

**ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2024**

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2024

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

To the shareholders of
Elm Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Elm Company** ("the Company") and its subsidiaries (collectively referred to as "the Group"), as at 30 September 2024, and the related interim condensed consolidated statement of profit or loss and statement of other comprehensive income for the three and nine month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the nine month period then ended, and other explanatory notes. The Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standards ("IAS 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 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 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.

Conclusion

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

For Dr. Mohamed Al-Amri & Co.

Gihad Mohamed Al-Amri
Certified Public Accountant
License No. 362



Riyadh, on: 7 November 2024 (G)
Corresponding to: 5 Jumada al Ula 1446 (H)


ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)

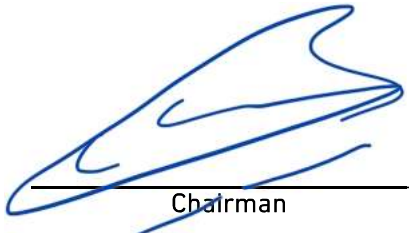
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2024
All amounts in Saudi Riyals

	Note	For the three months period ended September 30		For the nine months period ended September 30	
		2024	2023	2024	2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	5	1,871,539,614	1,521,000,195	5,277,565,298	4,212,994,567
Cost of revenue		(1,034,431,063)	(945,534,356)	(3,079,030,161)	(2,491,077,967)
GROSS PROFIT		837,108,551	575,465,839	2,198,535,137	1,721,916,600
EXPENSES					
Selling and marketing		(78,109,450)	(66,952,781)	(235,491,423)	(193,650,020)
Expected credit losses, net		(43,873,773)	(25,642,756)	(62,139,442)	(63,837,701)
General and administrative		(150,392,660)	(121,799,551)	(426,145,828)	(339,387,440)
Depreciation and amortization	6,7,8	(69,633,097)	(38,114,788)	(180,535,053)	(104,551,348)
Impairment of non-current assets		(1,126,789)	-	(1,942,431)	-
OPERATING PROFIT		493,972,782	322,955,963	1,292,280,960	1,020,490,091
Finance cost		(8,069,170)	(1,250,655)	(20,637,255)	(3,367,316)
Income from murabaha deposit	14,15	32,718,237	33,577,664	105,939,057	91,160,104
Share of result from investment in associate	9	(490,565)	-	(516,266)	(2,218,741)
Gain at fair value of financial assets through profit or loss	9,10	7,961,811	352,090	27,983,846	1,484,958
Other income, net		5,448,707	8,373,859	29,466,645	19,213,522
PROFIT BEFORE ZAKAT		531,541,802	364,008,921	1,434,516,987	1,126,762,618
Zakat	21	(33,300,181)	(29,762,998)	(105,267,314)	(97,342,647)
NET PROFIT		498,241,621	334,245,923	1,329,249,673	1,029,419,971
<i>Net profit attributable to:</i>					
Equity holders of the parent Company		498,241,621	334,245,923	1,329,262,129	1,029,419,971
Non-controlling interests		-	-	(12,456)	-
		498,241,621	334,245,923	1,329,249,673	1,029,419,971
Earnings per share from net profit attributable to equity holders of the parent company:					
Basic	19	6.41	4.30	17.11	13.25
Diluted	19	6.23	4.18	16.62	12.87

إبراهيم


Chief Financial Officer


Chief Executive Officer


Chairman

The accompanying notes from (1) to (30) form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2024
All amounts in Saudi Riyals

	Note	For the three months period ended September 30		For the nine months period ended September 30	
		2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
NET PROFIT		498,241,621	334,245,923	1,329,249,673	1,029,419,971
OTHER COMPREHENSIVE INCOME FOR THE PERIOD:					
<i>Items that may be reclassified subsequently to Profit or loss:</i>					
Foreign currency translation difference		(1,025)	-	(1,112)	-
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Change in fair value of financial assets through other comprehensive income	10	(9,245,262)	-	(12,687,401)	-
TOTAL COMPREHENSIVE INCOME		488,995,334	334,245,923	1,316,561,160	1,029,419,971
<i>Total comprehensive income attributable to:</i>					
Equity holders of the parent Company		488,995,334	334,245,923	1,316,573,616	1,029,419,971
Non-controlling interests		-	-	(12,456)	-
		488,995,334	334,245,923	1,316,561,160	1,029,419,971

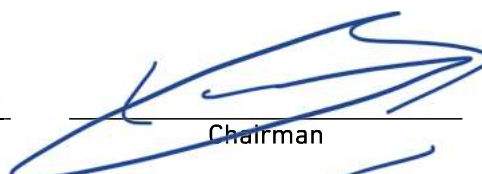
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Chief Financial Officer



Chief Executive Officer



Chairman

The accompanying notes from (1) to (30) form an integral part of these interim condensed consolidated financial statements

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

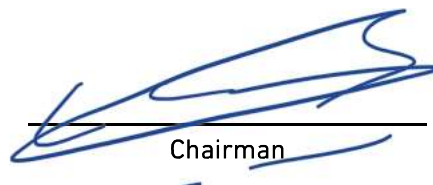
All amounts in Saudi Riyals

	Note	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS			
NON – CURRENT ASSETS			
Property and equipment	6	458,532,214	375,183,246
Capital work in progress		75,383,195	119,813,847
Right-of-use assets	7	574,726,877	230,798,737
Intangible assets	8	184,400,488	174,646,541
Investments in associates	9	6,968,760	2,137,153
Other financial assets	10	230,387,453	227,906,324
TOTAL NON – CURRENT ASSETS		1,530,398,987	1,130,485,848
CURRENT ASSETS			
Accounts receivable	11	2,724,391,975	2,322,353,701
Contract assets	12	971,584,622	847,625,684
Prepaid expenses and other current assets	13	347,811,272	337,441,825
Other financial assets	10	473,801,028	18,797,335
Murabaha deposit	14	2,135,305,606	3,056,113,638
Cash and cash equivalents	15	603,320,355	384,394,607
TOTAL CURRENT ASSETS		7,256,214,858	6,966,726,790
TOTAL ASSETS		8,786,613,845	8,097,212,638
EQUITY AND LIABILITIES			
EQUITY			
Share capital		800,000,000	800,000,000
Statutory reserve	16	-	174,708,101
Treasury share		(294,758,400)	(294,758,400)
Other reserves		55,018,838	12,826,478
Retained earnings		4,222,972,905	3,301,731,675
Equity attributable to equity holders of the parent Company		4,783,233,343	3,994,507,854
Non-controlling interest		151,544	164,000
TOTAL EQUITY		4,783,384,887	3,994,671,854
LIABILITIES			
NON – CURRENT LIABILITIES			
Lease liabilities		530,663,769	212,090,689
End of service benefits provision	18	371,935,310	360,689,127
TOTAL NON – CURRENT LIABILITIES		902,599,079	572,779,816
CURRENT LIABILITIES			
Accounts payable and other current liabilities	20	2,234,858,049	2,805,055,424
Contract liabilities		625,040,409	503,707,390
Zakat	21	196,419,925	183,613,319
liabilities of purchasing property		-	25,396,063
Lease liabilities		44,311,496	11,988,772
TOTAL CURRENT LIABILITIES		3,100,629,879	3,529,760,968
TOTAL LIABILITIES		4,003,228,958	4,102,540,784
TOTAL EQUITY AND LIABILITIES		8,786,613,845	8,097,212,638

أبراهيم


Chief Financial Officer


Chief Executive Officer


Chairman

The accompanying notes from (1) to (30) form an integral part of these interim condensed consolidated financial statements

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

All amounts in Saudi Riyals

	Note	Equity attributable to the equity holders of the Parent					Non - controlling interest	Total equity
		Share capital	Treasury shares	Statutory reserve	Other reserves	Retained earnings		
Balance as at January 1, 2023 (Audited)		800,000,000	(307,200,000)	174,708,101	(24,180,887)	2,403,679,701	-	3,047,006,915
Net profit		-	-	-	-	1,029,419,971	-	1,029,419,971
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	1,029,419,971	-	1,029,419,971
Treasury shares settlement		-	12,441,600	-	(20,446,020)	8,004,420	-	-
Share-based payment transaction	17	-	-	-	21,235,153	-	-	21,235,153
Dividends		-	-	-	-	(466,183,200)	-	(466,183,200)
Balance as at September 30, 2023 (Unaudited)		<u>800,000,000</u>	<u>(294,758,400)</u>	<u>174,708,101</u>	<u>(23,391,754)</u>	<u>2,974,920,892</u>	<u>-</u>	<u>3,631,478,839</u>
Balance as at January 1, 2024 (Audited)		800,000,000	(294,758,400)	174,708,101	12,826,478	3,301,731,675	164,000	3,994,671,854
Net profit		-	-	-	-	1,329,262,129	(12,456)	1,329,249,673
Other comprehensive income		-	-	-	(12,688,513)	-	-	(12,688,513)
Total comprehensive income		-	-	-	(12,688,513)	1,329,262,129	(12,456)	1,316,561,160
Share-based payment transaction	17	-	-	-	54,880,873	-	-	54,880,873
Transfer of Statutory reserve	16	-	-	(174,708,101)	-	174,708,101	-	-
Dividends	26	-	-	-	-	(582,729,000)	-	(582,729,000)
Balance as at September 30, 2024 (Unaudited)		<u>800,000,000</u>	<u>(294,758,400)</u>	<u>-</u>	<u>55,018,838</u>	<u>4,222,972,905</u>	<u>151,544</u>	<u>4,783,384,887</u>

Chief Financial Officer

Chief Executive Officer

Chairman

The accompanying notes from (1) to (30) form an integral part of these interim condensed consolidated financial statements

ELM COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024
All amounts in Saudi Riyals

	Note	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat		1,434,516,987	1,126,762,618
<i>Adjustments for non-cash items:</i>			
Depreciation and amortization	6, 7, 8	180,535,053	104,551,348
Impairment of non-current assets		1,942,431	-
Expected credit losses		62,139,442	63,837,701
End of service benefits provision	18	52,644,381	50,657,629
Share based payment transaction	17	54,880,873	21,235,153
Finance cost		20,637,255	3,367,316
Income from murabaha deposit	14,15	(105,939,057)	(91,160,104)
Share of result from investment in associate	9	516,266	2,218,741
Fair value gain from financial assets at fair value through profit or loss	9, 10	(27,983,846)	(1,484,958)
Other expenses, net		835,556	5,983
		1,674,725,341	1,279,991,427
<i>Working capital adjustments:</i>			
Accounts receivable	11	(464,653,170)	(694,283,091)
Contract assets	12	(123,843,483)	(286,865,930)
Prepaid expenses and other current assets	13	13,938,310	(35,481,132)
Accounts payable and other current liabilities	20	(569,838,608)	599,706,049
Contract liabilities		121,333,019	19,957,101
Cash from operations		651,661,409	883,024,424
Zakat paid	21	(92,460,708)	(71,905,032)
Proceeds, income from murabaha deposit		143,910,435	55,335,566
End of service benefits paid	18	(41,398,198)	(10,575,546)
Net cash generated from operating activities		661,712,938	855,879,412
CASH FLOWS FROM INVESTING ACTIVITIES			
Murabaha deposit		858,131,090	(429,283,518)
Purchase of property and equipment and intangible assets	6, 8	(79,298,520)	(46,510,374)
Purchase of investments in associates	9	(4,500,000)	-
Proceeds from disposal of property and equipment		-	280,884
Proceeds from other financial assets	10	304,000,000	298,793,135
Proceeds from investments in associates		-	150,000
Investments in other financial assets	10	(747,036,250)	(278,560,436)
Payments for capital works in progress		(97,172,296)	(96,073,069)
Net cash generated from/(used in) investing activities		234,124,024	(551,203,378)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		(66,391,764)	(23,047,351)
Payment of principal portion of purchasing property		(25,396,063)	(23,429,979)
Finance cost paid		(2,728,762)	(1,840,954)
Dividends paid		(582,395,800)	(466,183,200)
Net cash used in financing activities		(676,912,389)	(514,501,484)
Net Change in cash and cash equivalents		218,924,573	(209,825,450)
Cash and cash equivalents at the beginning of the period	15	384,394,607	588,679,391
Net, Foreign currency exchange difference		1,175	-
Cash and cash equivalents at the end of the period		603,320,355	378,853,941

Chief Financial Officer

Chief Executive Officer

Chairman

The accompanying notes from (1) to (30) form an integral part of these interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2024

All amounts in Saudi Riyals

1. INFORMATION ABOUT THE COMPANY

Elm Company formerly known, as (Al Elm Information Security Company) ("the Company") is a Saudi joint stock company, incorporated in the city of Riyadh, Kingdom of Saudi Arabia on Shawwal 24, 1408 (corresponding to June 8, 1988) and is registered with Commercial Registration No. 1010069210.

The company's activities are represented in providing information security services, working in the field of electronic business, consulting services, exchanging credit information, managing and operating data and information centers, importing, developing, selling and maintaining hardware, software, information systems and communication networks, providing sites for buying and selling via the Internet, and working in the field of training and workforce development.

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). These interim condensed and consolidated financial statements do not include all the information and disclosures required in the complete annual consolidated financial statements in accordance with International Financial Reporting Standards. Therefore, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the group at December 31, 2023.

Certain prior period's figures have been reclassified to conform to the current period's presentation (Note 28).

2.1 Use of assumptions, estimates, and important accounting judgments

The significant accounting assumptions, estimates and judgments used in preparing these interim condensed consolidated financial statements are consistent with those applied in preparing the consolidated financial statements for the year ended December 31, 2023.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in preparing these interim condensed consolidated financial statements are consistent with those applied in preparing the consolidated financial statements for the year ended December 31, 2023.

4. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

A- New and amended standards and interpretations

There are no new and amended standards and interpretations applicable as of September 30, 2024, that have a material impact on the interim condensed consolidated financial statements.

B- New and amended IFRSs not yet effective

Standards issued but not yet effective are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2023. Noting that the Group has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2024
All amounts in Saudi Riyals

5. REVENUE

The following is the group revenue analysis, as per business unit:

	For the three months period ended September 30		For the nine months period ended September 30	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Digital business	1,435,167,754	1,087,905,435	3,859,191,749	3,070,845,727
Business process outsourcing	408,172,650	391,259,024	1,324,891,413	1,027,492,536
Professional services	28,199,210	41,835,736	93,482,136	114,656,304
	<u>1,871,539,614</u>	<u>1,521,000,195</u>	<u>5,277,565,298</u>	<u>4,212,994,567</u>

Revenue sources:

	For the three months period ended September 30		For the nine months period ended September 30	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from private parties	1,199,640,540	976,168,850	3,351,127,755	2,700,245,184
Revenue from government agencies	671,899,074	544,831,345	1,926,437,543	1,512,749,383
	<u>1,871,539,614</u>	<u>1,521,000,195</u>	<u>5,277,565,298</u>	<u>4,212,994,567</u>

Revenue recognition time:

	For the three months period ended September 30		For the nine months period ended September 30	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At a point in time	1,498,871,544	1,169,866,939	3,930,119,220	3,213,270,227
Over a period of time	372,668,070	351,133,256	1,347,446,078	999,724,340
	<u>1,871,539,614</u>	<u>1,521,000,195</u>	<u>5,277,565,298</u>	<u>4,212,994,567</u>

The amounts above include transactions with related parties (Note 22).

6. PROPERTY AND EQUIPMENT

The movement in property and equipment are as follows:

	For the nine months period ended September 30	
	2024	2023
	(Unaudited)	(Unaudited)
Balance at the beginning of the period (A)	375,183,246	353,498,965
Additions during the period	55,147,017	44,488,476
Transfer from capital work in progress	89,207,693	-
Disposals during the period	(875,978)	(257,851)
Depreciation during the period	(60,129,764)	(36,127,235)
	<u>458,532,214</u>	<u>361,602,355</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2024
All amounts in Saudi Riyals

6. PROPERTY AND EQUIPMENT(CONTINUED)

The following is a classification of depreciation if presented by function in the interim condensed consolidated statement of profit or loss:

	For the three months period ended September 30		For the nine months period ended September 30	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of revenue	19,781,669	8,681,287	44,177,595	23,783,361
General and administrative expenses	6,135,842	4,810,988	15,153,845	11,734,765
Selling and marketing expenses	282,560	262,874	798,324	609,109
	26,200,071	13,755,149	60,129,764	36,127,235

(A) During 2011, the Company purchased land and a building to be the headquarters at a cost of SR 303 million. The last payment of the contract to purchase the head office was paid during the current quarter and the company is still working on the procedures for transferring ownership of the land and the building.

7. RIGHT -OF- USE ASSETS

The movement in right-of-use assets are as follows:

	For the nine months period ended September 30	
	2024	2023
	(Unaudited)	(Unaudited)
Balance at the beginning of the period	230,798,737	80,386,822
Additions during the period	399,483,091	87,053,248
Disposals during the period	-	(4,212,242)
Depreciation during the period	(55,554,951)	(16,544,748)
	574,726,877	146,683,080

The following is a classification of depreciation if presented by function in the interim condensed consolidated statement of profit or loss:

	For the three months period ended September 30		For the nine months period ended September 30	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of revenue	5,540,692	2,131,344	15,319,225	5,929,319
General and administrative expenses	14,126,026	3,959,083	40,235,726	10,615,429
	19,666,718	6,090,427	55,554,951	16,544,748

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2024
All amounts in Saudi Riyals

8. INTANGIBLE ASSETS

The movement in intangible assets are as follows:

	For the nine months period ended September 30	
	2024 (Unaudited)	2023 (Unaudited)
Balance at the beginning of the period	174,646,541	179,633,130
Additions during the period	24,151,503	2,021,898
Transfer from capital work in progress	51,579,571	40,188,349
Amortization during the period	(64,850,338)	(51,879,365)
Impairment	(1,126,789)	-
	<u>184,400,488</u>	<u>169,964,012</u>

The following is a classification of amortization if presented by function in the interim condensed consolidated statement of profit or loss:

	For the three months period ended September 30		For the nine months period ended September 30	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Cost of revenue	21,293,915	15,538,03	57,734,886	46,168,407
General and administrative expenses	2,472,393	2,731,178	7,115,452	5,710,958
	<u>23,766,308</u>	<u>18,269,212</u>	<u>64,850,338</u>	<u>51,879,365</u>

9. INVESTMENTS IN ASSOCIATES

The movement in the balance of investments in associates are as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<u>Investment using the equity method:</u>		
Balance at the beginning of the period/year	-	2,397,758
Disposals	-	(179,017)
Share of results from associates	-	(2,218,741)
	<u>-</u>	<u>-</u>
<u>Long Term Interest:</u>		
Balance at the beginning of the period/year	2,137,153	15,985,299
Additions	4,500,000	-
Gain / (losses) at FVTPL	847,873	(4,120,518)
Share in total accumulated losses (A)	(516,266)	(9,727,628)
	<u>6,968,760</u>	<u>2,137,153</u>
Group's net investment balance	<u>6,968,760</u>	<u>2,137,153</u>

A) The amount represents the Group's share of losses in excess of the value of the investment using the equity method, where losses are recognized by reducing other components of the company's interest in associates.

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10. OTHER FINANCIAL ASSETS

The group's other financial assets balances consist of:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<i>Financial assets at FVTPL</i>		
Money Market Funds (A)	473,801,028	18,797,335
Advance payment for future equity (B)	1,385,208	19,936,296
	475,186,236	38,733,631
<i>Financial assets at FVTOCI</i>		
Unquoted equity investments (C)	229,002,245	207,970,028
Other financial assets are presented in the statement of financial position as follows:		
Current	473,801,028	18,797,335
Non-current	230,387,453	227,906,324
	704,188,481	246,703,659

- A) An investment in money market funds represents an investment in a public murabaha fund, aimed at achieving low risk returns for unit holders while preserving capital and providing liquidity (fair value level 2).
- B) The advance payment for future equity represents amounts that the Group has paid to obtain shares in the upcoming investment rounds of these companies. All advance payments are considered debt instruments in accordance with IFRS 9, and when it's fair valued, cash flow and multiple methods are used for measurement. Using various methods such as multiples method and Equity rounds (fair value level 3).
- C) Investments in unquoted equity represent venture capital investments for companies operating in the information technology sector in Saudi Arabia and abroad, and when it's fair valued, cash flow models and Equity rounds (Fair value level 3). Accordingly, management has chosen to classify these investments in equity at fair value through other comprehensive income, as short-term fluctuations in fair value do not align with the group's strategy of holding these investments for long-term purposes and realizing their potential performance over the long-term.

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10. OTHER FINANCIAL ASSETS (CONTINUED)

The movement in financial assets measured at fair value during the period/ year is as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at the beginning of the period/year	246,703,659	267,403,011
Additions	747,036,250	432,696,961
Proceeds	(304,000,000)	(467,929,663)
Gain / (losses) on financial assets at FVTPL	27,135,973	(11,848,122)
(Losses) / Gain on financial assets at FVTOCI	(12,687,401)	26,381,472
Balance at the end of the period/year	704,188,481	246,703,659

11. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Government receivables	1,774,533,917	1,487,490,009
Private receivables	1,456,126,178	1,278,516,916
	3,230,660,095	2,766,006,925
Expected credit losses provision	(506,268,120)	(443,653,224)
	2,724,391,975	2,322,353,701

The above amounts include balances with related parties (Note 22).

12. CONTRACT ASSETS

Contract assets represent revenues generated from services performed by the group that have not been invoiced to customers up to the date of the interim condensed consolidated financial statements, and that revenue will be invoiced subsequent to the financial period.

Contract assets consist of the following:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Government contract assets	715,709,523	701,502,502
Private contract assets	384,621,115	274,984,648
	1,100,330,638	976,487,150
Expected credit losses provision	(128,746,016)	(128,861,466)
	971,584,622	847,625,684

The above amounts include balances with related parties (Note 22).

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13. PREPAYMENTS AND OTHER CURRENT ASSETS

Prepayments and other current assets consist of the following:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Deferred costs	149,711,364	70,830,503
Prepaid expenses	59,463,548	77,400,840
Accrued murabaha deposit income	34,974,652	37,495,313
Advance payments to vendors	29,952,613	93,910,498
Employees receivable	29,497,633	26,020,880
Letter of guarantee	24,474,061	30,466,718
Payments under Settlement (A)	19,113,262	-
Other	624,139	1,317,073
	347,811,272	337,441,825

A) The balance represents amounts that the Group transferred to its accounts that were not included in its assets as part of the operational activities in which the Group acts as an agent for those balances on behalf of the contracting parties. These balances are settled once they are collected (Note 15-B).

14. MURABAHA DEPOSITS

The balance of long-term murabaha deposits consists of long-term deposits with a term of more than three months. The average commission is 6.12% annually (2023: 5.94% annually), and the interim condensed consolidated statement of profit or loss has been charged with a total deposit income of SR 6.9 million during the three months period ended September 30, 2024 (2023: SR 17.1 million), and during the nine months period ended September 30, 2024 SR 34.3 million (2023: SR 68.9 million). All murabaha deposits mature within one year.

15. CASH AND CASH EQUIVALENTS

Cash and Cash equivalents consists of the following:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash at banks	263,320,355	320,390,132
Short term murabaha deposits (15-A)	340,000,000	64,004,475
	603,320,355	384,394,607

(15-A) The balance of short-term murabaha deposits consists of short-term deposits of three months and less. The average commission is 5.87% annually (2023: 5.79% annually). The interim condensed consolidated statement of profit or loss has been charged with a total deposit income of SR 25.8 million during the three months period ended September 30, 2024 (2023: SR 16.4 million), and during the nine months period ended September 30, 2024 SR 71.6 million (2023: SR 22.3 million).

(15-B) The Company has a balance of SR 4.3 billion as at 30 September 2024 (31 December 2023: SR 2.6 billion) recorded in its bank accounts, which has not been recorded within the group's assets. The group acts as an agent for these balances on behalf of the contracted parties to operate and provide the services.

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16. STATUTORY RESERVE

The Extraordinary General Assembly in its meeting held on 22 Shawwal 1445 H (corresponding to 1 May 2024) approved transferring the balance of statutory reserve amounting to SR 174,708,101 to retained earnings. During the period ended September 30, 2024, the required procedures have been completed and the balance of the statutory reserve has been transferred to retained earnings.

17. SHARE BASED PAYMENT

During the first quarter of 2024, the Group announced the third phase of the long-term incentive plan program for its employees, the details of which are as follows:

<u>Grant date</u>	<u>Due date</u>	<u>Average fair value of the shares</u>	<u>Maximum number of shares granted</u>	<u>Settlement method</u>
January 1, 2024	March 31, 2027	797	48,648	Equity
May 23, 2024	March 31, 2027	844	24,934	Equity

The following is a table of share-based payment transaction expenses by program type:

	For the nine months period ended September 30	
	2024	2023
	(Unaudited)	(Unaudited)
Broad based Stock ownership program	-	3,002,665
Tranche 1- Long term incentive plan	15,954,747	15,633,828
Tranche 2 - Long term incentive plan	25,956,749	2,598,660
Tranche 3 - Long term incentive plan	12,969,377	-
	54,880,873	21,235,153

18. END OF SERVICES BENEFITS PROVISION

Employee end of service benefits provision movement as follows:

	September 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	360,689,127	307,462,112
Current service cost	41,920,536	53,971,227
Current service financing cost	10,723,845	13,789,543
Benefits paid	(41,398,198)	(19,996,797)
Actuarial losses	-	5,463,042
Balance at the end of the period/year	371,935,310	360,689,127

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19. EARNINGS PER SHARE

Earnings per share for the period has been calculated by dividing the profit for the period by the weighted average number of shares outstanding at the end of the period. The calculation of basic and diluted earnings per share is based on the following information:

	For the three months period ended September 30		For the nine months period ended September 30	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Net profit attributable to equity holders of the parent company	498,241,621	334,245,923	1,329,262,129	1,029,419,971
Number of shares				
Weighted average number of shares for calculation for basic earnings per share	77,697,200	77,697,200	77,697,200	77,680,466
Weighted average number of shares for repurchased shares	2,302,800	2,302,800	2,302,800	2,319,534
Weighted average number of shares for calculation for diluted earnings per share	80,000,000	80,000,000	80,000,000	80,000,000
EARNINGS PER SHARE:				
Basic	6.41	4.30	17.11	13.25
Diluted	6.23	4.18	16.62	12.87

20. ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

Accounts payable and other current liabilities are as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Income sharing and business partners payables	1,044,827,253	1,582,095,955
Contractual cost	388,013,079	384,390,554
Accounts payable	372,784,331	328,851,291
Employee accruals	286,485,596	368,550,827
Value added tax	61,777,462	74,902,463
Incentives & marketing	44,952,800	42,273,245
Retention payable	6,127,326	3,535,720
Dividend payable	2,320,242	1,987,042
Litigation provision (Note 25)	2,185,774	1,070,417
Other	25,384,186	17,397,910
	2,234,858,049	2,805,055,424

The above amounts include balances with related parties (Notes 22).

21. ZAKAT

The group submitted all its zakat returns until the end of the year 2023, with paying the zakat due based on those returns and received the zakat certificate for that year. The group has not received any zakat assessments until the date of preparing the interim condensed consolidated financial statements.

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21. ZAKAT (CONTINUED)

The Group pays VAT on monthly basis and VAT returns have been submitted for all previous fiscal years. The Group underwent a tax examination for the years 2018, 2019, 2020 and 2022. The process of examining tax returns submitted for these years was closed and did not result in any tax differences.

The movement in the provision for zakat during the period / year was as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at the beginning of the period year	183,613,319	138,434,452
Charge	105,267,314	117,057,649
Paid	(92,460,708)	(71,878,782)
Balance at the end of the period/year	<u>196,419,925</u>	<u>183,613,319</u>

22. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties consist of governmental entities, including ministries, authorities, and other government-affiliated entities (including the Public Investment Fund "the main shareholder"), government-related entities are subsidiaries of the main shareholder, associate companies, and members of the board of directors and senior management of the Company. All of these transactions are carried out according to the terms agreed by the management of the Group. As at the date of preparing the interim consolidated financial statements, balances with related parties were unguaranteed.

22.1 Related party transactions

The transactions with related parties are similar to commercial transactions with external parties. Below are the details of the significant transactions with related parties:

	For the three months period ended September 30		For the nine months period ended September 30	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Transactions with government entities (*)				
Service revenue (Note 5)	671,899,074	544,831,345	1,926,437,543	1,512,749,383
Services cost	325,409,274	126,111,126	899,840,282	573,389,414
Transactions with government related entities				
Service revenue (Note 5)	27,765,928	16,099,096	125,265,697	120,726,345
Services cost	13,196,159	12,716,465	79,402,128	79,342,598
Transactions with Associate companies				
Services cost	1,335,289	4,987,186	1,967,069	6,619,387
* Service revenues from government entities include transactions with the main shareholder amounting to SR 15.7 million (2023: SR 15.6 million).				
Transaction with board of directors and senior executive managers				
Salaries and benefit	7,147,854	8,293,338	22,088,395	24,545,851
Remunerations and allowances	3,194,357	4,665,131	12,345,134	14,826,560
Share based payment Expense	5,465,552	1,174,126	11,750,431	3,355,476
End of service benefits Expense	437,515	531,925	2,758,754	3,478,550
	<u>16,245,278</u>	<u>14,664,520</u>	<u>48,942,714</u>	<u>46,206,437</u>

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22. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

22.2 Related party balances

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balances		
Due from related parties (*)		
<i>Due from government entities classified under:</i>		
Accounts receivable (Note 11)	1,774,533,917	1,487,490,009
Contract assets (Note 12)	715,709,523	701,502,502
<i>Due from government related entities classified under:</i>		
Accounts receivable (Note 11)	251,981,442	182,117,569
Contract assets (Note 12)	42,469,435	20,364,362
Due to Related Parties:		
<i>Due to government related classified under:</i>		
Accounts payable and other current liabilities (Note 20)	1,029,992,956	1,588,614,267
<i>Due to government related entities classified under:</i>		
Accounts payable and other current liabilities (Note 20)	23,341,491	30,513,812
<i>Due to associate companies classified under:</i>		
Accounts payable and other current liabilities (Note 20)	5,532,161	2,099,460

* Balances due from government entities include amounts due from the main shareholder included in receivables at an amount of SR 1.8 million (2023: SR 11.2 million). And due balances included in contract assets amounting to SR 24.2 million (2023: SR 25.6 million).

23. SEGMENT INFORMATION

The information regarding the Group's operating segments is described below in accordance with IFRS 8, where the standard requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's operating decision maker. The company's business includes the following:

- 1- **Digital Business:** These are ready-to-use solutions in the form of technical services, portals, electronic applications, and related support work, which were developed by the company in cooperation with a large number of facilities in the public and private sectors with the aim of creating integrated services that cover a large segment of society, by creating advanced services that contribute to solving an existing problem or filling an existing service gap, by converting traditional procedures into electronic transactions. In addition to integrated technology businesses, entitlement engines and digital platforms, The Group provides integrated technology business solutions to clients from the public and private sectors.
- 2- **Business Process Outsourcing:** The Group seeks through business attribution solutions to enhance its competitive advantage in the field of operation and service provision in the areas of competence; And that is through the management and the total operation of services, or partial support for them in specific areas, and their progression towards a digital vision.
- 3- **Professional Services:** These include advisory services and professional services in data analysis and artificial intelligence, through which the Group understands the problems of the facility and develops a comprehensive action plan to develop its overall performance and raise customer satisfaction levels.

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23. SEGMENT INFORMATION (CONTINUED)

The selected financial data for these sectors follows:

	For the three months period ended September 30		For the nine months period ended September 30	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Revenue				
Digital Business	1,435,167,754	1,087,905,435	3,859,191,749	3,070,845,727
Business Process Outsourcing	408,172,650	391,259,024	1,324,891,413	1,027,492,536
Professional Services	28,199,210	41,835,736	93,482,136	114,656,304
	<u>1,871,539,614</u>	<u>1,521,000,195</u>	<u>5,277,565,298</u>	<u>4,212,994,567</u>
Cost				
Direct cost	(1,034,431,063)	(945,534,356)	(3,079,030,161)	(2,491,077,967)
Operating expenses (except depreciation and amortization, ECL, Impairment)	(228,502,110)	(188,752,332)	(661,637,251)	(533,037,460)
Expected credit loss (ECL)	(43,873,773)	(25,642,756)	(62,139,442)	(63,837,701)
Depreciation & amortization	(69,633,097)	(38,114,788)	(180,535,053)	(104,551,348)
Impairment of non-current assets	(1,126,789)	-	(1,942,431)	-
Other income, net	37,569,020	41,052,958	142,236,027	106,272,527
Zakat	(33,300,181)	(29,762,998)	(105,267,314)	(97,342,647)
	<u>(1,373,297,993)</u>	<u>(1,186,754,272)</u>	<u>(3,948,315,625)</u>	<u>(3,183,574,596)</u>
Net profit	<u>498,241,621</u>	<u>334,245,923</u>	<u>1,329,249,673</u>	<u>1,029,419,971</u>

Below is a breakdown of gross profit by segments:

	For the three months period ended September 30		For the nine months period ended September 30	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Digital Business	725,130,263	458,244,615	1,857,134,073	1,390,182,612
Business Process Outsourcing	108,860,850	112,847,271	325,828,132	317,059,347
Professional Services	3,117,438	4,373,953	15,572,932	14,674,641
	<u>837,108,551</u>	<u>575,465,839</u>	<u>2,198,535,137</u>	<u>1,721,916,600</u>

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23. SEGMENT INFORMATION (CONTINUED)

The following is an analysis of the Group's assets and liabilities on the basis of segments as of:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<u>Assets</u>		
Digital Business	6,425,164,965	5,841,184,113
Business Process Outsourcing	2,205,810,554	2,030,343,296
Professional Services	155,638,326	225,685,229
	8,786,613,845	8,097,212,638
<u>Liabilities</u>		
Digital Business	2,927,340,031	2,959,499,413
Business Process Outsourcing	1,004,979,261	1,028,695,497
Professional Services	70,909,666	114,345,874
	4,003,228,958	4,102,540,784

24. BANK FACILITIES

The Group has facilities agreements with local banks to meet the working capital requirements and support the Group's business requirements in the form of cash withdrawals and letters of guarantee with a maximum limit of SR 500 million as of September 30, 2024 (December 31, 2023: SR 500 million). The Group has utilized some of those facilities agreements to issue bank guarantees for its projects as disclosed in (Note 25).

25. CONTINGENT LIABILITIES

- The Group has outstanding bank letters of guarantee amounted to SAR 73.6 million as of September 30, 2024 (December 31, 2023: SR 109 million). (Note 24).
- In the normal course of business, the Group is a party to legal cases either as a plaintiff or defendant. As on September 30, 2024, the Group recorded a provision against legal cases in the amount of SR 2.2 million (December 31, 2023: SAR 1.1 million), which is the best estimate of management over the provisions of these cases and management does not expect that there will be any additional liability over the amount recorded as a provision for these cases. (Note 20).
- As of September 30, 2024, the associate companies have contingent liabilities amounted to SAR 0.25 million (December 31, 2023: nil). The Group discloses its share of contingent liabilities from its associates.

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26. DIVIDENDS

The following table shows details of the dividends to the company's shareholders during the period:

Announcement Date	Distribution Date	Amount (SAR per share)	Total Distributed	Type	Status
March 9, 2024	March 25, 2024	4	310,788,800	Interim	Paid
August 4, 2024	August 20, 2024	3.5	271,940,200	Interim	Paid

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

The financial assets and liabilities have been accounted at amortized cost except for other financial assets which have been carried at fair value. The management assessed that fair value of current financial assets and liabilities approximate their carrying amounts.

There have been no transfers between levels during the nine months period ended 30 September 2024. The fair valuation techniques are as applied as of 31 December 2023.

The table below shows the book values and fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities that are not measured at fair value:

	As at 30 September 2024			
	Level I	Level II	Level III	Total
Financial assets				
Other financial assets	-	473,801,027	230,387,454	704,188,481
	As at 31 December 2023			
	Level I	Level II	Level III	Total
Financial assets				
Other financial assets	-	18,797,335	227,906,324	246,703,659

28. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period presentation of the interim condensed consolidated financial statements. The reclassification had no impact on the net assets of the Group.

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28. COMPARATIVE FIGURES(CONTINUED)

1- Interim condensed consolidated statement of cash flows

The Group has reclassified some items of its interim condensed consolidated statement of cash flows, the following table presents the reclassification:

	September 30, 2023	Reclassification	Amount after reclassification
Cash Flows from Operating Activities			
<i>Working capital adjustments:</i>			
Accounts payable and other current liabilities	599,695,548	10,501	599,706,049
Due to related parties	10,501	(10,501)	-

2- Segment information

The Group has reclassified certain segment information to align with changes in the presentation of internal reports for operational decision-maker within the Group, the following table presents the reclassification:

2- A Revenues:

	For the three months period ended September 30			For the nine months period ended September 30		
	2023	Reclassification	Amount after reclassification	2023	Reclassification	Amount after reclassification
Digital business	1,098,851,342	(10,945,907)	1,087,905,435	3,087,763,301	(16,917,574)	3,070,845,727
Business process outsourcing	381,387,544	9,871,480	391,259,024	1,011,131,321	16,361,215	1,027,492,536
Professional services	40,761,309	1,074,427	41,835,736	114,099,945	556,359	114,656,304
	<u>1,521,000,195</u>	<u>-</u>	<u>1,521,000,195</u>	<u>4,212,994,567</u>	<u>-</u>	<u>4,212,994,567</u>

2- B Gross profit:

	For the three months period ended September 30			For the nine months period ended September 30		
	2023	Reclassification	Amount after reclassification	2023	Reclassification	Amount after reclassification
Digital business	458,567,529	(322,914)	458,244,615	1,392,139,666	(1,957,054)	1,390,182,612
Business process outsourcing	113,374,552	(527,281)	112,847,271	316,050,483	1,008,864	317,059,347
Professional services	3,523,758	850,195	4,373,953	13,726,451	948,190	14,674,641
	<u>575,465,839</u>	<u>-</u>	<u>575,465,839</u>	<u>1,721,916,600</u>	<u>-</u>	<u>1,721,916,600</u>

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29. SUBSEQUENT EVENTS

There are no subsequent significant events since the period ended 30 September 2024 that could have a material impact on the financial position of the Group as shown in these interim condensed consolidated financial statements.

30. APPROVAL OF THE FINANCIAL STATEMENTS

These Interim condensed consolidated financial statements were approved by the Board of Directors on 28 Rabi Althani 1446H (corresponding to 31 October 2024).