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ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)

Interim Condensed Consolidated Financial Statements (Unaudited)
For The Three and Nine Month Periods Ended December 31, 2024
And Independent Auditor's Review Report

ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)

Interim Condensed Consolidated Financial Statements (Unaudited)
For The Three and Nine Month Period Ended December 31, 2024

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

TO: THE SHAREHOLDERS OF
ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)

Introduction

We have reviewed the interim condensed consolidated statement of financial position of **Etihad Atheeb Telecommunication Company** (the "Company") and its subsidiaries (collectively referred to as "the Group) as at 31 December 2024, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month period ended 31 December 2024, and the interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" (IAS 34) as 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 Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim condensed 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 are not prepared, in all material respects, in accordance with IAS 34"Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

شركة حلول كرو للإستشارات المهنية
C.R. No. 1010466353
سجل تجاري رقم ١٠١٠٤٦٦٣٥٣
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Abdullah M. Al Azem
License No. 335

Sha`ban 11,1446H (Corresponding to February 10, 2025).
Riyadh, Kingdom of Saudi Arabia

ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2024
(Saudi Riyal)

	Note	As at December 31, 2024 (Unaudited)	As at March 31, 2024 (Audited)
Assets			
Non-current assets			
Property and equipment, net	6	153,277,887	163,711,051
Intangible assets and goodwill, net	7	392,687,476	326,264,023
Right of use assets, net	8.1	65,231,731	80,515,314
Projects under constructions	9	21,857,503	20,867,269
Total non-current assets		**633,054,597**	**591,357,657**
Current assets			
Inventories, net		30,944,333	30,130,780
Trade receivables, net	10	335,036,987	275,601,636
Contract assets	16.3	20,349,296	-
Prepaid expenses and other current assets	11	84,845,084	35,259,627
Cash and cash equivalents	12	497,614,111	434,998,692
Total current assets		**968,789,811**	**775,990,735**
Total assets		**1,601,844,408**	**1,367,348,392**
Equity and Liabilities			
Equity			
Share capital	1-A	339,999,000	339,999,000
Statutory reserve		23,714,663	23,714,663
Retained earnings		345,532,133	195,199,418
Equity attributable to equity holders of the Parent Company		**709,245,796**	**558,913,081**
Non- controlling interest		16,610,851	-
Total equity		**725,856,647**	**558,913,081**
Liabilities			
Non-current liabilities			
Accounts payable, non-current portion	13	103,658,948	143,243,302
Lease liabilities, non-current portion	8.2	41,076,330	54,848,976
Long-term loan, non-current portion		7,307,356	-
Employees' defined benefit obligation		13,147,079	11,103,843
Decommissioning provision		1,889,026	3,595,850
Total non-current liabilities		**167,078,739**	**212,791,971**
Current liabilities			
Accounts payable, current portion	13	436,803,994	375,173,382
Long-term loan, current portion		944,444	-
Accrued expense and other current liabilities	14	183,539,887	166,720,179
Lease liabilities, current portion	8.2	21,441,850	23,091,629
Contract liabilities	16.3	60,634,940	23,804,615
Provision for zakat and tax	15	5,543,907	6,853,535
Total current liabilities		**708,909,022**	**595,643,340**
Total liabilities		**875,987,761**	**808,435,311**
Total equity and liabilities		**1,601,844,408**	**1,367,348,392**

The accompanying notes from (1) to (29) form an integral part of these Interim Condensed Consolidated Financial Statements, which have been authorized for issue by the Board of Directors, and signed on its behalf by:

Yahya Saleh Al Mansour
Chief Executive Officer

Mahmoud Al Abdullah
Acting Chief Financial Officer

Dr. Eisa Baeisa
Chairman

ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For The Three and Nine Month Period Ended December 31, 2024
(Saudi Riyal)

	Note	For The Three Month Period Ended December 31, 2024 (Unaudited)	2023 (Unaudited)	For The Nine Month Period Ended December 31, 2024 (Unaudited)	2023 (Unaudited)
Revenue	16	381,698,707	265,439,299	1,038,792,282	709,661,478
Cost of revenue	17	(274,884,140)	(181,903,744)	(736,740,205)	(477,959,806)
Gross profit		**106,814,567**	**83,535,555**	**302,052,077**	**231,701,672**
Selling and marketing expenses	18	(13,127,401)	(13,809,143)	(44,193,860)	(39,169,457)
General and administrative expenses	19	(31,268,893)	(17,235,602)	(75,415,175)	(51,838,357)
Expected credit loss on trade receivables	10	(10,492,057)	(5,329,540)	(24,856,714)	(9,439,258)
Other income, net		3,867,627	33,904,098	8,341,391	38,388,312
Operating profit		**55,793,843**	**81,065,368**	**165,927,719**	**169,642,912**
Finance income (cost), net	20	1,902,407	(5,020,035)	103,858	6,900,556
Profit for the period before zakat and income tax		**57,696,250**	**76,045,333**	**166,031,577**	**176,543,468**
Zakat and income tax	15	(1,551,750)	-	(4,551,750)	-
Net profit for the period		**56,144,500**	**76,045,333**	**161,479,827**	**176,543,468**
Net Profit for the Year Attributable to:					
Shareholders of the Company		55,192,124	76,045,333	160,527,451	176,543,468
Non-controlling interest		952,376	-	952,376	-
		56,144,500	**76,045,333**	**161,479,827**	**176,543,468**
Other comprehensive income:					
Items that will not be reclassified to profit or loss in subsequent periods:					
Re-measurement of defined benefit obligation		10,263	-	10,263	-
Other comprehensive income for the period		**10,263**	**-**	**10,263**	**-**
Total comprehensive income for the period		**56,154,763**	**76,045,333**	**161,490,090**	**176,543,468**
Total comprehensive income for the period attributable to:					
Shareholders of the Company		55,197,358	76,045,333	160,532,685	176,543,468
Non-controlling interests		957,405	-	957,405	-
		56,154,763	**76,045,333**	**161,490,090**	**176,543,468**
Earnings per share from net Profit attributable to Shareholders of the Company					
Earnings per share – basic and diluted	21	1,62	2,57	4,72	5,96

The accompanying notes from (1) to (29) form an integral part of these Interim Condensed Consolidated Financial Statements, which have been authorized for issue by the Board of Directors, and signed on its behalf by:

Yahya Saleh Al Mansour
Chief Executive Officer

Mahmoud Al Abdullah
Acting Chief Financial Officer

Dr. Eisa Baeisa
Chairman

ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Nine Month Period Ended December 31, 2024
(Saudi Riyal)

	Share capital	Statutory Reserve	Retained earnings	Equity attributable to equity holders of the Parent Company	Non-Controlling Interest	Total Equity
Balance as at April 1, 2023 (Audited)	89,999,000	4,246,824	21,829,687	116,075,511	-	116,075,511
Net profit for the period	-	-	176,543,468	176,543,468	-	176,543,468
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	176,543,468	176,543,468	-	176,543,468
Balance at December 31, 2023 (Unaudited)	89,999,000	4,246,824	198,373,155	292,618,979	-	292,618,979
Balance as at April 1,2024 (Audited)	339,999,000	23,714,663	195,199,418	558,913,081	-	558,913,081
Net profit for the period	-	-	160,527,451	160,527,451	952,376	161,479,827
Other comprehensive income for the period	-	-	5,234	5,234	5,029	10,263
Total comprehensive income for the period	**-**	**-**	**160,532,685**	**160,532,685**	**957,405**	**161,490,090**
Non-Controlling Interest Share			-	-	15,653,446	**15,653,446**
Dividend distributions (Note 26)	-	-	(10,199,970)	(10,199,970)	-	(10,199,970)
Balance at December 31, 2024 (Unaudited)	**339,999,000**	**23,714,663**	**345,532,133**	**709,245,796**	**16,610,851**	**725,856,647**

he accompanying notes from (1) to (28) form an integral part of these Interim Condensed Consolidated Financial Statements, which have been authorized for issue by the Board of Directors, and signed on its behalf by:

Yahya Saleh Al Mansour
Chief Executive Officer

Dr. Eisa Baeisa
Chairman

Mahmoud Al Abdullah
Acting Chief Financial Officer

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ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Nine Month Period Ended December 31, 2024
(Saudi Riyal)

	Note	For The Nine Months Period Ended December 31 2024 (Unaudited)	2023 (Unaudited)
Cash flows from operating activities			
Period profit before zakat and income tax expenses		166,031,577	176,543,468
Adjustments:			
Depreciation and amortization	6,7,8	43,357,815	46,235,089
Finance cost	20	13,261,243	(6,900,556)
Finance income from Murabaha	20	(13,365,101)	-
Lease agreement settlement		416,858	(150,912)
Expected credit loss on trade receivables	10-1	24,856,714	9,439,258
Account payable settlement		(3,612,403)	(34,000,000)
Provisions Reversals		(1,788,799)	-
Loss from disposal of property and equipment		411,098	-
Gain from disposal of intangible assets		-	(277,653)
Current service cost of employees' defined benefit obligation		1,689,192	1,211,387
		231,258,194	**192,100,081**
Changes in working capital:			
Inventories		(813,553)	(14,713,414)
Trade receivables		(84,292,065)	(30,184,122)
Prepaid expenses and other current assets		(49,585,457)	(12,389,581)
Accounts payable		14,442,671	147,824,062
Accrued expenses and other current liabilities		16,819,708	(92,598,198)
Contract Assets		(20,349,296)	-
Contract liabilities		36,830,325	(43,533,916)
Total cash generated from operating activities		**144,310,527**	**146,504,912**
Finance cost paid		(11,792,103)	(2,192,652)
Employees' defined benefit obligation paid		(1,239,159)	(858,316)
Zakat paid		(6,709,098)	(1,236,315)
Net cash generated from operating activities		**124,570,167**	**142,217,629**
Cash flows from investing activities			
Additions to property and equipment	6	(92,380)	(2,229,993)
Additions to intangible assets	7	(21,562,000)	(13,500,000)
Additions to Projects under constructions	9	(5,602,164)	(14,841,417)
Net payments for subsidiary's acquisition	5	(20,892,204)	-
Income received from Islamic deposits		12,210,117	-
Net cash used in investing activities		**(35,938,631)**	**(30,571,410)**
Cash flows from financing activities			
Dividend distributions		(10,199,970)	-
Payment of lease liabilities		(15,816,147)	(20,227,734)
Net cash used in financing activities		**(26,016,117)**	**(20,227,734)**
Increase in cash and cash equivalents		**62,615,419**	**91,418,485**
Cash and cash equivalents at the beginning of the period		434,998,692	53,062,659
Cash and cash equivalents at the end of the period		**497,614,111**	**144,481,144**
Supplementary information for non-cash transactions:			
Additions to property and equipment against accounts payable		-	30,000,000
Elimination of intangible assets against a payable	7	-	2,528,000
Transfer from projects in progress to property and equipment	9	4,611,930	1,928,789
Deferred consideration		35,431,998	-

The accompanying notes from (1) to (29) form an integral part of these Interim Condensed Consolidated Financial Statements, which have been authorized for issue by the Board of Directors, and signed on its behalf by:

Yahya Saleh Al Mansour
Chief Executive Officer

Mahmoud Al Abdullah
Acting Chief Financial Officer

Dr. Eisa Baeisa
Chairman

(Saudi Riyal)

1. ORGANIZATION AND MAIN ACTIVITIES

a) General information:

Etihad Atheeb Telecommunication Company (the "Company"), is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration (No. 1010263273) issued in Riyadh on 30 Safar 1430H (corresponding to 25 February 2009).

The accompanying financial statements include the Company's main commercial registration and the following branches:

Branch	CR number
Jeddah branch	4030197139
Khobar branch	2051050130

The registered address of the Company is 3704 King Abdullah Branch Rd, AlMughrizat district, P.O. Box 12482-6488 Riyadh, Kingdom of Saudi Arabia.

The attached condensed consolidated financial statements include the financial statements of Etihad Atheeb Telecommunication Company and its subsidiary (collectively referred to as "the Group") as follows:

Subsidiary	Location	Legal form	Ownership percentage (direct/indirect)	
			Dec 31,2024	March 31,2024
Future Resources Human Resources Company (1)	Saudi Arabia	Limited liability company	100%	-
Digital Launch Technologies Company (2)	Saudi Arabia	Limited liability company	100%	-
Ejad Technology Company for Information Technology (3)	Saudi Arabia	Limited liability company	51%	-
Ejad Technology Company for Information Technology (4)	Egypt	Limited liability company	51%	-

Group's business and activities

The Company offers a variety of fixed and wireless telecommunications services, such as voice services, data services, broadband internet services, internet telephony services, international gateway services, and landline phone services for individuals, households, and businesses. The company began its commercial operations on January 1, 2010.

(1) **Future Resources Company for Human Resources** ("the Company") is a limited liability company established under the Companies Law of the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1009085847 on 11/2/1446 AH, corresponding to 15/8/2024. The company has not commenced any commercial activities.

The Company's activities include the main office's work in document and data verification, restructuring administrative, financial, and operational processes for establishments, providing top-level management consultancy services, integrated administrative services for offices, training centers, public relations and communications, mediating foreign labor recruitment, mediating Saudi employment, temporary labor agencies for foreign workers, temporary labor agencies for Saudis, the Coordinating Council for Recruitment Companies, and e-learning training services.

(2) **Digital Launch Company** ("the Company") is a limited liability company established under the companies' law of the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1009118088 on 11/8/1446 AH, corresponding to 15/10/2024. The company has not commenced any commercial activities.

The Company's activities include wholesale sales of computers and peripherals, communication equipment, electronic devices, 3D printing, software and applications, artificial intelligence, cybersecurity, and big data technologies. It also includes the manufacturing of equipment and phones, providing telecommunication services, cloud computing, satellite management and operation, along with maintenance, printing, electronic publishing and geospatial services.

(3) **Ejad Technology for Information Technology Company** ("the company") is a limited liability company established under the Companies Law of the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Registration No. 1010387141 on 29/10/1434 AH, corresponding to 4/9/2013.

The company's activities include designing user interfaces and experiences, robotics technologies, virtual and augmented reality technologies, application development, artificial intelligence technologies, blockchain technologies, big data and data science and analysis, providing top-level management consultancy services, systems analysis, research and development in engineering and technology, custom software design and programming, military software, using drones for aerial surveys and Geographic Information Systems (GIS), web applications and services, geospatial information systems and providing digital certification services.

1 ORGANIZATION AND MAIN ACTIVITIES (continued)

Group's business and activities (continued)

(4) **Ejad Technology for Information Technology Company** ("the company") is a limited liability company established in the Arab Republic of Egypt according to the provisions of Law No. 72 of 2017, on August 1, 2021, with Commercial Registration No. 17001.

The company's activities include information and communication technology, software specification, analysis, and design, database and application development, software and application design and production, database creation, electronic information systems, production of electronic content, and data entry on computers and electronic means

Company license

Pursuant to the Ministerial Resolution No.41 dated 18 Safar 1429H (February 25, 2008), which was approved by the issuance of Royal Decree No. M/6 dated 19 Safar 1429H (February 26, 2008), the Company was granted a fixed-line telecommunication license and the used-frequency spectrum to provide fixed telephone services in the Kingdom of Saudi Arabia for a period of 25 years (starting on April 1,2009 and ending on March 31, 2034). On 30 Rabi' Al-awal 1438H (corresponding to December 29, 2016), the Communications, Space and Technology Commission (CST) (Formerly: Communications and Information Technology Commission) has extended the life of the Company's license by 15 years (ending on March 31,2049).

On 1 Ramadan 1440 H (corresponding to May 12, 2019), the CST issued a frequency spectrum license, whereby bands totaling 50 MHz in the 3.5 GHz frequency band were allocated to the Company to be used to provide its services in the main cities in the Kingdom, as the Company is committed to cover the populated areas in the main cities by at least 10% before the end of the year 2021. on 27 Rabi' II 1443H (Corresponding to December 2, 2021), the Company received a final extension of its commitment to deploy the network under the license granted to it by the authority for the 3.5 GHz band frequencies, with an additional six months extending until June 30, 2022.

On Shawwal 25, 1443H (corresponding to May 26, 2022), the Company received a letter from the CST notifying the Company with the CST decision to revoke the 3.5 GHz band frequencies license if the Company did not meet the deployment of network deadline on June 30, 2022.

On 1 Dhul Hijjah 1443H (corresponding to June 30, 2022), the Company completed 100% of its network development for phase (1) of the obligation set forth by the CST with regards to the spectrum license, this development covered 10% of the kingdom. The Company submitted all related documentation to the CST which demonstrating its fulfillment of the obligation in accordance with the requirements of the CST. On 9 Safar 1444H (corresponding to September 5, 2022), the Company received a letter from the CST confirming that it had accepted the company fulfillment of phase (1) of the network deployment in accordance with the frequency spectrum license to provide fixed telecommunication services with infrastructure of 3.5GHz band frequency granted to it with some observations, which the Company committed to resolve within a maximum period at the end of the year 2022 (which is also the deadline for fulfilling the obligations of the license for phase (2) to cover at least 30% of the populated cities subject to the obligation).

On December 26, 2022, the Company completed the necessary action to address the CST observations regarding the first phase of the network deployment obligations, in addition to completing its obligations towards 100% deployment of the network for the second phase regarding the license to use 3.5 GHz band frequencies, covering 30% of the cities under obligation by completing the process of installing and operating the 5G service towers. the Company submitted all related documentation to the CST which prove the Company's fulfillment of its obligation in accordance with the requirements of the CST. On 29 Rajab 1444H (corresponding to February 20, 2023), the Company received a letter from the CST informing the Company that it has accepted its fulfilment of phase (2) of the network deployment.

The Company seeks to a plan to meet the requirements of the third phase of the network deployment commitments aiming, to cover at least 50% of the populated areas in the cities subject to the commitment before the end of the 2027, as required by the licensing conditions for the frequency spectrum to provide fixed communications services with infrastructure for frequencies of the 3.5 GHz band granted by the CST.

(Saudi Riyal)

1 ORGANIZATION AND MAIN ACTIVITIES (continued)

a) General information:

Share Capital

The company's share capital is 339,999,000 Saudi Riyals as of December 31, 2024 (March 31, 2024: 339,999,000), divided into 33,999,900 shares (March 31,2024: 33,999,900 share), authorized, issued and fully paid with ordinary shares value of 10 Saudi Riyals per share.

On December 19, 2021, the Board of Directors recommended to the Extraordinary General Assembly to increase the Company's share capital by issuing shares worth of 350 million Saudi Riyals divided into 35 million ordinary shares at a value of 10 Saudi Riyals per share. The main objective of the increase after obtaining the required approvals from the competent authorities was to pay the Company's obligations and develop and modernize its business systems and networks. The Company submitted the revised file to the competent authorities. On October 13, 2022, the Board of Directors issued a resolution by circulation amending the recommendation to increase the share capital to the Extraordinary General Assembly by issuing priority rights shares reducing the capital increase amount from SAR 350 million to SAR 250 million. the Company submitted the revised file to the competent authorities, and the approval of the share capital raising was issued by the competent authorities on February 8, 2023. On February 15, 2023, the Company called for an extraordinary general assembly meeting on March 8, 2023 to vote on the Board of Directors recommendation to increase the Company's share capital through offering rights issue with a value of 250,000,000 Saudi Riyals, so that the share capital after the increase would be SAR 339,999,000. However, the vote was held, and the result was the disapproval of the Board of Directors recommendation to increase the Company's share capital by issuing rights issue with a value of 250,000,000 Saudi Riyals.

On March 29, 2023, the Board of Directors recommended to the Extraordinary General Assembly to increase the Company's share capital by issuing priority shares worth of 250 million Saudi Riyals divided into 25 million ordinary shares at a value of 10 Saudi Riyals per share, the main objective after obtaining the required approvals from the competent authorities was to increase share capital to pay the Company's obligations and develop and modernize its business systems and networks. On August 6, 2023 the Company submitted the file to the Capital Market Authority (CMA).

On January 8, 2024, CMA approved the Company's request to increase its capital through issuing priority shares at a value of SAR 250M. On February 6, 2024 the voting and approvals have been obtained on Board of directors' recommendation by the general assembly in their extraordinary meeting.

b) Going concern:

- In February 2021, the Company signed an agreement, with an effective date of December 31, 2020, with one of its major vendors to settle all balances and dues between the two parties. This resulted in a net reduction (gain) of SAR 101 million on net balances payable to a major vendor. As of the effective date, the new balance payable to the major vendor was SAR 370 million and its payment was re-scheduled as a down-payment of SAR 125 million upon signing the agreement with the remaining amount of SAR 245 million (as shown below) to be paid in five equal installments resulting in an additional gain of SAR 36 million on rescheduling (refer Note 13.1.1).

Installment No.	Amount (SAR)	Date of payment	Status
First	49 million	July 1, 2022	Paid
Second	49 million	July 1, 2023	Paid
Third	49 million	July 1, 2024	Paid
Fourth	49 million	July 1, 2025	Not matured yet
Fifth	49 million	January 1, 2026	Not matured yet
Total	**245 million**		

1. ORGANIZATION AND MAIN ACTIVITIES (continued)

b) Going concern: (continued)

- On January 25, 2022, the Company received an approval from Ministry of Finance for an installment plan related to CST government charges of SAR 22.23 million to be paid over 36 months in monthly installments of 617 thousand Saudi Riyals starting from February 20, 2022. As of December 31, 2024 an amount of 21.6 million Saudi Riyals has been paid (Note 13.1.2).
- On March 21, 2023, Company received approval from Ministry of Finance for an installment plan related to CST government charges amounting to SAR 23.98 million to be paid over 36 months of 666 thousand Saudi Riyals starting from April 5, 2023. As of December 31, 2024 an amount of 14.7 million Saudi Riyals has been paid (Note 13.1.3).
- On May 10, 2023, the Company received approval of the Ministry of Finance to settle the amount related to government fees due for the period from the beginning of dealing with the CST until the end of 2018, totaling SR 63.88 million over a period of 7 years. The annual installment is SR 9.13 million starting from April 1, 2025 (Note 13.1.4 and 22-C).

- The Company's business is improving through the conclusion of new sales agreements, leading to to revenue growth and net profits for the period ended on December 31, 2024. consequently, the Company has entered contracts with suppliers for periods that align with the cash received by the Company, thus generating cash that enables the Company to manage liquidity and fulfill its obligations when due
- The management has also developed plans in other area to improve the Company's performance, including mainly enhancing the Company's existing network infrastructure, deploying new technologies, exploring alternative uses of the Company's bandwidth, obtaining new licenses to provide new services to the customers, and targeting new customer niches from both the B2B and B2C sectors, and cost optimization plans. The management has taken some initiatives action base on this study.
- The Company received regulatory approval to raise its current capital by SAR 250 million through the offering of new priority shares, with the net proceeds used to develop and update network operations, as well as to paying some due amount.

As described above, management reasonably expect that the Company will have sufficient resources to meet its obligations as they become due. Accordingly, these Interim Condensed Consolidated Financial Statements have been prepared on a going concern basis, assuming that the Company will be able to discharge its liabilities for a period at least 12 months from the date of preparation these Interim Condensed Consolidated Financial Statements.

2. BASIS OF PREPARATION AND CONSOLIDATION

a) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (SOCPA) and should be read in conjunction with the Company’s last annual financial statements as at and for the year ended March 31, 2024 (“last annual financial statements”). They do not include all of the information required for a complete set of financial statements, however; accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

2. BASIS OF PREPARATION AND CONSOLIDATION (continued)

b) Basis of consolidation

The interim condensed consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Subsidiaries are companies controlled by the Group. Control is achieved when the Group has:

- Power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee);
- Exposure to risk, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

In general, there is a presumption that a majority of voting rights result in control. In support of this assumption, when the Group has less than a majority of the voting rights or similar rights in the investee, the Group takes into consideration all relevant facts and circumstances when determining whether it exercises control over the investee, including:

- Arrangement(s) with other voting rights holders in the investee company.
- Rights arising from other contractual arrangements.
- Group’s voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control mentioned above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired (or disposed off) during the year are included (or derecognized) in the consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the Company and to the non-controlling interests even if this results in the no 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 intragroup assets and liabilities, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in the consolidated statement of profit or loss and is calculated as the difference between (1) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (2) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets and liabilities of the subsidiary (i.e. reclassified to the consolidated statement of profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, and when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

c) Basis of measurement

The Interim Condensed Consolidated Financial Statements have been prepared on the historical cost basis except for employees’ defined benefit obligation that has been valued at present value of future liabilities using the projected unit credit method, and long term payable valued at present value.

2. BASIS OF PREPARATION AND CONSOLIDATION (continued)

d) Functional and presentation currency

These Interim Condensed Consolidated Financial Statements are presented in Saudi Arabian Riyals (SAR), which is the functional and presentation currency of the Group. All amounts have been rounded to the nearest SAR, unless otherwise indicated.

3. MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies applied in preparation of these Interim Condensed Consolidated Financial Statements are in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by SOCPA, and they are the same policies applied in preparation of the annual financial statements for the year ended March 31, 2024.

New standards and amendments to the existing standards, effective as of January 1, 2024, were disclosed in the annual financial statements of the Group. However, they do not have any material impact on the condensed Consolidated financial statements based on management estimations.

4. SIGNIFICANT ACCOUNTING JUDGMENTS ASSUMPTIONS AND ESTIMATES

Preparation of the Interim Condensed Consolidated Financial Statements and application of the accounting policies require management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities and to disclose potential liabilities. these estimates and judgments affect revenues, expenses, provisions, expected credit losses, as well as changes in fair value that appear in the Interim Condensed Consolidated Statement of profit of loss and other comprehensive income and within owners' equity. In particular, the Group's management requires judgments to be made to estimate the amounts and timing of future cash flows. These estimates are based on various hypothesis and factors with varying degrees of estimation and uncertainty. As a result, the actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future. The significant judgments and key sources of estimation uncertainty applied to the Group's Condensed Consolidated Interim Financial Statements are the same as those used in the Company's annual financial statements as of March 31, 2024 prepared in accordance with International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other pronouncement approved by SOCPA.

The Group disbursed various costs, expenses, and annual allocations and reported them quarterly rather than at the end of the year as an allocation for zakat, income tax, and employee incentives.

5. ACQUISITION OF A SUBSIDIARY

Acquisition of Ejad Technology for Information Technology Company

During the period ended December 31, 2024, the Company held 51% of the voting rights of Ejad Technology for Information Technology Company ("the subsidiary"). Since the group has control over the subsidiary, The financial statements of the subsidiary have been consolidated into these condensed consolidated interim financial statements.

The Group has concluded the acquisition as a business as per "IFRS 3 - Business Combinations" and accordingly accounted for the transaction using the acquisition method as per IFRS 3 with the Etihad Atheeb Telecommunication being the acquirer and Ejad Tech being the acquiree. As at the end of the reporting period, the Group has recognized a provisional goodwill of SR 59 million resulting from the Ejad Tech acquisition until the completion of the purchase price allocation exercise

From the date of acquisition Ejad Technology for Information Technology Company contributed revenue of the three-month period ending December 31, 2024 of SAR 13,845,377 from the revenue of Group and net profit of SAR 2,005,638 from the net profit of the Group. If the acquisition had occurred on April 1,2024, management estimates that consolidated revenue would have been SAR 1,095,597,521, and consolidated net profit for the period would have been SAR 181,535,740.

(Saudi Riyal)

5. ACQUISITION OF A SUBSIDIARY

The following summaries the consideration transferred, and the recognized amounts of assets acquired, and liabilities assumed at the acquisition date:

Assets	As of acquisition date
Property and equipment, net	628,318
Right of use assets, net	99,353
Trade receivables, net	16,633,267
Contract assets	10,599,696
Prepaid expenses and other current assets	3,972,444
Cash and cash equivalents	19,107,796
Total Assets	**51,040,874**
Liabilities	
lease liabilities	121,294
long-term loan	8,245,000
Employees' defined benefit obligation	1,196,787
Accounts payable	4,485,152
Accrued expense and other current liabilities	4,199,113
Zakat Provision	847,720
Total Liabilities	**19,095,066**
Identifiable Net Assets at acquisition date *	**31,945,808**
The result of the acquisition	
Consideration paid and deferred	**75,431,998**
Non-Controlling Interest	**15,653,446**
Identifiable Net Assets at acquisition date	**(31,945,808)**
Goodwill **	**59,139,636**

* The fair value of identifiable net assets has been measured provisionally until completion of an independent valuation.

** The goodwill has been allocated to Ejad Technology for Information Technology Company as it is a cash generated unit.

The Group has incurred acquisition-related costs amounted to SAR 475,000 which included in general and administrative expenses.

The cashflows on acquisition are included below:

Net cash acquired with the subsidiary (included in cashflows from investing activities)	19,107,796
Cash Paid	(40,000,000)
Net cashflow on acquisition	**(20,892,204)**

6. PROPERTY AND EQUIPMENT, NET

For the purposes of preparing the Interim Condensed Consolidated Statement of Cash Flows, movement in property and equipment was as following:

	For The Nine Months Period Ended December 31,	
	2024 (Unaudited)	2023 (Unaudited)
Additions in property and equipment	92,380	32,229,993
Depreciation on property and equipment	15,354,694	11,370,325
Disposal of property and equipment	411,098	-
Transfers from projects under constructions to PPE (Note 9)	4,611,930	1,928,789
Additions resulting from the acquisition (Note 5)	628,318	-

(Saudi Riyal)

7. INTANGIBLE ASSETS AND GOODWILL, NET

For the purposes of preparing the Interim Condensed Consolidated Statement of Cash Flows, the movement in intangible assets was as follow:

	For The Nine Months Period Ended December 31,	
	2024 (Unaudited)	**2023 (Unaudited)**
Amortization of intangible assets	14,278,183	17,595,873
Additions to intangible assets	21,562,000	13,500,000
Disposal of intangible assets	-	2,250,346
Goodwill (Note 5)	59,139,636	-

8. LEASES

8.1 Right of Use Assets, NET

The following table shows the movement in the right of use assets during the Period / Year represented by locations of communications towers and warehouses:

	As at	
Cost	**December 31, 2024 (Unaudited)**	**March 31, 2024 (Audited)**
Balance at the beginning of the period/year	159,230,931	206,073,406
Additions during the period/year	-	2,589,594
Additions resulting from the acquisition (Note 5)	99,353	-
Disposals during the period/year	(4,433,811)	(50,405,365)
Settlements	-	973,296
Balance at the end of the period/year	**154,896,473**	**159,230,931**
Accumulated depreciation		
Balance at the beginning of the period/year	78,715,617	99,900,655
Depreciation during the period/year	13,724,938	23,704,473
Disposals during the period/year	(2,775,813)	(44,889,511)
Balance at the end of the period/year	**89,664,742**	**78,715,617**
Net book value for the period/year	**65,231,731**	**80,515,314**

8.2 Lease Liability

This pertains to the amount of leases recognized as lease liabilities under IFRS 16. The details and movement of these are as follows:

	As at	
	December 31, 2024 (Unaudited)	**March 31, 2024 (Audited)**
Balance at the beginning of the period/year	77,940,605	147,999,072
Additions during the period/year	-	2,589,594
Additions resulting from the acquisition during the period/year (Note 5)	121,294	-
Disposals during the period/year	(1,241,140)	(4,757,108)
Finance cost during the period/year	2,812,926	4,073,398
Paid during the period/year	(15,816,147)	(46,759,550)
Settlements during the period/year	-	973,296
Transferred to payables during the period/year	(1,299,358)	(26,178,097)
Lease liability at the end of the period/year	**62,518,180**	**77,940,605**
Current portion	**21,441,850**	**23,091,629**
Non-current portion	**41,076,330**	**54,848,976**

Expenses related to short-term and low-value leases for the nine - month period ended December 31, 2024 amounted to SAR 445,895 (December 31, 2023: SAR 245,400).

(Saudi Riyal)

9. PROJECTS UNDER CONSTRUCTION

Projects under construction represent existing projects related to spread the 5G network and expand the current network of the Company, in addition to the IT transformation project that the Group is working on. the consumption and amortization will begin when these projects are completed and ready of use.

For the purposes of preparing the Interim Condensed Consolidated Statement of Cash Flows, movement on projects under construction was as following:

	For The Nine - Months Period Ended December 31,	
	2024 (Unaudited)	**2023 (Unaudited)**
Additions during the period	5,602,164	14,841,417
Transferred to property and equipment (Note 6)	4,611,930	1,928,789

10. TRADE RECEIVABLES, NET

		As at	
	Note	**December 31, 2024 (Unaudited)**	**March 31, 2024 (Audited)**
Trade receivables-Private Sector		245,464,944	256,157,651
Trade receivables-Government Sector		172,542,590	140,547,378
Trade receivables-Related Parties	24	1,657,071	590,953
Total		**419,664,605**	**397,295,982**
Less: Provision for expected credit loss on trade receivable	10-1	(84,627,618)	(121,694,346)
		335,036,987	**275,601,636**

10.1 Movement in provision for expected credit loss on trade receivable is as follows:

	As at	
	December 31, 2024 (Unaudited)	**March 31, 2024 (Audited)**
Balance at beginning of the period/ year	121,694,346	107,301,263
Additions resulting from the acquisition	722,600	-
Write off debts for the period/ year	(62,646,042)	-
Charge for the period/ year	24,856,714	14,393,083
Balance at end of the period/ year	**84,627,618**	**121,694,346**

11. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	As at	
	December 31, 2024 (Unaudited)	**March 31, 2024 (Audited)**
Margins held by banks against letters of guarantee issued (Note 22-A)	43,916,435	12,700,164
Advances to suppliers	37,267,400	19,308,197
Prepaid insurance expenses	1,164,448	2,370,084
Interest income accrued	1,154,985	-
Advances to employees, net	816,486	499,665
Prepaid rent expenses	29,096	121,290
Other	496,234	260,227
	84,845,084	**35,259,627**

(Saudi Riyal)

12. CASH AND CASH EQUIVALENT

	As at	
	December 31, 2024 (Unaudited)	**March 31, 2024 (Audited)**
Islamic deposits (*)	370,750,000	-
Cash in bank	126,864,111	434,998,692
	497,614,111	**434,998,692**

* Investment in Islamic deposits represents time deposits, placed with commercial bank with a maturity of three months or less as at the original investment date. These deposits generate a commission based on the prevailing short-term deposit rates.

13. ACCOUNTS PAYABLE

		As at	
	Note	**December 31, 2024 (Unaudited)**	**March 31, 2024 (Audited)**
Accounts payable - with deferred payment agreements	13.1	153,463,071	207,070,331
Related parties	24	3,771	-
Accounts payable – Other		386,996,100	311,346,353
		540,462,942	**518,416,684**
Current-portion			
Accounts payable - with deferred payment agreements		66,737,454	63,827,029
Accounts payable - Other		370,066,540	311,346,353
		436,803,994	**375,173,382**
Non-current portion			
Accounts payable - with deferred payment agreements		86,725,618	143,243,302
Accounts payable – Other		16,933,330	-
		103,658,948	**143,243,302**
		540,462,942	**518,416,684**

13.1 Movement in accounts payable with deferred payment agreements

		As at	
	Note	**December 31, 2024 (Unaudited)**	**March 31, 2024 (Audited)**
Balance at beginning of the period/year		207,070,331	216,976,809
Addition during the period/year		-	63,867,879
Discount from present value calculation during the period/year		-	(21,148,567)
Paid during period/year		(61,210,847)	(64,404,856)
Unwinding of discount during the period/year	20	7,603,587	11,779,066
Balance at end of the period/year		**153,463,071**	**207,070,331**

13.1.1 Major Vendor:
In February 2021, the Company signed an agreement with a major vendor to settle all balances and dues between the two parties, which resulted in a new agreed balance due to the main supplier related to all services (Note 1.b).

13.1.2 CST (Settlement agreement number 1):
On January 25, 2022, the Company signed an agreement with the CST to reschedule its liability to be paid over 36 equal monthly payments of SAR 617 thousand each, ending in January 2025. The present value of the liabilities was calculated as per the requirements of International Standard for Financial Instruments (Note 1.b).

13.1.3 CST (Settlement agreement number 2):
On March 21, 2023, the Company signed an agreement with the CST to reschedule its liability to be paid over 36 equal monthly payments of SAR 666 thousand each, ending in February 2026. The present value of the liability was calculated as per the requirements of International Standard for Financial Instruments (Note 1.b).

13.1.4 CST (Settlement agreement number 3):
On May 10, 2023, the Company signed an agreement with the CST to reschedule a liability of SAR 63.88 million to be paid over 7 years of SAR 9.13 million each year starting from April 1, 2025. (Note 1.b and Note 22-C).

(Saudi Riyal)

14. ACCRUED EXPENSE AND OTHER CURRENT LIABILITIES

	As at	
	December 31, 2024 (Unaudited)	**March 31, 2024 (Audited)**
Other suppliers	113,916,083	92,735,320
Employee benefits	22,378,099	23,600,378
Government fees	19,401,457	17,598,595
Compensation of creditors for subscription to priority rights shares	19,195,501	25,981,455
Value-added tax	6,397,462	4,348,074
Remuneration and allowances for members of the Board of Directors	2,251,285	2,456,357
	183,539,887	**166,720,179**

15. PROVISION FOR ZAKAT AND TAX

15.1 Movement in provision for zakat and tax during the period/year is as follows:

	As at	
	December 31, 2024 (Unaudited)	**March 31, 2024 (Audited)**
Balance at beginning of the period / year	6,853,535	2,105,181
Zakat charge during the period / year	4,551,750	5,421,415
Additions resulting from the acquisition (Note 5)	847,720	-
Income tax charge during the period / year	-	1,432,120
Reversed during the period / year	-	(868,866)
Paid during the period / year	(6,709,098)	(1,236,315)
Balance at end of the period/year	**5,543,907**	**6,853,535**

15.2 Zakat and tax status

The Company has filed its zakat and tax return with the Zakat, Tax and Customs Authority (“ZATCA”) for the years up to March 31, 2024.

Zakat:

In July 2015, the Authority issued an assessment for zakat from 2010 to 2012 amounting to SAR 17.43 million, to which the Company objected in August 2015. In response to the Company's objection, the Initial Objections Committee (the Initial Committee) delivered a decision in October 2016. As a result, the Company's zakat dues were decreased to SAR 6.98 million.

The Company submitted an objection to the Supreme Objections Committee (Supreme Committee) in December 2016, contesting the ruling of the Primary Committee regarding zakat. in March 2022 the Company received a decision from the First Appeals Chamber for income tax violations and disputes, which stated that some of the objectionable points were accepted while others were rejected. based on this, the company filed an appeal with the General Secretariat of Tax Committees. on February 6, 2023, the second department for adjudicating income tax violations and disputes held a session in the presence of the Company’s representative and the representative of the Zakat, Tax, and Customs Authority, the lawsuit filed by the company against the authority was accepted, and the decision was issued to confirm that the dispute had ended. Accordingly, The amount owed by the Company, amounting to SAR 6.98 million, was canceled from the records of the ZATCA.

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15. PROVISION FOR ZAKAT AND TAX (CONTINUED)

15.2 Zakat and tax status (continued)

No Zakat assessment for the year 2013 was received from the ZATCA up to the date of preparing these interim condensed consolidated statements.

- In July 2020, the ZATCA raised the zakat assessment for the year 2014 with an additional amount of SAR 5.53 million. in December 2020, the ZATCA raised zakat and tax assessment for the fiscal years 2015, 2016, 2017, and 2018 with additional amount of SAR 4.089 million, SAR 4.57 million, SAR nil, and SAR 18 million respectively. The Company reached a settlement with Zakat and Tax Disputes settlement Committee in August 2021 and attended a hearing record with the Committee. the Committee proposed a settlement of SAR 20.85 million for the years 2014 to 2018, the Company accepted the proposal and paid the settlement amount in full over 5 equal installments ended in December 2022.
- In October 2021 the ZATCA raised the zakat assessment for the year 2019 with zero amount, which matched the filed form for the year.
- The Company submitted the tax and zakat declaration with ZATCA for the financial years 2020, 2021, and 2022 and paid the declared amount that equals to SAR 4.5 million, SAR 2.8 million and SAR 1 million respectively. The Authority issued a zakat assessment for these years with no differences, matching the filed forms.
- The management and the zakat advisor are of the view that no additional provision is required other than what has already been provided for.

Withholding tax

In July 2015, the Authority issued a withholding tax assessment of SAR 0.83 million for the years 2010 through 2012. the Company objected in August 2015. In response to the company's objection, the Primary Objections Committee (the Primary Committee) delivered a verdict in October of 2016. In December 2016, the Company filed an objection with the Supreme Objections Committee (Supreme Committee) in response to the Primary Committee's decision concerning the imposition of a late fine on withholding taxes. However, the Company settled withholding tax dues of SAR 0.83 million, as well as fines of SAR 0.6 million, with the ZATCA.

The Company received an additional assessment of SAR 19.2 million, as well as fines for late payment of SAR 16.5 million, as a withholding tax on the interconnection service for the years 2009–2022. The Company objected to the assessments. The Company expects that the decision of these objections will be in its favor without having a major financial impact because the interconnection service is not subject to withholding tax under the Zakat Law.

16. REVENUE

16.1 Revenue per Service

	For The Three Months Period Ended December 31,		For The Nine Months Period Ended December 31,	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Data and internet revenue	164,866,650	145,041,946	477,067,809	432,707,187
Interconnection revenue	101,745,048	60,742,759	282,642,575	133,471,248
Voice revenue	97,533,833	55,814,594	253,848,722	131,963,043
Systems Analysis, Application Design and Development Revenue	13,713,176	-	13,713,176	-
Enterprise solutions revenue	3,840,000	3,840,000	11,520,000	11,520,000
	381,698,707	**265,439,299**	**1,038,792,282**	**709,661,478**

16.2 Timing of revenue recognition

	For The Three Months Period Ended December 31,		For The Nine Months Period Ended December 31,	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Recognized over time	174,098,870	147,462,999	483,147,383	511,738,436
At a point in time	207,599,837	117,976,300	555,644,899	197,923,042
	381,698,707	**265,439,299**	**1,038,792,282**	**709,661,478**

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16. REVENUE (continued)

16.3 Details about contract liabilities

	As at	
	December 31, 2024 (Unaudited)	**March 31, 2024 (Audited)**
Contract Assets*	20,349,296	-
Contract liabilities**	60,634,940	23,804,615

* Contract assets represent revenues from services provided by the Company to the customer that have not yet been invoiced.

** Contract liabilities primarily relate to upfront consideration received from customers for related services, for which revenue is recognized over time.

17. COST OF REVENUE

	For The Three Months Period Ended December 31,		For The Nine Months Period Ended December 31,	
	2024 (Unaudited)	**2023 (Unaudited)**	**2024 (Unaudited)**	**2023 (Unaudited)**
Voice Interconnection cost	123,284,158	61,393,215	340,629,756	136,155,230
Capacity lease charges	75,662,246	56,356,726	203,266,263	153,485,376
Government fees	20,771,404	17,424,752	56,728,395	48,062,190
Inventory consumption and installation	17,747,908	20,391,849	46,946,135	63,844,732
Employees' costs	12,075,393	8,895,735	33,321,212	26,178,331
Depreciation and amortization	11,068,452	11,846,347	32,481,558	34,435,979
Professional fees and consultations	7,376,326	-	7,376,326	-
Network maintenance and support	6,261,376	4,207,374	13,032,098	8,088,778
Site and facilities rental	319,916	861,620	2,206,595	2,865,399
Other	316,961	526,126	751,867	4,843,791
	274,884,140	**181,903,744**	**736,740,205**	**477,959,806**

18. SELLING AND MARKETING EXPENSES

	For The Three Months Period Ended December 31,		For The Nine Months Period Ended December 31,	
	2024 (Unaudited)	**2023 (Unaudited)**	**2024 (Unaudited)**	**2023 (Unaudited)**
Employees' costs and benefits	10,389,909	7,700,288	30,201,606	22,578,447
Marketing and advertising cost	2,312,508	1,363,081	6,881,675	3,494,662
Customer care	424,984	511,390	3,394,472	2,372,348
Dealers' commission	-	4,183,354	3,716,107	10,440,173
Other	-	51,030	-	283,827
	13,127,401	**13,809,143**	**44,193,860**	**39,169,457**

19. GENERAL AND ADMINISTRATIVE EXPENSES

	For The Three Months Period Ended December 31,		For The Nine Months Period Ended December 31,	
	2024 (Unaudited)	**2023 (Unaudited)**	**2024 (Unaudited)**	**2023 (Unaudited)**
Employees' costs and benefits	18,360,398	7,404,223	41,659,444	22,477,176
Depreciation and amortization	3,649,035	3,938,317	10,876,257	11,799,112
Insurance expense	1,461,330	1,151,401	3,801,798	2,758,065
Professional and consultancy charges	1,366,750	941,025	4,529,889	3,862,953
Network maintenance and support	1,258,878	1,499,086	3,816,549	5,093,555
Other	5,172,502	2,301,550	10,731,238	5,847,496
	31,268,893	**17,235,602**	**75,415,175**	**51,838,357**

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20. FINANCE INCOME (COST), NET

	For The Three Months Period Ended December 31,		For The Nine Months Period Ended December 31,	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Unwinding of discount on long term liabilities	(2,324,404)	(3,097,818)	(7,603,587)	(9,390,264)
Interest cost on lease liabilities	(929,720)	(1,053,169)	(2,812,926)	(2,908,018)
Other finance cost	(822,346)	(763,439)	(2,376,603)	(2,192,647)
Finance cost on defined benefit liability	(128,717)	(72,341)	(386,152)	(217,016)
Unwinding of provision for dismantling cost	(13,859)	(33,268)	(81,975)	(98,875)
Discount income on long-term liabilities	-	-	-	21,707,376
Interest income for Murabaha	6,121,453	-	13,365,101	-
	1,902,407	**(5,020,035)**	**103,858**	**6,900,556**

21. EARNINGS PER SHARE

	For The Nine Months Period Ended Dec 31,	
	2024 (Unaudited)	2023 (Unaudited)
Net profit for the period attributable to the parent shareholders	160,527,451	176,543,468
Weighted average number of shares for the period	**33,999,900**	**29,622,940**
Basic and diluted earnings per share	**4.72**	**5.96 ***

* Modified priority rights

Earnings per share is computed by dividing net profit attributable to the ordinary shareholders of the Company for the period, by the weighted average number of shares outstanding during the period, taking into account the addition factor.

Diluted EPS is the same as basic EPS since the parent company has no dilutive instruments.

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22. CONTINGENCIES

A- Letter of guarantees
The Company has outstanding letters of guarantees as of December 31, 2024 by the amount of SR 70 million (March 31, 2024: SR 50 million). A cash margin of 43.9 million SR has been paid to the banks as collateral for theses guarantees (March 31,2024: 12.7 million) (Note 11).

B- Legal cases status
In the normal course of business, the Company involving legal cases with a few suppliers and employees. Management believes that the cases will be ruled in favor of the Company and accordingly no provision has been recognized as of December 31, 2024.

C- CST liability
The Ministry of Finance requested the Company, according to its letter dated August 26, 2017, to pay an amount of SAR 155.7 million to the Authority as a royalty fee. The Company has completed some aspects of the mechanism for calculating the royalty fees due to the Authority, accordingly, has issued amended invoices for fees. However, the Authority also billed royalty fees on the Company's internet revenue. The management and the legal advisor believe that Internet revenues are not subject to royalties and therefore have raised the matter with the Authority. The management considers that the actual amount due to the Authority for all its claims will not exceed the amount due in the books which equals to SAR 63.9 million, and accordingly, no addition provisions related to the disputed invoices have been recorded. Then, as of January 31, 2018, the Authority revised the calculation of the royalty fee to include internet services.

On May 10, 2023, the Company signed an agreement with the CST to settle balances and dues between the both parties from the beginning of the dealing period up to December 31, 2018 (Note 1-b and 12.1.4), and the agreement resulted in the following:

1- Paying the amount agreed with the Authority and recognized in the Company’s books of amount SAR 63,876,855 in favor of the Authority in installments as per the table shown below:

Payment number	Amount (SAR)	Payment Due date
1st Payment	9,125,265	April 1, 2025
2nd Payment	9,125,265	April 1, 2026
3rd Payment	9,125,265	April 1, 2027
4th Payment	9,125,265	April 1, 2028
5th Payment	9,125,265	April 1, 2029
6th Payment	9,125,265	April 1, 2030
7th Payment	9,125,265	April 1, 2031
Total	**63,876,855**	

2- The amount in dispute with the Authority and not recognized in the Company's books, amounting to SAR 64,089,784 was written off by the Authority.

23. SEGMENTAL INFORMATION

Information regarding the Group’s operating segments is set out below in accordance with IFRS 8 Operating Segments. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Group’s Chief Operating Decision Maker (CODM) and used to allocate resources to the segments and to assess their performance.

The Group is engaged in a single line of business, being the supply of telecommunication services and related products. The majority of the Company’s revenues, profits and assets relate to its operations in Saudi Arabia. The operating segments that are regularly reported to the CODM are explained below:

- **Data services** comprise of internet broadband services provided to business-to-business (B2B) and business-to-consumer (B2C).
- **Voice** comprises of local and international calls including interconnection.
- **Unallocated** represents others which cannot be attributed to any of the reported operating segment.
- **Systems Analysis, Application Design and Development Services:** Systems Analysis, Application Design and Development Services and Technical Consulting.
- **E-Commerce** transactions are not material in the condensed consolidated interim financial statements. The Company will continuously assess e-commerce transactions materiality.

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23 SEGMENTAL INFORMATION (CONTINUED)

	As at December 31, 2024 (Unaudited)				
	Voice	Data	Systems Analysis, Application Design and Development Services	Unallocated	Total
Segment assets					
Property and equipment, net	3,986,261	148,674,950	616,676	-	153,277,887
Intangible assets, net	8,709,540	324,838,300	-	59,139,636	392,687,476
Right of use assets, net	1,700,896	63,438,062	92,773	-	65,231,731
Total assets	**336,153,727**	**1,157,788,572**	**59,420,916**	**48,481,193**	**1,601,844,408**
Total liabilities	**349,253,145**	**476,439,841**	**25,430,641**	**24,864,134**	**875,987,761**

	For The Three Months Period Ended December 31, 2024 (Unaudited)				
	Voice	Data	Systems Analysis, Application Design and Development Services	Unallocated	Total
Revenue	216,902,177	151,083,354	13,713,176	-	381,698,707
Cost of revenue	(148,253,307)	(117,662,450)	(8,968,383)	-	(274,884,140)
Gross profit	**68,648,870**	**33,420,904**	**4,744,793**	**-**	**106,814,567**
Selling and marketing expenses	-	-	(42,357)	(13,085,044)	(13,127,401)
General and administrative expenses	-	-	(2,375,309)	(28,893,584)	(31,268,893)
Impairment loss on trade receivables	-	-	(449,860)	(10,042,197)	(10,492,057)
Other income, net	-	-	132,202	3,735,425	3,867,627
Finance income (cost), net	-	-	(14,094)	1,916,501	1,902,407
Zakat and income tax			(51,750)	(1,500,000)	(1,551,750)
Net profit	**68,648,870**	**33,420,904**	**1,943,625**	**(47,868,899)**	**56,144,500**

	For The Nine Months Period Ended December 31, 2024 (Unaudited)				
	Voice	Data	Systems Analysis, Application Design and Development Services	Unallocated	Total
Revenue	576,699,115	448,379,991	13,713,176	-	1,038,792,282
Cost of revenue	(386,803,891)	(340,967,931)	(8,968,383)	-	(736,740,205)
Gross profit	**189,895,224**	**107,412,060**	**4,744,793**	**-**	**302,052,077**
Selling and marketing expenses	-	-	(42,357)	(44,151,503)	(44,193,860)
General and administrative expenses	-	-	(2,375,307)	(73,039,868)	(75,415,175)
Impairment loss on trade receivables	-	-	(449,860)	(24,406,854)	(24,856,714)
Other income, net	-	-	132,201	8,209,190	8,341,391
Finance income (cost), net	-	-	(14,095)	117,953	103,858
Zakat and income tax	-	-	(51,750)	(4,500,000)	(4,551,750)
Net profit for the period	**189,895,224**	**107,412,060**	**1,943,625**	**(137,771,082)**	**161,479,827**

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23 SEGMENTAL INFORMATION (CONTINUED)

	As of March 31, 2024 (Audited)			
	Voice	**Data**	**Unallocated**	**Total**
Segment assets				
Property and equipment, net	4,274,793	159,436,258	-	163,711,051
Intangible assets, net	8,519,346	317,744,677	-	326,264,023
Right of use assets, net	2,102,401	78,412,913	-	80,515,314
Total assets	**277,273,481**	**1,090,074,911**	**-**	**1,367,348,392**
Total liabilities	**314,290,536**	**494,144,775**	**-**	**808,435,311**

	For The Three Months Period Ended December 31, 2023 (Unaudited)			
	Voice	**Data**	**Unallocated**	**Total**
Revenue	55,814,594	209,624,705	-	265,439,299
Cost of revenue	(7,256,380)	(174,647,364)	-	(181,903,744)
Gross profit	**48,558,214**	**34,977,341**	**-**	**83,535,555**
Selling and marketing expenses	-	-	(13,809,143)	(13,809,143)
General and administrative expenses	-	-	(17,235,602)	(17,235,602)
Impairment loss on trade receivables	-	-	(5,329,540)	(5,329,540)
Other income, net	-		33,904,098	33,904,098
Finance income (cost), net	-	-	(5,020,035)	(5,020,035)
Zakat and income tax	-	-	-	-
Net profit for the period	**48,558,214**	**34,977,341**	**(7,490,222)**	**76,045,333**

	For The Nine Months Period Ended December 31, 2023 (Unaudited)			
	Voice	**Data**	**Unallocated**	**Total**
Revenue	177,352,787	532,308,691	-	709,661,478
Cost of revenue	(19,066,445)	(458,893,361)	-	(477,959,806)
Gross profit	**158,286,342**	**73,415,330**	**-**	**231,701,672**
Selling and marketing expenses	-	-	(39,169,457)	(39,169,457)
General and administrative expenses	-	-	(51,838,357)	(51,838,357)
Impairment loss on trade receivables	-	-	(9,439,258)	(9,439,258)
Other income, net	-	-	38,388,312	38,388,312
Finance income (cost), net	-	-	6,900,556	6,900,556
Zakat and income tax	-	-	-	-
Net profit for the period	**158,286,342**	**73,415,330**	**(55,158,204)**	**176,543,468**

Information about geographical segmentation

	For The Nine Months Period Ended December 31	
	2024 (Unaudited)	**2023 (Unaudited)**
Inside Kingdom of Saudi Arabia	802,968,695	587,459,404
Outside Kingdom of Saudi Arabia	235,823,587	122,202,074
	1,038,792,282	**709,661,478**

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24. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Group comprise the shareholders having significant influence, their affiliated companies, Board of directors and key management personnel. In the ordinary course of business, the Company enters into transactions with related parties on terms approved by the Board of Directors of the Group.

Significant transactions entered into with related parties are as follows:

			For The Three Months Period Ended December 31	
Related parties name	**Relationship**	**Nature of transaction**	**2024 (Unaudited)**	**2023 (Unaudited)**
Bahrain Telecommunication Company	Shareholder	Data revenue	439,020	647,145
		Interconnection revenue	71,60	67,568
		Interconnection cost	570,028	553,084
Digital technology solutions	Entity under Common Ownership of the Company's Shareholder	Service cost	223,902	-
Muhammad bin Ali bin Ayed Al-Baqmi	Partner in a subsidiary		-	-

			For The Nine Months Period Ended December 31	
Related parties name	**Relationship**	**Nature of transaction**	**2024 (Unaudited)**	**2023 (Unaudited)**
Bahrain Telecommunication Company	Shareholder	Data revenue	1,020,821	1,498,056
		Interconnection revenue	259,901	202,703
		Interconnection cost	1,811,582	1,685,686
Digital technology solutions	Entity under Common Ownership of the Company's Shareholder	Service cost	1,676,261	-
Muhammad bin Ali bin Ayed Al-Baqmi	Partner in a subsidiary		-	-

The above transactions resulted in the following balances with these parties:

	As at	
Due from related parties	**December 31, 2024 (Unaudited)**	**March 31, 2024 (Audited)**
Muhammad bin Ali bin Ayed Al-Baqmi	1,596,978	-
Bahrain Telecommunication Company	60,093	590,953
Digital technology solutions	-	-
	1,657,071	**590,953**

	As at	
Due to related party	**December 31, 2024 (Unaudited)**	**March 31, 2024 (Audited)**
Digital technology solutions	3,771	-
	3,771	-

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23. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Transactions with key management personnel:	For The Three Months Period Ended December 31 2024 (Unaudited)	2023 (Unaudited)	For The Nine Months Period Ended December 31 2024 (Unaudited)	2023 (Unaudited)
Short-term employee benefits	3,354,451	1,940,297	8,701,915	5,659,777
Board members' bonuses, attendance fees, and committee bonuses	825,000	119,570	2,487,000	267,138
End of service	176,136	240,332	264,204	640,304
	4,355,587	**2,300,199**	**11,453,119**	**6,567,219**

24. FINANCIAL INSTRUMENTS – FAIR VALUES

Fair values

The fair values of financial and non-financial assets and liabilities are determined for measurement and/or disclosure purposes on the basis of the accounting policies disclosed in the Interim Condensed Consolidated Financial Statements.

As at the reporting date, the fair value of the Company's financial assets and liabilities was a reasonable fair value.

Fair Value levels

The fair values of financial instruments such as cash and cash equivalents, trade receivables, contract assets, other receivables, short-term and other payables approximate their book value largely due to their short maturity. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

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

Assets and liabilities that are not measured at fair value on a recurring basis:

	As at December 31, 2024 (Unaudited)			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial Liabilities				
Long term accounts payable (Note 13)	86,725,618	-	-	83,970,254

	As at March 31, 2024 (Audited)			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial Liabilities				
Long term accounts payable (Note 13)	143,243,302	-	-	137,836,296

The fair value of other non-current financial liabilities is estimated by discounting future cash flows using currently available rates for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in expected cash flows or the discount rate. The evaluation requires management to use unobservable inputs in the model. Significant unobservable inputs are disclosed in the tables below. Management regularly evaluates a range of reasonably possible alternatives to these significant unobservable inputs and determines their effect on the total fair value

Describe the significant unobservable inputs to be evaluated:

Type of financial instrument	Fair value as at December 31, 2024	Valuation technique	Unobservable inputs	Sensitivity of the fair Value measurement to unobservable inputs
Long term payables	83,970,254	Discounted cash flows	Future periods interest rate	A 1% increase / (decrease) in the interest rate would lead to an increase / (decrease) in the fair value by SAR2.2 million

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26. DIVIDEND AND BOARD OF DIRECTORS REMUNERATIONS

At its meeting on 15 Rabi` Al-Awwal 1446 AH (corresponding to September 18, 2024), the Extraordinary General Assembly approved the Board of Directors' recommendation to distribute cash dividends totalling SAR 10,199,970 at a rate of 30 halalas per share for the year ended March 31, 2024. This represents 3% of the nominal value of each share. The dividend distribution will be granted to shareholders holding shares at the close of trading on the day of the Extraordinary General Assembly meeting. Additionally, the Assembly approved the disbursement of SAR 921,875 as reward to the Board of Directors for the year ended March 31, 2024.

27. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation in the current period, to enhance the comparability of information and to be more appropriate for users of financial statements, as follows:

Statement of financial position:

As of March 31, 2024	**Impact of reclassification**		
	As previously reported	**Reclassification**	**As currently reported**
Account Payable	310,995,191	64,178,191	375,173,382
Accrued expenses and other current liabilities	230,898,370	(64,178,191)	166,720,179

28. SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the period-end that require disclosure or adjustment in these Interim Condensed Consolidated Financial Statements.

29. APPROVAL OF THE FINANCIAL STATEMENTS

These Interim Condensed Consolidated financial statements were authorized for issue by the Board of Directors on Shaban 11, 1446 H (Corresponding to February 10, 2025).