

**AXELERATED SOLUTIONS INFORMATION  
AND COMMUNICATION TECHNOLOGY COMPANY**  
(Closed Joint Stock Company)  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the six-month period ended 30 June 2024**  
**And the Independent Auditor's Review Report**

**AXELERATED SOLUTIONS INFORMATION AND COMMUNICATION TECHNOLOGY  
COMPANY**

(Closed Joint Stock Company)

**Interim Condensed Consolidated Financial Statements (Unaudited)**

For the six-month period ended 30 June 2024

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

TO THE SHAREHOLDERS OF AXELERATED SOLUTIONS INFORMATION AND COMMUNICATION  
TECHNOLOGY COMPANY

(1/1)

**INTRODUCTION**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Axelerated Solutions Information and Communication Technology Company (the "Company") and its subsidiary (together "the Group") as at 30 June 2024 and the related interim condensed consolidated statements of profit or loss and other comprehensive income and changes in shareholders' 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" 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 Standard on Review Engagement 2410, "Review of Interim Condensed Consolidated Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements as at 30 June 2024 are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

**For PKF Al Bassam**  
**Chartered Accountants**



Ahmed A. Mohandis  
Certified Public Accountant  
License No.: 477  
Riyadh: 2 Safar 1446 AH  
Corresponding to: 6 August 2024

**AXELERATED SOLUTIONS INFORMATION AND COMMUNICATION TECHNOLOGY  
COMPANY**


(Closed Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2024

(All Amounts in SAR)

|  | Note | 30 June 2024<br>(Unaudited) | 31 December 2023<br>(Audited) |
|--|------|-----------------------------|-------------------------------|
| <b><u>ASSETS</u></b>                               |      |                             |                               |
| <b>Non-Current Assets</b>                          |      |                             |                               |
| Property and equipment                             |      | 386,951                     | 598,764                       |
| Right-of-use assets                                | 5-a  | 4,161,981                   | 447,479                       |
| <b>Total Non-Current Assets</b>                    |      | <b>4,548,932</b>            | <b>1,046,243</b>              |
| <b>Current Assets</b>                              |      |                             |                               |
| Contract assets                                    | 13-b | 80,225,846                  | 68,300,422                    |
| Prepayments and other assets                       | 6    | 15,109,145                  | 10,511,632                    |
| Accounts receivable                                | 7    | 140,042,668                 | 86,591,591                    |
| Cash and cash equivalents                          | 8    | 29,044,801                  | 50,558,093                    |
| <b>Total Current Assets</b>                        |      | <b>264,422,460</b>          | <b>215,961,738</b>            |
| <b>TOTAL ASSETS</b>                                |      | <b>268,971,392</b>          | <b>217,007,981</b>            |
| <b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b> |      |                             |                               |
| <b>SHAREHOLDERS' EQUITY</b>                        |      |                             |                               |
| Share capital                                      | 9    | 25,000,000                  | 25,000,000                    |
| Statutory reserve                                  |      | 6,307,368                   | 6,307,368                     |
| Retained earnings                                  |      | 106,636,140                 | 89,210,921                    |
| Remeasurement of defined benefits plan             |      | (373,624)                   | (373,624)                     |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                  |      | <b>137,569,884</b>          | <b>120,144,665</b>            |
| <b><u>LIABILITIES</u></b>                          |      |                             |                               |
| <b>Non-Current Liabilities</b>                     |      |                             |                               |
| Employees' benefit obligations                     |      | 2,793,933                   | 2,826,142                     |
| Lease liabilities – non-current portion            | 5-b  | 1,534,555                   | 228,232                       |
| <b>Total Non-Current Liabilities</b>               |      | <b>4,328,488</b>            | <b>3,054,374</b>              |
| <b>Current Liabilities</b>                         |      |                             |                               |
| Lease liabilities – current portion                | 5-b  | 1,891,695                   | 226,085                       |
| Trade payables                                     | 10   | 105,127,879                 | 68,769,438                    |
| Accruals and other liabilities                     | 11   | 18,314,978                  | 21,405,673                    |
| Zakat provision                                    | 12   | 1,738,468                   | 3,407,746                     |
| <b>Total Current Liabilities</b>                   |      | <b>127,073,020</b>          | <b>93,808,942</b>             |
| <b>TOTAL LIABILITIES</b>                           |      | <b>131,401,508</b>          | <b>96,863,316</b>             |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |      | <b>268,971,392</b>          | <b>217,007,981</b>            |
| Contingencies and capital commitments              | 19   | 217,817,272                 | 219,732,872                   |

  
Chairman  
Abdullah AlOsaili

  
Chief Executive Officer  
Ahmed AlOsaili

  
Chief Financial Officer  
Mohammed Al-Robaian

The accompanying notes (1) to (24) form an integral part of these interim condensed consolidated financial statements.

**AXELERATED SOLUTIONS INFORMATION AND COMMUNICATION TECHNOLOGY  
COMPANY**

(Closed Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**


for the six-month period ended 30 June 2024

(All Amounts in SAR)

|   | Note | 30 June 2024<br>(Unaudited) | 30 June 2023<br>(Unaudited) |
|---|------|-----------------------------|-----------------------------|
| <b>REVENUE</b>                                |      |                             |                             |
| Revenue                                       | 13-a | 182,311,803                 | 117,871,003                 |
| Cost of revenue                               | 14   | (158,506,184)               | (88,978,771)                |
| <b>Gross profit</b>                           |      | <b>23,805,619</b>           | <b>28,892,232</b>           |
| <b>EXPENSES</b>                               |      |                             |                             |
| General and administrative expenses           |      | (4,382,415)                 | (3,011,192)                 |
| Selling and marketing expenses                |      | (995,198)                   | (904,939)                   |
| ECL provision on contract assets              | 13-b | (491,638)                   | (1,689,904)                 |
| ECL provision on accounts receivable          | 7    | (505,328)                   | (824,678)                   |
| <b>Operating income</b>                       |      | <b>17,431,040</b>           | <b>22,461,519</b>           |
| Finance costs                                 | 15   | (372,199)                   | (15,028)                    |
| Deposit profits                               |      | 204,497                     | -                           |
| Other income                                  |      | 1,899,572                   | 1,696,449                   |
| <b>Income for the period before zakat</b>     |      | <b>19,162,910</b>           | <b>24,142,940</b>           |
| Zakat   | 12   | (1,737,691)                 | (1,811,913)                 |
| <b>Net income for the period</b>              |      | <b>17,425,219</b>           | <b>22,331,027</b>           |
| <b>Earnings per share for the period:</b>     |      |                             |                             |
| Basic earnings per share for the period (SAR) | 16   | <b>0.70</b>                 | <b>0.89</b>                 |



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**AXELERATED SOLUTIONS INFORMATION AND COMMUNICATION TECHNOLOGY  
COMPANY**

(Closed Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

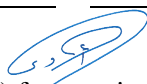
For the six-month period ended 30 June 2024

(All Amounts in SAR)

|   | Note | 30 June 2024<br>(Unaudited) | 30 June 2023<br>(Unaudited) |
|---|------|-----------------------------|-----------------------------|
| <b>Net income for the period</b>  |      | <b>17,425,219</b>           | 22,331,027                  |
| <b>Items that will not be reclassified to the statement of income in the subsequent year:</b> |      |                             |                             |
| - Remeasurement Losses on employees' defined benefit obligations                              |      | -                           | -                           |
| <b>Total comprehensive income for the period</b>  |      | <b>17,425,219</b>           | <b>22,331,027</b>           |



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**AXELERATED SOLUTIONS INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY**

(Closed Joint Stock Company)


**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

For the six-month period ended 30 June 2024

(All Amounts in SAR)

|  | Note | Share<br>Capital  | Statutory<br>Reserve | Retained<br>earnings | Remeasurement of<br>employees' defined<br>benefit obligations | Total              |
|--|------|-------------------|----------------------|----------------------|---|--------------------|
| Balance at 1 January 2023 (Audited)        |      | 25,000,000        | 6,307,368            | 54,380,459           | (99,209)  | 85,588,618         |
| Net income for the period                  |      | -                 | -                    | 22,331,027           | -   | 22,331,027         |
| Balance at 30 June 2023 (Unaudited)        |      | 25,000,000        | 6,307,368            | 76,711,486           | (99,209)  | 107,919,645        |
| <b>Balance at 1 January 2024 (Audited)</b> |      | <b>25,000,000</b> | <b>6,307,368</b>     | <b>89,210,921</b>    | <b>(373,624)</b>  | <b>120,144,665</b> |
| Net income for the period                  |      | -                 | -                    | 17,425,219           | -   | 17,425,219         |
| <b>Balance at 30 June 2024 (Unaudited)</b> |      | <b>25,000,000</b> | <b>6,307,368</b>     | <b>106,636,140</b>   | <b>(373,624)</b>  | <b>137,569,884</b> |

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**AXELERATED SOLUTIONS INFORMATION AND COMMUNICATION TECHNOLOGY  
COMPANY**

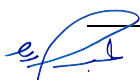
(Closed Joint Stock Company)


**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six-month period ended 30 June 2024

(All Amounts in SAR)

|   | Note | <b>30 June 2024</b><br><b>(Unaudited)</b> | 30 June 2023<br>(Unaudited) |
|---|------|---|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |      |   |                             |
| Net income for the period before zakat                          |      | <b>19,162,910</b>                         | 24,142,940                  |
| <b>Non-cash item adjustments:</b>                               |      |   |                             |
| Depreciation of property and equipment                          |      | <b>211,813</b>                            | 325,881                     |
| ECL provision on contract assets                                | 13-b | <b>491,638</b>                            | 1,689,904                   |
| ECL provision on accounts receivable                            | 7    | <b>505,328</b>                            | 824,678                     |
| Depreciation of right-of-use assets                             | 5-a  | <b>870,405</b>                            | 204,265                     |
| Provision for employees' benefit obligations                    |      | <b>157,652</b>                            | 452,088                     |
| Interest cost of lease obligations                              | 5-b  | <b>141,051</b>                            | 15,028                      |
| <b>Net changes in operating assets and liabilities</b>          |      | <b>21,540,797</b>                         | 27,654,784                  |
| <b>Changes in operating assets and liabilities:</b>             |      |   |                             |
| Contract assets   |      | <b>(12,417,062)</b>                       | (20,817,003)                |
| Accounts receivable   |      | <b>(53,956,405)</b>                       | (47,437,227)                |
| Prepayments and other assets                                    |      | <b>(4,597,513)</b>                        | (1,642,433)                 |
| Trade payables  |      | <b>36,358,441</b>                         | (15,236,076)                |
| Accruals and other liabilities                                  |      | <b>(3,090,695)</b>                        | 23,340,703                  |
| <b>Net cash used in operations</b>                              |      | <b>(16,162,437)</b>                       | (34,137,252)                |
| Employees' benefit obligations provision paid                   |      | <b>(189,861)</b>                          | (23,168)                    |
| Zakat paid  | 12   | <b>(3,406,969)</b>                        | (2,329,413)                 |
| <b>Net cash used in operating activities</b>                    |      | <b>(19,759,267)</b>                       | (36,489,833)                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |      |   |                             |
| Purchase of property and equipment                              |      | -   | (348,848)                   |
| <b>Net cash generated from / (used in) investing activities</b> |      | -   | (348,848)                   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |      |   |                             |
| Lease liabilities Paid  | 5-b  | <b>(1,754,025)</b>                        | (233,906)                   |
| <b>Net cash used in financing activities</b>                    |      | <b>(1,754,025)</b>                        | (233,906)                   |
| <b>Net decrease in cash and cash equivalents</b>                |      | <b>(21,513,292)</b>                       | (37,072,587)                |
| Cash and cash equivalents at beginning of the year              |      | <b>50,558,093</b>                         | 63,892,775                  |
| <b>Cash and cash equivalents at end of the year</b>             |      | <b>29,044,801</b>                         | 26,820,188                  |
| <b>Non-Cash Transactions:</b>                                   |      |   |                             |
| Right-of-use assets and Lease liabilities                       |      | <b>4,584,907</b>                          | -                           |

  
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The accompanying notes (1) to (24) form an integral part of these interim condensed consolidated financial statements.

# AXELERATED SOLUTIONS INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY

(Closed Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(All Amounts in SAR)

### 1. ORGANIZATION AND PRINCIPAL ACTIVITY

Axelerated Solutions Information and Communication Technology Company “the Company” is a Saudi Closed Joint Stock Company. It was incorporated in the Kingdom of Saudi Arabia, Riyadh, on 21 Dhu al-Hijjah 1436 AH (4 October 2015), under the commercial register No. 1010437776.

The Company is principally involved in the following activities:

| <b>General Scope of Business Activities</b>   | <b>Activity</b>   |
|---|---|
| Information and Communication   | System analysis<br>Application development<br>Administration and monitoring services of information and communication network infrastructure (The activity is contingent on a license from Communications, Space and Technology Commission)<br>Cyber security<br>Development of core infrastructure for web hosting and associated data management services |
| Other services  | Technical support and maintenance for personal computers across models .(The activity is contingent on a license from Communications, Space and Technology Commission)  |
| Trade activities including wholesale and retail, as well as the servicing and repair of motor vehicles and motorcycles. | Wholesale trade in computer equipment and supplies, including printers and ink supplies<br>The retail sales of computer equipment and supplies, including printers and ink supplies   |

The consolidated financial statements include the accounts of Axelerated Solutions Information and Communication Technology Company (the “Holding Company”) and its directly owned subsidiary (referred to as “the Subsidiary”).

| <b>Subsidiary</b>            | <b>Incorporation country</b> | <b>Legal Form</b> | <b>Effective Ownership Percentage (Direct)</b> |
|------------------------------|------------------------------|-------------------|--|
| Alpha Information System Co. | KSA                          | LLC               | %100   |

Alpha Information Technology Co. (“the company”) is a Saudi Limited Liability Company, registered in Riyadh, Kingdom of Saudi Arabia. The company engages in its operations under the commercial register No. 1010699480 dated 29 Sha’ban 1442 AH (corresponding to 11 April 2021).

The company is principally involved in the following activities:

| <b>General Scope of Business Activities</b>   | <b>Activity</b>  |
|---|--|
| Information and Communication   | System analysis<br>Development of user interaction interface and user experience<br>Cyber security |
| Trade activities including wholesale and retail, as well as the servicing and repair of motor vehicles and motorcycles. | Wholesale trade in computer equipment and supplies, including printers and ink supplies            |

# AXELERATED SOLUTIONS INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY

(Closed Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(All Amounts in SAR)

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### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

These interim condensed consolidated financial statements do not encompass all the information and disclosures mandated for the annual consolidated financial statements and should be reviewed in conjunction with the annual consolidated financial statements. Nevertheless, select accounting policies and explanatory notes have been included to elucidate events and transactions that are critical to understanding the changes in the group's financial position and performance since December 31, 2023.

The interim period constitutes an integral component of the full fiscal year; however, the results of operations during these interim periods may not provide a precise indication of the results for the entire fiscal year.

#### 2.2 Basis of measurement

The interim condensed consolidated financial statements have been prepared on a going concern, accrual and historical cost basis, except for employees' end-of-service benefits which are recognized at present value of future obligations using the expected unit credit method.

#### 2.3 Functional and presentation currency

Items included in the interim condensed consolidated financial statements are measured using the currency of the main economic environment in which the Group operates (the "functional currency"). These interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (SAR), which is the functional and presentation currency of the Group.

#### 2.4 Basis of consolidation

The consolidated financial statements include the financial statements of the Holding Company and its subsidiaries as at 30 June 2024 .as described in Note 1 ,Subsidiaries are entities which are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns. and where the Group retains less than a majority of voting rights or similar rights of the investee company, the Group shall take into account all relevant information and circumstances when assessing the extent of its control over the investee company including:
  - The contractual arrangement with the other voting holders of the investee
  - Rights arising from other contractual arrangements
  - The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses its control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date that the Group obtains control until the date the Group ceases to control over subsidiary.

# **AXELERATED SOLUTIONS INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY**

(Closed Joint Stock Company)

## **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six-month period ended 30 June 2024

(All Amounts in SAR)

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### **2. BASIS OF PREPARATION (CONTINUED)**

#### **2.4 Basis of consolidation (Continued)**

Profit or loss and each item of consolidated comprehensive income are attributable to shareholders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All inter-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- Derecognizes the carrying amount of any non-controlling interests,
- Derecognizes the cumulative translation differences recorded in equity,
- Recognizes the fair value of the consideration received,
- Recognizes the fair value of any investment retained,
- Recognizes any surplus or deficit in consolidated statement of profit or loss,
- Reclassifies the Holding Company's share of components previously recognized in the comprehensive income to consolidated statement of profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

### **3. ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

In preparing the interim condensed consolidated financial statements, the Group's management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The critical judgments exercised by management in the application of the group's accounting policies, along with the primary sources of estimation uncertainty, remain consistent with those applied to the consolidated financial statements for the year ended December 31, 2023.

### **4. SIGNIFICANT INFORMATION ON ACCOUNTING POLICIES**

The accounting policies employed in the preparation of these interim condensed consolidated financial statements are aligned with those utilized in the preparation of the group's annual consolidated financial statements for the year ended December 31, 2023, with the exception of the implementation of the following new and amended standards:

#### **a) New and Amended standards and interpretations**

No new or amended standards and interpretations have been adopted as at June 30, 2024.

#### **b) Standards issued but not effective yet**

The standards issued but not effective as of January 1, 2024, and which are described in the Group's annual interim consolidated financial statements, have no significant impact on the interim condensed consolidated financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but has not become effective yet.

**AXELERATED SOLUTIONS INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY**

(Closed Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six-month period ended 30 June 2024

(All Amounts in SAR)

**5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

**a. The movement of right-of-use assets is as follows:**

|   | <u>30 June 2024</u>     | <u>31 December 2023</u> |
|---|-------------------------|-------------------------|
| <b><u>Cost:</u></b>                               |                         |                         |
| Balance at beginning of the period / year         | 1,364,107               | 1,952,107               |
| Additions during the period / year                | 4,584,907               | -                       |
| Disposals during the period / year                | -                       | (588,000)               |
| <b>Balance at end of the period / year</b>        | <b><u>5,949,014</u></b> | <b><u>1,364,107</u></b> |
| <b><u>Accumulated Depreciation:</u></b>           |                         |                         |
| Balance at beginning of the period / year         | 916,628                 | 1,096,099               |
| Charged for the period / year                     | 870,405                 | 408,529                 |
| Disposals during the period / year                | -                       | (588,000)               |
| <b>Balance at end of the period / year</b>        | <b><u>1,787,033</u></b> | <b><u>916,628</u></b>   |
| <b>Net book value at end of the period / year</b> | <b><u>4,161,981</u></b> | <b><u>447,479</u></b>   |

**b. The movement of lease Liabilities**

|  | <u>30 June 2024</u>     | <u>31 December 2023</u> |
|--|-------------------------|-------------------------|
| Balance at beginning of the period / year  | 454,317                 | 898,431                 |
| Additions during the period / year         | 4,584,907               | -                       |
| Finance cost during the period / year      | 141,051                 | 25,870                  |
| Payments during the period / year          | (1,754,025)             | (469,984)               |
| <b>Balance at end of the period / year</b> | <b><u>3,426,250</u></b> | <b><u>454,317</u></b>   |

**6. PREPAYMENTS AND OTHER ASSETS**

|                              | <u>30 June 2024</u>      | <u>31 December 2023</u>  |
|------------------------------|--------------------------|--------------------------|
| Advances for lease contracts | 50,575                   | 1,804,053                |
| Letters of Guarantees        | 6,107,707                | 3,261,644                |
| Prepaid expenses             | 530,752                  | 959,359                  |
| Suppliers - advance          | 8,297,607                | 4,480,987                |
| Employee receivables         | 122,504                  | 5,589                    |
| <b>Total</b>                 | <b><u>15,109,145</u></b> | <b><u>10,511,632</u></b> |

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(All Amounts in SAR)

### 7. ACCOUNTS RECEIVABLE

|                                 | <u>30 June 2024</u>       | <u>31 December 2023</u>  |
|---------------------------------|---------------------------|--------------------------|
| Customers                       | 143,920,948               | 89,964,543               |
| ECL provision                   | <u>(3,878,280)</u>        | <u>(3,372,952)</u>       |
| <b>Accounts receivable, net</b> | <b><u>140,042,668</u></b> | <b><u>86,591,591</u></b> |

\* Customer balances primarily consist of amounts due from government and private sector customers who do not have a history of default or significant debt write-offs.

#### The movement of ECL provision is as follows:

|  | <u>30 June 2024</u>     | <u>31 December 2023</u> |
|--|-------------------------|-------------------------|
| Balance at beginning of the period / year  | 3,372,952               | 2,476,648               |
| Provided during the period / year          | <u>505,328</u>          | <u>896,304</u>          |
| <b>Balance at end of the period / year</b> | <b><u>3,878,280</u></b> | <b><u>3,372,952</u></b> |

### 8. CASH AND CASH EQUIVALENTS

|   | <u>30 June 2024</u>      | <u>31 December 2023</u>  |
|---|--------------------------|--------------------------|
| Cash and cash equivalents   | 29,044,801               | 40,558,093               |
| Murabaha deposits with an original maturity of less than 90 days* | <u>-</u>                 | <u>10,000,000</u>        |
|   | <b><u>29,044,801</u></b> | <b><u>50,558,093</u></b> |

### 9. SHARE CAPITAL

The Group's share capital amounted to SAR 25,000,000, divided into 25,000,000 shares (31 December 2023: 2,500,000 shares), of SAR 1 each (31 December 2023: SAR 1 each) distributed to the shareholders.

On 13 July 2023, the extraordinary general assembly gave their approval to the board of directors' proposal of reducing the par value per share from SAR 10 to SAR 1. During the year ended 31 December 2023, there were updates made to the commercial register and the Group's articles of association.

### 10. TRADE PAYABLES

|                | <u>30 June 2024</u>       | <u>31 December 2023</u>  |
|----------------|---------------------------|--------------------------|
| Trade payables | <u>105,127,879</u>        | <u>68,769,438</u>        |
|                | <b><u>105,127,879</u></b> | <b><u>68,769,438</u></b> |

\* The significant portion of the total balance is made up of amounts due to suppliers, which is the main component of the accounts payable balance.

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### 11. ACCRUED EXPENSES AND OTHER LIABILITIES

|                   | <u>30 June 2024</u> | <u>31 December 2023</u> |
|-------------------|---------------------|-------------------------|
| Accrued expenses  | 6,263,190           | 10,781,681              |
| VAT payable       | 9,482,190           | 7,280,096               |
| Withholding tax   | 73,288              | 72,019                  |
| Employee accruals | 1,111,845           | 3,113,056               |
| Clients - advance | 1,384,465           | 158,821                 |
| <b>Total</b>      | <b>18,314,978</b>   | <b>21,405,673</b>       |

### 12. ZAKAT

The Group has successfully filed zakat returns for previous years up to 2022 and obtained the zakat certificate for those years in 2023. The Company has not been aware of any zakat assessments that necessitate cash outflow of economic resources to the date of preparing the interim condensed consolidated financial statements

The movements in zakat provision for the period / year as follows:

|  | <u>30 June 2024</u> | <u>31 December 2023</u> |
|--|---------------------|-------------------------|
| Balance at beginning of the period / year  | 3,407,746           | 2,331,721               |
| Zakat charged for the period / year        | 1,737,691           | 3,407,418               |
| Zakat paid                                 | <b>(3,406,969)</b>  | <b>(2,331,393)</b>      |
| <b>Balance at end of the period / year</b> | <b>1,738,468</b>    | <b>3,407,746</b>        |

### 13. REVENUE

The following are the revenue details:

|                     | <u>30 June 2024</u> | <u>31 June 2023</u> |
|---------------------|---------------------|---------------------|
| Total revenue       | 182,311,803         | 117,871,003         |
| Less: Sales returns | -                   | -                   |
| <b>Total</b>        | <b>182,311,803</b>  | <b>117,871,003</b>  |

#### Geographical scope:

\* The Group's revenues are generated in full within the Kingdom of Saudi Arabia.

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**13. REVENUE(CONTINUED)**

**13.a The breakdown of revenue:**

| Segments  | <u>30 June 2024</u> | <u>30 June 2023</u> |
|---|---------------------|---------------------|
| <b>Type of goods or services:</b>                           |                     |                     |
| Revenues from computer hardware and supplies                | 129,389,257         | 55,633,525          |
| Revenues from software and licenses                         | 12,618,188          | 22,151,527          |
| Revenue from managed, operational and professional services | 40,304,358          | 40,085,951          |
| <b>Total revenue from contracts with customers</b>          | <b>182,311,803</b>  | <b>117,871,003</b>  |
| <b>Revenue by customer type:</b>                            |                     |                     |
| Government clients  | 109,374,967         | 73,462,291          |
| Corporate clients   | 72,936,836          | 44,408,712          |
| <b>Total revenue from contracts with customers</b>          | <b>182,311,803</b>  | <b>117,871,003</b>  |
| <b>Timing of revenue recognition:</b>                       |                     |                     |
| At a point in time  | 142,007,445         | 77,785,052          |
| Over time   | 40,304,358          | 40,085,951          |
| <b>Total revenue from contracts with customers</b>          | <b>182,311,803</b>  | <b>117,871,003</b>  |

**13.b Contract assets**

|   | <u>30 June 2024</u> | <u>31 December 2023</u> |
|---|---------------------|-------------------------|
| Total contract assets                             | 84,063,509          | 71,646,447              |
| Less: Provision for impairment on contract assets | (3,837,663)         | (3,346,025)             |
|   | <b>80,225,846</b>   | <b>68,300,422</b>       |

Contract assets mainly pertain to the Group's entitlement to receive consideration for services provided to the customers, which have not yet been billed as at the reporting date. These assets are transferred into receivables once contracts become unconditional and the Group sends an invoice to the customer.

As at 30 June 2024, a significant portion of the Group's contract assets come from government entities, totaling SAR 47,691,487, which accounts for 58% of the total contract assets. (as at 31 December 2023: SAR 46,446,848 which accounts for 77% of the total contract assets).

The movement in ECL provision on the contract assets for the period / year is as follows:

|  | <u>30 June 2024</u> | <u>31 December 2023</u> |
|--|---------------------|-------------------------|
| Balance at beginning of the period / year  | 3,346,025           | -                       |
| Additions                                  | 491,638             | 3,346,025               |
| <b>Balance at end of the period / year</b> | <b>3,837,663</b>    | <b>3,346,025</b>        |

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**14. COST OF REVENUE**

|                          | <u>30 June 2024</u> | <u>30 June 2023</u> |
|--------------------------|---------------------|---------------------|
| Operating costs          | 142,177,597         | 77,254,267          |
| Salaries and equivalents | 13,648,774          | 9,290,036           |
| Medical insurance        | 694,560             | 625,000             |
| Social insurance         | 597,701             | 519,937             |
| Government charges       | 455,090             | 337,347             |
| Employees' benefits      | 251,157             | 114,139             |
| Business travel expenses | 157,652             | 452,088             |
| Travel tickets           | 143,200             | 172,442             |
| Training expenses        | 230,896             | 176,982             |
| Others                   | 149,557             | 36,533              |
|                          | <u>158,506,184</u>  | <u>88,978,771</u>   |

**15. FINANCE COST**

|                            | <u>30 June 2024</u> | <u>30 June 2023</u> |
|----------------------------|---------------------|---------------------|
| Management fees            | 231,148             | -                   |
| Lease liabilities (Note 5) | 141,051             | 15,028              |
|                            | <u>372,199</u>      | <u>15,028</u>       |

**16. BASIC EARNINGS /(LOSS) PER SHARE**

Earnings /(loss) per share is calculated by dividing the net income for the period by the weighted average number of shares, amounting to 25,000,000 million shares for the period ended 30 June 2024 (31 December 2023: 25,000,000 million shares), and the following is how the calculation was made:

|   | <u>30 June 2024</u> | <u>30 June 2023</u> |
|---|---------------------|---------------------|
| Net income for the year attributable to the Parent company's shareholders | 17,425,219          | 22,331,027          |
| Weighted average number of shares after share value reduction             | 25,000,000          | 25,000,000          |
| <b>Earnings per share as per net income for the period</b>                | <u>0.70</u>         | <u>0.89</u>         |

**17. RELATED-PARTY TRANSACTIONS**

The principal shareholders and key management personnel of the Group are considered related parties. The following is a breakdown of the remunerations to key management personnel for the period:

**Remunerations to key management personnel**

|  | <u>30 June 2024</u> | <u>30 June 2023</u> |
|--|---------------------|---------------------|
| Board members and related committees' allowances | 60,000              | 69,000              |
| Key management personnel Salaries and benefits   | 1,924,418           | 1,833,655           |
|  | <u>1,984,418</u>    | <u>1,902,655</u>    |

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### 18. BANK FACILITIES

The Group has entered into facility agreements with local banks to meet its working capital requirements and support its business operations in form of letters of guarantee and letters of credit, totaling SAR 100 million as maximum as at 30 June 2024 (31 December 2023: SAR 40 million). The Group utilized a portion of these agreements to secure bank guarantees for its ongoing projects.

### 19. CONTINGENCIES AND CAPITAL COMMITMENTS

As at 30 June 2024, the Group's total contingencies to banks for letters of guarantee issued to government agencies amounted to SAR 29,707,207 (31 December 2023: SAR 24,899,161) for letters of guarantee issued to government agencies in exchange for tenders.

As at 30 June 2024, the Group has capital commitments from supply and service contracts totaling SAR 188,110,065 (31 December 2023: SAR 194,833,711).

In the ordinary course of business, the Group is not aware of any significant lawsuits that are likely to, or that would require, an outflow of economic resources, or that would result in a significant financial impact on the Group's financial position or its operations, as presented in these interim condensed consolidated financial statements.

### 20. FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability between knowledgeable willing parties in an arm's length transaction at the measurement date. Underlying the definition of fair value is the presumption that the Group is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date .

**Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial liabilities are classified as financial liabilities measured at amortized cost as at 30 June 2024 (31 December 2023).

### 21. DIVIDENDS

- On 13 July 2023, the distribution of cash dividends for the period from 1 January 2023 to 30 June 2023, was approved by the Extraordinary General Assembly, at SAR 0.80 per share, totaling SAR 2,000,000. The dividend payments were made during the year ended 31 December 2023.
- On 26 December 2023, the Board of Directors, with the approval of the General Assembly, authorized the distribution of cash dividends for the period from 1 July 2023 to 31 December 2023, at SAR 0.08 per share, totaling SAR 2,000,000. The dividend payments were made during the year ended 31 December 2023 (31 December 2022: SAR 2,000,000, proportionate to each partner's share in the capital).

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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**22. SIGNIFICANT EVENTS**

On June 8, 2024, the Ordinary General Assembly approved the issuance of 3,000,000 ordinary shares for subscription on the NOMW Parallel Market for Qualified Investors, representing 12% of the company's total capital. The procedures for studying the offering by the Capital Market Authority are still ongoing as of the date of preparation of these interim condensed consolidated financial statements.

**23. SUBSEQUENT EVENTS**

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

**24. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements were approved by the Group's Board of Directors On 29 Muharram 1446 AH (corresponding to 4 August 2024).