷲ 40.6 million). The margin held against these letters of guarantee amounted to ﷲ 8.2 million (31 December 2024: ﷲ 7.6 million).

20 - BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding as at the date of issuance of the financial statements, which amounts to 5 million shares.

	30 June 2025 (Unaudited) ﷲ	30 June 2024 (Unaudited) ﷲ
Net profit (loss) for the period attributable to shareholders	112,729	(964,946)
Weighted average number of shares outstanding	5,000,000	5,000,000
Basic and diluted earnings per share	0.02	(0.19)

21 - SEGMENT INFORMATION

The following is the information related to each reportable segment. Segment profit before tax is used to measure performance, as management believes that such measure is the most appropriate for evaluating the results of the respective segments in comparison with other entities operating in the same industries.

30 June 2025 (Unaudited)				
Reportable segments				
	Knowledge Asset Management Solutions	Education Solutions	Solutions	Total
Total revenue	47,623,839	31,308,545	21,245,224	100,177,608
Net profit for the period	228,962	150,523	102,142	481,627
Total assets	139,679,282	91,827,017	62,311,600	293,817,899
Total liabilities	75,380,045	49,555,844	33,627,401	158,563,290
Disaggregation of revenue				
Timing of revenue recognition				
- At point in time	15,663,819	6,599,443	3,681,471	25,944,733
- Over a period of time	31,960,020	24,709,102	17,563,753	74,232,875
Total	47,623,839	31,308,545	21,245,224	100,177,608
Primary geographical markets				
- Kingdom of Saudi Arabia	35,136,414	23,099,145	15,674,524	73,910,083
- Other GCC countries	10,954,043	7,201,334	4,886,651	23,042,028
- Other countries	1,533,382	1,008,066	684,049	3,225,497
Total	47,623,839	31,308,545	21,245,224	100,177,608

21- SEGMENT INFORMATION (CONTINUED)

	30 June 2024 (Unaudited)			
	Reportable segments			
	Knowledge Asset Management Solutions	Education Solutions	Electronic Solutions	Total
Total revenue	54,916,141	4,745,223	43,890,293	103,551,657
Net loss for the period	(520,324)	(44,961)	(409,243)	(974,528)
Total assets	137,744,016	11,902,257	108,337,796	257,984,069
Total liabilities	69,765,539	6,028,338	54,871,674	130,665,551
Disaggregation of revenue				
Timing of revenue recognition				
- At point in time	18,647,496	650,203	1,839,163	21,136,862
- Over a period of time	36,268,645	4,095,020	42,051,130	82,414,795
Total	54,916,141	4,745,223	43,890,293	103,551,657
Primary geographical markets				
- Kingdom of Saudi Arabia	43,216,448	3,734,270	34,688,304	81,639,022
- Other GCC countries	9,568,783	826,824	7,525,996	17,921,603
- Other countries	2,130,910	184,129	1,675,993	3,991,032
Total	54,916,141	4,745,223	43,890,293	103,551,657

22 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Financial instruments consist of financial assets and financial liabilities. The financial assets consist of cash and cash equivalents, trade receivables, other current assets, and contract assets and financial liabilities consist of borrowings, lease liabilities, trade payables, and other payables.

23 – PRIOR PERIOD ADJUSTMENTS

During the period, management identified a classification error in one of the asset items. The development cost of the "Midat" platform had been included under projects in progress within current assets, whereas it should have been classified as an intangible asset. This error has been corrected retrospectively by restating the comparative information as at 1 January 2024, and 31 December 2024, in accordance with the relevant accounting standards.

The impact of these amendments on the statement of financial position as at 01 January 2024, is as follows:

	Previously issued ﷲ	Restatement ﷲ	Restated balance ﷲ
Intangible assets	7,527,254	8,890,422	16,417,676
Project in progress	28,951,846	(8,890,422)	20,061,424

The impact of these amendments on the statement of financial position as at 31 December 2024 was as follows:

	Previously issued ﷲ	Restatement ﷲ	Restated balance ﷲ
Intangible assets	23,453,728	7,124,161	30,577,889
Project in progress	21,708,770	(7,124,161)	14,584,609

The Group has also reclassified and restructured certain comparative figures presented in the financial statements for the prior period to align with the current period's presentation. This was done to more accurately reflect the nature of contracts and financial transactions. These adjustments were made to enhance the presentation of financial information and to provide clearer and more reliable comparisons for the users of the financial statements. These changes had no financial impact on net profit or equity for the comparative periods.

30 June 2025

24 - SUBSEQUENT EVENTS

Management believes that there are no significant subsequent events since the end of the period that would require disclosure or adjustment to these condensed interim consolidated financial statements.

25 - INTERIM RESULTS

The results of operations for the six-month period ended 30 June 2025 are not necessarily indicative of the Group's annual results

26 - APPROVALS OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved by the board of directors on: 11 Safar 1447 H (corresponding to 5 August 2025).