

SAUDI NETWORKERS SERVICES COMPANY
(A Saudi Joint Stock Company)
Condensed Consolidated Interim
Financial Statements (Unaudited)
For the six-month period ended 30 June 2025
together with Independent Auditor's Review Report

SAUDI NETWORKERS SERVICES COMPANY

(A Saudi Joint Stock Company)

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

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KPMG Professional Services Company

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Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed consolidated interim financial statements

To the shareholders of Saudi Networkers Services Company

Introduction

We have reviewed the accompanying 30 June 2025 condensed consolidated interim financial statements of **Saudi Networkers Services Company** ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 30 June 2025;
- the condensed consolidated statement of profit or loss and other comprehensive income for six-month periods ended 30 June 2025;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2025;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2025; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

Independent auditor's report on review of condensed consolidated interim financial statements

To the shareholders of Saudi Networkers Services Company (continued)

Other Matter

The condensed consolidated interim financial statements of the group as at and for the six months period ended 30 June 2024, except for the adjustments described in Note (17) to the condensed interim financial statements were reviewed by another auditor who expressed an unmodified conclusion on these financial statements on 1 September 2024. Further, the consolidated financial statements of the group for the year ended 31st December 2024, except for the adjustments described in Note (17) to the condensed interim financial statements were audited by another auditor who expressed an unmodified opinion on these financial statements on 25th March 2025.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2025 condensed consolidated interim financial statements of **Saudi Networkers Services Company** ("the Company") and its subsidiaries ("the Group") are prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

For KPMG Professional Services Company



Hani Hamzah A. Bedairi
License No: 460



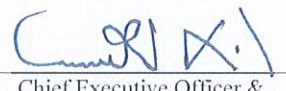
Riyadh: 3 September 2025
Corresponding to: 11th Rabi ul Awal, 1447H

SAUDI NETWORKERS SERVICES COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated statement of financial position (unaudited)
As at 30 June 2025
(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)

	Notes	30 June 2025 (Unaudited)	31 December 2024 Audited (Reclassified note 17)
Assets			
Non-current assets			
Property and equipment	8	1,798,071	1,943,434
Contract assets		3,987,340	3,723,561
Right-of-use assets		1,930,166	2,131,571
Total non-current assets		7,715,577	7,798,566
Current assets			
Trade receivables	9	152,849,419	134,522,959
Prepayments and other assets	10	12,620,542	9,453,557
Cash and cash equivalents		12,082,356	42,072,427
Total current assets		177,552,317	186,048,943
Total assets		185,267,894	193,847,509
Equity and liabilities			
Equity			
Share capital	1	60,000,000	60,000,000
Retained earnings		50,699,435	44,201,664
Net equity attributable to owner of the Parent Company		110,699,435	104,201,664
Non-controlling interest		34,997	34,204
Total equity		110,734,432	104,235,868
Liabilities			
Non-current liabilities			
Defined benefits liabilities		33,233,062	32,057,073
Lease liabilities		1,098,657	1,650,645
Total non-current liabilities		34,331,719	33,707,718
Current liabilities			
Lease liabilities		555,094	479,641
Accounts payable		323,000	347,517
Accrued expenses and other liabilities	11	35,390,486	48,971,741
Short-term borrowings		2,499,827	2,615,250
Provision for zakat		1,433,336	3,489,774
Total current liabilities		40,201,743	55,903,923
Total liabilities		74,533,462	89,611,641
Total equity and liabilities		185,267,894	193,847,509

The accompanying notes from 1 to 19 are an integral part of these condensed consolidated interim financial statements.


Chairman of Board of Directors

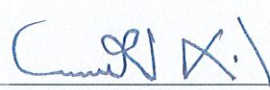

Chief Executive Officer &
Chief Financial Officer

SAUDI NETWORKERS SERVICES COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated statement of comprehensive income (unaudited)
For the six-month period ended 30 June 2025
(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Continuing operations:			
Revenue	15	297,247,386	282,210,094
Cost of revenue		(257,123,512)	(244,507,679)
Gross profit		40,123,874	37,702,415
Selling and marketing expenses		(5,720,992)	(4,865,843)
General and administration expenses		(12,875,660)	(9,759,690)
Reversal / (charged) impairment on financial assets	9	145,820	(253,626)
Other income		780	-
Profit from operations		21,673,822	22,823,256
Finance costs		(425,326)	(1,255,870)
Profit before zakat		21,248,496	21,567,386
Zakat expense		(729,196)	(1,356,354)
Profit for the period		20,519,300	20,211,032
Discontinued operations			
Profit / (loss) from discontinued operations	16	79,264	(483,811)
Profit for the period		20,598,564	19,727,221
Other comprehensive income			
<i>Items that may be reclassified to profit or loss in subsequent periods</i>		-	-
Total other comprehensive income for the period		-	-
Total comprehensive income for the period		20,598,564	19,727,221
Profit attributable to:			
Shareholders of the company		20,597,771	19,732,059
Non-controlling interest		793	(4,838)
Net profit for the period		20,598,564	19,727,221
Total comprehensive income attributable to:			
Shareholders of the company		20,597,771	19,732,059
Non-controlling interest		793	(4,838)
Total comprehensive income for the period		20,598,564	19,727,221
Earnings per share for profit attributable to the shareholders of the Company:			
Basic and diluted earnings per share	12	3.4	3.3
Basic and diluted earnings per share continuing operations	12	3.4	3.3

The accompanying notes from 1 to 19 are an integral part of these condensed consolidated interim financial statements.


Chairman of Board of Directors


Chief Executive Officer &
Chief Financial Officer

SAUDI NETWORKERS SERVICES COMPANY

(A Saudi Joint Stock Company)


Condensed consolidated statement of changes in equity (unaudited)

For the six-month period ended 30 June 2025

(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)

	Attributable to the shareholders of parent Company				Total	Non-controlling interest	Total
	Share capital	Statutory reserve	Retained earnings	Foreign currency translation reserve			
As at 1 January 2024 (As previously issued)	60,000,000	11,213,169	38,407,362	(9,427,834)	100,192,697	82,592	100,275,289
Reclassification	-	-	(9,427,834)	9,427,834	-	-	-
As at 1 January 2024 (Reclassified)	60,000,000	11,213,169	28,979,528	-	100,192,697	82,592	100,275,289
Net income for the period	-	-	19,732,059	-	19,732,059	(4,838)	19,727,221
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	19,732,059	-	19,732,059	(4,838)	19,727,221
Dividend (Note 13)	-	-	(14,100,000)	-	(14,100,000)	-	(14,100,000)
As at 30 June 2024 (Unaudited Reclassified note 17)	60,000,000	11,213,169	34,611,587	-	105,824,756	77,754	105,902,510
As at 1 January 2025 (As previously issued)	60,000,000	-	53,724,707	(9,523,043)	104,201,664	34,204	104,235,868
Reclassification	-	-	(9,523,043)	9,523,043	-	-	-
As at 1 January 2025 (Reclassified)	60,000,000	-	44,201,664	-	104,201,664	34,204	104,235,868
Net income for the period	-	-	20,597,771	-	20,597,771	793	20,598,564
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	20,597,771	-	20,597,771	793	20,598,564
Dividend (Note 13)	-	-	(14,100,000)	-	(14,100,000)	-	(14,100,000)
As at 30 June 2025 (Unaudited)	60,000,000	-	50,699,435	-	110,699,435	34,997	110,734,432

The accompanying notes from 1 to 19 are an integral part of these condensed consolidated interim financial statements.

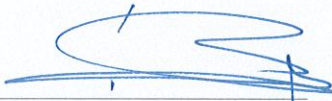

Chairman of Board of Directors

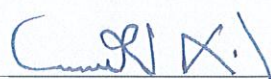

Chief Executive Officer & Chief Financial Officer

SAUDI NETWORKERS SERVICES COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated statement of cash flows (unaudited)
For the six-month period ended 30 June 2025
(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Operating activities			
Profit before zakat and income tax		21,248,496	21,567,386
Profit / (loss) before income tax from discontinued operations		79,264	(483,811)
<i>Adjustments for:</i>			
Depreciation of property and equipment	8	263,785	324,197
Depreciation of right-of-use assets		295,022	307,826
Interest expense on lease liabilities		86,275	100,977
Interest expense on short-term borrowings		339,051	1,154,893
Provision for defined benefits liabilities		6,454,871	5,474,460
(Reversal) / charge for expected credit losses	9	(145,820)	253,626
Other income		(780)	-
Operating cash flows before working capital changes		28,620,164	28,699,554
<i>Changes in working capital:</i>			
Trade receivables	9	(18,180,640)	(15,056,474)
Prepayments and other assets	10	(3,166,985)	(3,482,688)
Contract assets		(263,779)	-
Accounts and other payables		(24,517)	393,970
Accrued expenses	11	(13,581,256)	(1,698,310)
Cash (used in) / generated from operations		(6,597,013)	8,856,052
Defined benefits liabilities paid		(5,278,882)	(1,660,835)
Interest expense paid		(425,326)	(1,255,870)
Zakat and income tax paid		(2,785,634)	(2,965,629)
Net cash (used in) / generating from operating activities		(15,086,855)	2,973,718
Investing activity			
Purchase of property and equipment	8	(118,422)	(117,277)
Net cash used in investing activity		(118,422)	(117,277)
Financing activities			
Proceeds from short-term borrowings		17,182,396	35,036,059
Repayment from short-term borrowings		(17,297,819)	(36,337,094)
Dividends paid		(14,100,000)	(14,100,000)
Repayment of lease liabilities		(569,371)	(572,551)
Net cash used in financing activities		(14,784,794)	(15,973,586)
Net decrease in cash and cash equivalents		(29,990,071)	(13,117,145)
Cash and cash equivalents at the beginning of the period		42,072,427	40,979,460
Cash and cash equivalents at the end of the period		12,082,356	27,862,315
<i>Non-Cash transactions:</i>			
Acquisition of right-of-use assets and lease liabilities		166,429	-

The accompanying notes from 1 to 19 are an integral part of these condensed consolidated interim financial statements.


Chairman of Board of Directors


Chief Executive Officer & Chief
Financial Officer

SAUDI NETWORKERS SERVICES COMPANY
(A Saudi Joint Stock Company)
Notes to condensed consolidated interim financial statements (unaudited)
For the six-month period ended 30 June 2025
(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)

1 Corporate information

Saudi Networkers Services Company (the “Company”) is a Saudi joint stock company. Registered in Riyadh city, Kingdom of Saudi Arabia (“KSA”) under commercial registration number 1010173733 dated 19 Dhul-Qadah 1422H (corresponding to 2 February 2002). The Company’s registered address is PO Box: 25141 Riyadh 11466, Kingdom of Saudi Arabia. The Company has an authorized and issued share capital of Saudi Riyals ﷲ 60,000,000 divided into 6,000,000 with a nominal value of ﷲ 10 per share.

On 17 August 2022, the Company was listed on Saudi Exchange with the symbol 9543 and ISIN Code SA15JH3KL3H8. The Company has floated 1.53 million shares on the Nomu - Parallel Market, the major shareholding of the company are Mr. Abdul Mohsen I. Al Touq and Mr. Osama M Al Sabeg by 37.25% each.

The principal activities of the Company are implementing, establishing, maintaining, operating, installing and managing of telecommunication networks. The Company is also involved in providing consulting, technical, administrative, marketing, customer care services and technical support for sales centers.

The condensed consolidated interim financial statements include the condensed interim financial position, results of operations and cash flows of the Company and SNSALG SARL (the “subsidiary”), a limited liability company registered in People’s Democratic Republic of Algeria, under commercial registration (CR) number 0971273B06 dated 26 Jumaada II 1427H (collectively refer as the “Group”), the subsidiary is 99% owned by the Company and is engaged in providing technical consultants on an individual basis to telecommunications, oil and gas and IT vendors, operators and sub-contracting companies.

As at 30 June 2025, the Group’s Algerian subsidiary is in the process of winding up, following a Board decision to cease its operations. However, the liquidation process remains ongoing, and the subsidiary had not been fully dissolved as of the reporting date. For financial reporting purposes, the subsidiary has been classified as a discontinued operation, reflecting the winding-up status and cessation of its core business activities.

2 Basis of preparation

2.1 Statement of compliance

These condensed consolidated interim financial statements of the Group have been prepared in accordance with IAS 34 - “Interim Financial Reporting” 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 condensed consolidated interim financial statements should be read in conjunction with the Group’s latest annual last consolidated financial statements as at and for the year ended 31 December 2024 and do not include all of the information normally required for a complete set of financial statements under International Financial Reporting Standards (“IFRS”) that are endorsed in the Kingdom of Saudi Arabia. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since 31 December 2024.

The results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the year ended 31 December 2025.

2.2 Functional and presentation currency

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

2.3 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention using the accrual basis of accounting except post-employment benefits where actuarial present value calculations are used.

SAUDI NETWORKERS SERVICES COMPANY
(A Saudi Joint Stock Company)
Notes to condensed consolidated interim financial statements (unaudited)
For the six-month period ended 30 June 2025
(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)

3 Material accounting policies

The principal accounting policies applied in the preparation of condensed consolidated interim financial statements of the Group are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of certain amendments to the standards and interpretations as set out in Note 4.

4 Accounting standards issued but not yet effective

A number of new accounting standards and amendments to accounting standards are effective for annual reporting periods beginning after 1 January 2025 and earlier application is permitted. However, the Group has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed consolidated interim financial statements.

Effective for annual periods beginning on or after	New standards and amendments
1 January 2025	Lack of Exchangeability – Amendments to IAS 21
1 January 2026	Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7
	Contracts Referencing Nature-dependent Electricity-Amendments to IFRS 9 and IFRS 7
	Annual Improvements to IFRS Accounting Standards-Volume 11
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements
	IFRS 19 Subsidiaries without Public Accountability: Disclosures
Available for optional adoption/ effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

These new and revised IFRSs are not expected to have a significant impact on the Group's financial statements.

5 Use of estimates, assumptions and judgements

The preparation of the Group's condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets and liabilities in the future periods.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

The significant estimates made by the management when applying the Group's accounting policies and the significant sources of uncertainties of the estimates were similar to those shown in the Group's annual consolidated financial statements as at 31 December 2024.

SAUDI NETWORKERS SERVICES COMPANY
(A Saudi Joint Stock Company)
Notes to condensed consolidated interim financial statements (unaudited)
For the six-month period ended 30 June 2025
(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)

6 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's relevant Business Heads which in the Group's case is to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's relevant business heads include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Group's operating segments are analysed and aggregated based on their geographical locations.

7 Related party transactions and balances

For the purpose of these consolidated financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, and vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or entities. The transactions with related parties are made on terms approved by the Board of Directors of the Group. The Group and its related parties transact with each other in the ordinary course of business. The transactions and the balances between the Company and its subsidiaries and those between the subsidiaries have been eliminated in preparing these consolidated financial statements.

a) Related party balances

Due from related party

Name of related party	Relationship with the related party	30 June 2025 (Unaudited)	31 December 2024 (Audited)
AlTouq Limited	Other related parties	-	-

b) Related party transactions

The following are the details of significant related party transactions during the period:

Name of related party	Nature of transactions	For the six-month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
AlTouq Limited	Consultancy services	-	90,848

c) Key management personnel

Key management includes the Board of Directors, members of the Executive Committee, Audit Committee and the directors of business functions.

Key management personnel compensation comprised the following:

	For the six-month period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Short-term benefits	2,338,001	2,126,335
Termination benefits	206,018	262,746
Board and its committee fee:		
Director's remuneration	300,000	300,000
Committee's remuneration	187,500	112,500
Meeting attendance and other allowances	85,775	36,000

Compensation to key management personnel includes salaries, allowances, provision for defined benefits liabilities and contribution to General Organization for Social Insurance.

SAUDI NETWORKERS SERVICES COMPANY
(A Saudi Joint Stock Company)
Notes to condensed consolidated interim financial statements (unaudited)
For the six-month period ended 30 June 2025
(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)

8 Property and equipment

	Leasehold improvements	Furniture and fixture	Computer equipment	Tools and equipment	Total
Cost:					
1 January 2025 (Audited)	1,933,048	671,202	1,539,405	87,331	4,230,986
Additions	-	665	112,934	4,823	118,422
30 June 2025 (Unaudited)	1,933,048	671,867	1,652,339	92,154	4,349,408
Accumulated depreciation:					
1 January 2025 (Audited)	541,371	439,188	1,269,772	37,221	2,287,552
Charge for the period	146,912	24,827	86,397	5,649	263,785
30 June 2025 (Unaudited)	688,283	464,015	1,356,169	42,870	2,551,337
Netbook value:					
As at 30 June 2025	1,244,765	207,852	296,170	49,284	1,798,071
As at 1 January 2025	1,391,677	232,014	269,633	50,110	1,943,434

9 Trade receivables

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Accounts receivables	97,229,678	122,613,470
Unbilled receivables *	64,711,116	21,146,684
	161,940,794	143,760,154
Less: allowance for expected credit losses	(9,091,375)	(9,237,195)
	152,849,419	134,522,959

* Unbilled receivables represent the amount for which services have been rendered but not yet invoiced to customers. Unbilled receivables are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues the invoice to the customer.

Movement in the allowance for expected credit losses is as follows:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
As at the beginning of the period	9,237,195	4,083,419
(Reversal) / charged during the period	(145,820)	253,626
As at the end of the period	9,091,375	4,337,045

SAUDI NETWORKERS SERVICES COMPANY
(A Saudi Joint Stock Company)
Notes to condensed consolidated interim financial statements (unaudited)
For the six-month period ended 30 June 2025
(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)

9 Trade receivables (Continued)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 90 days and therefore are all classified as current. Trade and other receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

10 Prepayments and other assets

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Prepaid expenses	11,697,424	7,991,270
Other receivables	923,118	1,462,287
	12,620,542	9,453,557

11 Accrued expenses and other liabilities

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Accrued expenses	29,701,091	37,492,427
VAT payable, net	4,616,304	7,020,909
Accrued bonus	859,687	4,245,001
Customer advances	213,404	213,404
	35,390,486	48,971,741

12 Earnings per share (EPS)

Basic EPS is calculated by dividing the net income inclusive of discontinued operations for the period attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period as follows:

	For the six-month period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Net profit for the period for the Company's shareholders	20,597,771	19,732,059
Net profit for the period from continuing operations	20,519,300	20,211,032
Number of ordinary shares outstanding	6,000,000	6,000,000
Basic and diluted earnings per share	3.4	3.3
Basic and diluted earnings per share from continuing operations	3.4	3.3

13 Dividend

As authorized by General Assembly, the Board of Directors of the Company on 25 March 2025, approved to distribute cash dividends of (ﷲ) 14.1 million to shareholders at 2.35 (ﷲ) per share (for the period ended 30 June 2024 (ﷲ) 14.1 million at (ﷲ) 2.35 per share).

SAUDI NETWORKERS SERVICES COMPANY
(A Saudi Joint Stock Company)
Notes to condensed consolidated interim financial statements (unaudited)
For the six-month period ended 30 June 2025
(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)

14 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors (BOD) and CEO, (together chief operating decision maker, CODM). The CODM assesses the financial performance and position of the Group and makes strategic decisions.

An operating segment is group of assets and operations:

1. engaged in revenue producing activities;
2. results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment; and
3. whose financial information is separately available.

The Group has the following strategic geographical locations which represent its reportable segments, which represent its reportable segments.

Kingdom of Saudi Arabia

Provision of services in the geographical region of Kingdom of Saudi Arabia.

Algeria

Provision of services in the geographical region of Algeria.

<u>30 June 2025 (Unaudited)</u>	Kingdom of Saudi Arabia	Algeria	Total
Revenue	297,247,386	-	297,247,386
Cost of revenue	257,123,512	-	257,123,512
Reversal of impairment on financial assets	145,820	-	145,820
Profit attributable to shareholders of the Company	20,519,300	78,471	20,597,771
<u>30 June 2025 (Unaudited)</u>			
Total assets	179,454,216	5,813,678	185,267,894
Total liabilities	74,107,680	425,782	74,533,462
	Kingdom of Saudi Arabia	Algeria	Total
<u>30 June 2024 (Unaudited)</u>			
Revenue	282,210,094	-	282,210,094
Depreciation	632,023	-	632,023
Profit / (loss) attributable to shareholders of the Company	20,211,032	(478,973)	19,732,059
<u>31 December 2024 (Audited)</u>			
Total assets	184,250,892	9,596,617	193,847,509
Total liabilities	85,202,745	4,408,896	89,611,641

The Group's revenue is derived from contracts with customers for provision of services. These assets are allocated and analyzed based on the operations of the segment.

The CODM primarily uses a measure of total profit to assess the performance of the operating segments.

Revenues of approximately ﷲ 86.40 million (30 June 2024: ﷲ 87.52 million) are derived from three external customers who contribute more than 29.10% of the total external revenue. These revenues are attributed to the Kingdom of Saudi Arabia segment.

SAUDI NETWORKERS SERVICES COMPANY**(A Saudi Joint Stock Company)****Notes to condensed consolidated interim financial statements (unaudited)****For the six-month period ended 30 June 2025****(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)****15 Revenue**

The Group's revenue is derived from three types of services namely direct, managed-hosting and other services.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary nature of services provided, types of customers and timing of revenue recognition as shown below:

	For the six-month period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
<u>Types of projects / services</u>		
Direct	81,842,854	81,228,554
Managed-Hosting	215,303,626	200,959,190
Other	100,906	22,350
	297,247,386	282,210,094
<u>Types of customers</u>		
Non-government	276,748,932	262,326,596
Government	20,498,454	19,883,498
	297,247,386	282,210,094
<u>Timing of revenue recognition</u>		
Over time	297,247,386	282,210,094
	297,247,386	282,210,094

16 Discontinued operations

The financial performance presented is for the six-month period ended 30 June 2025 and the period ended 30 June 2024 for SNSALG SARL (the “subsidiary”):

	For the six-month period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
General and administrative expenses	(211,038)	(474,232)
Other income / (expenses)	294,033	(7,480)
Profit / (loss) from operations	82,995	(481,712)
Finance cost	(3,731)	(2,099)
Profit / (loss) before income tax	79,264	(483,811)
Income tax	-	-
Profit / (loss) from discontinued operations	79,264	(483,811)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>	-	-
Total other comprehensive income	-	-
Total comprehensive income / (loss) from discontinued operations	79,264	(483,811)

SAUDI NETWORKERS SERVICES COMPANY
(A Saudi Joint Stock Company)
Notes to condensed consolidated interim financial statements (unaudited)
For the six-month period ended 30 June 2025
(All amounts are in Saudi Riyals (ﷲ) unless otherwise stated)

16 Discontinued operations (Continued)

The cashflow information for the six-month period ended 30 June 2025 and six-month period ended 30 June 2024 were:

	For the six-month period ended	
	30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Net decrease in cash flows	(1,139,208)	(339,589)

17 Reclassification

The note below sets out the details of adjustments and the line items impacted in the condensed consolidated interim statements of financial position:

Reclassification:

In August 2022, the Group appointed a liquidator to manage the dissolution process for the subsidiary (SNS Algerian). However, the liquidation process remains ongoing, and the subsidiary has not been fully dissolved as of the reporting date, such that the operation is no longer active and there is no plan to recommence operations since 2022. The foreign operations have been in substance liquidated and the Group abandoned the foreign operation since that date. The foreign operations were classified as discontinued operations in the statement of comprehensive income and at the same time the Foreign Currency Translation Reserves (FCTR) was presented in equity as a separate line item. However, under IAS 21 the cumulative foreign currency translation reserve should be reclassified to profit or loss in this case, as the operations in Algeria were substantially abandoned.

As a result, these condensed consolidated interim financial statements have been reclassified to reflect the proper presentation.

Impact of adjustments to condensed consolidated interim statement of financial position as at 31 December 2024:

	31 December 2024		31 December 2024
	(as issued)	Reclassification	(as reclassified)
<u>Equity</u>			
Retained earnings	53,724,707	(9,523,043)	44,201,664
Foreign currency translation reserve	(9,523,043)	9,523,043	-

18 Events after the reporting period

There are no other events subsequent to 30 June 2025 and before the date of authorization of condensed consolidated interim financial statements, that could have a significant effect on the condensed consolidated interim financial statements as at and for the six-month period ended 30 June 2025.

19 Approval of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements of the Group for the period ended 30 June 2025 have been approved by the Board of Directors on 31 August 2025 (Corresponding to: 8th Rabi ul Awal, 1447H).