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ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)

Interim Condensed Consolidated Financial Statements
For The Three and Six Months Period Ended September 30, 2024

ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)

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Crowe Solutions
For Professional Consulting
Member Crowe Global
P.O.Box. 10504 Riyadh 11443
Kingdom of Saudi Arabia
Telephone: +966 11 217 5000
Facesimile: +966 11 217 6000
www.crowe.com/sa

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 30 September 2024, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month period ended 30 September 2024, and the interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" (IAS 34) that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International 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 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 للاستشارات المهنية
C.R. No. 1010466353
سجل تجاري رقم ١٠١٠٤٦٦٣٥٣
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License No. 335

Rabi' II 26,1446H (Corresponding to October 29, 2024).
Riyadh, Kingdom of Saudi Arabia

ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at September 30, 2024
(Saudi Riyal)

	Note	As at September 30, 2024 (Unaudited)	As at March 31, 2024 (Audited)
Assets			
Non-current assets			
Property and equipment, net	5	157,994,867	163,711,051
Intangible assets, net	6	338,400,451	326,264,023
Right of use assets, net	7-1	69,676,360	80,515,314
Projects under constructions	8	21,399,682	20,867,269
Total non-current assets		**587,471,360**	**591,357,657**
Current assets			
Inventories, net		30,217,546	30,130,780
Trade receivables, net	9	304,583,694	275,601,636
Other current assets	10	70,643,164	35,259,627
Cash and cash equivalents	11	445,565,280	434,998,692
Total current assets		**851,009,684**	**775,990,735**
Total assets		**1,438,481,044**	**1,367,348,392**
Owner's Equity and Liabilities			
Owner's Equity			
Share capital	1-a	339,999,000	339,999,000
Statutory reserve		23,714,663	23,714,663
Retained earnings		290,334,775	195,199,418
Total owners' equity		**654,048,438**	**558,913,081**
Liabilities			
Non-current liabilities			
Long term accounts payable	12	86,399,882	143,243,302
Non-current portion of lease liabilities	7-2	46,565,818	54,848,976
Employees' defined benefit obligation		11,822,980	11,103,843
Decommissioning provision		3,663,966	3,595,850
Total non-current liabilities		**148,452,646**	**212,791,971**
Current liabilities			
Accounts payable	12	431,628,215	375,173,382
Accrued expense and other current liabilities	13	139,213,037	166,720,179
Current portion of lease liabilities	7-2	20,741,442	23,091,629
Contract liabilities	15-3	41,252,829	23,804,615
Provision for zakat and tax	14	3,144,437	6,853,535
Total current liabilities		**635,979,960**	**595,643,340**
Total liabilities		**784,432,606**	**808,435,311**
Total owners' equity and liabilities		**1,438,481,044**	**1,367,348,392**

The accompany notes from (1) to (28) are integrated 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

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 Six Months Period Ended September 30, 2024
(Saudi Riyal)

	Note	For The Three Month Period Ended September 30,		For The Six Month Period Ended September 30,	
		2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Revenue	15	346,905,379	237,889,258	657,093,575	444,222,178
Cost of revenue	16	(239,671,835)	(160,387,385)	(461,856,065)	(296,056,062)
Gross profit		**107,233,544**	**77,501,873**	**195,237,510**	**148,166,116**
Selling and marketing expenses	17	(16,383,944)	(9,735,278)	(31,066,459)	(25,360,313)
General and administrative expenses	18	(23,979,469)	(16,663,330)	(44,146,282)	(34,602,754)
Impairment loss on trade receivables and contract assets, net	9	(11,325,942)	(2,797,264)	(14,364,657)	(4,109,718)
Other income, net		3,006,988	4,459,924	4,473,764	4,484,214
Operating profit		**58,551,177**	**52,765,925**	**110,133,876**	**88,577,545**
Finance income (cost), net	19	1,555,893	(4,871,756)	(1,798,549)	11,920,591
Profit before zakat and income tax		**60,107,070**	**47,894,169**	**108,335,327**	**100,498,136**
Zakat and income tax	14	(1,500,000)	-	(3,000,000)	-
Net profit for the period		**58,607,070**	**47,894,169**	**105,335,327**	**100,498,136**
Other comprehensive income:					
Items that will not be reclassified to profit or loss in subsequent periods:					
Re-measurement of defined benefit obligation		-	-	-	-
Other comprehensive Income		-	-	-	-
Total comprehensive profit for the period		**58,607,070**	**47,894.169**	**105,335,327**	**100,498,136**
Earnings per share – basic and diluted	20	**1.72**	**1.62**	**3.10**	**3.39**

The accompany notes from (1) to (28) are integrated 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

شركة اتحاد عذيب للاتصالات
س.ت 1010263273
GO Telecom
رقم (1) No.(1)
Etihad Atheeb Telecom Co.

ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Six Months Period Ended September 30, 2024
(Saudi Riyal)

	Share capital	Statutory Reserve	Retained earnings	Total Owners' Equity
Balance at April 1, 2023 (Audited)	89,999,000	4,246,824	21,829,687	116,075,511
Net profit for the period	-	-	100,498,136	100,498,136
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	100,498,136	100,498,136
Balance at September 30, 2023 (Unaudited)	**89,999,000**	4,246,824	**122,327,823**	**216,573,647**
Balance at 1 April 2024 (Audited)	339,999,000	23,714,663	195,199,418	558,913,081
Net profit for the period	-	-	105,335,327	105,335,327
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	**105,335,327**	**105,335,327**
Dividend distributions (Note 25)	-	-	(10,199,970)	(10,199,970)
Balance at September 30, 2024 (Unaudited)	**339,999,000**	**23,714,663**	**290,334,775**	**654,048,438**

The accompany notes from (1) to (25) are integrated 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

ETIHAD ATHEEB TELECOMMUNICATION COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Six Months Period Ended September 30, 2024
(Saudi Riyal)

	Note	For The Six Months Period Ended September 30	
		2024	2023
Cash flows from operating activities			
Period profit before zakat and income tax expenses		108,335,327	100,498,136
Adjustments:			
Depreciation and amortization	5,6,7	28,934,642	30,450,426
Finance cost, net	19	9,042,198	(11,920,591)
Finance income from Murabaha	19	(7,243,649)	-
Lease agreement settlement		416,858	54,075
Impairment loss on trade receivables	9	14,364,657	4,109,718
Account payable settlement		(1,474,468)	-
Income from disposal intangible assets		-	(277,653)
Current service cost of employees' defined benefit obligation		1,373,801	807,591
		153,749,366	**123,721,702**
Changes in working capital:			
Inventories		(86,766)	(8,450,435)
Trade receivables		(43,346,715)	(87,221,244)
Prepaid expenses and other current assets		(35,383,537)	(748,587)
Accounts payable		1,085,881	95,248,143
Accrued expenses and other current liabilities		(27,507,142)	(31,536,955)
Contract liabilities		17,448,214	(19,533,074)
Total cash generated from operating activities		**65,959,301**	**71,479,550**
Employees' defined benefit obligation paid		(654,664)	(32,743)
Zakat paid		(6,709,098)	(1,236,315)
Net cash generated from operating activities		**58,595,539**	**70,210,492**
Cash flows from investing activities			
Additions to property and equipment	5	-	(1,629,993)
Additions to intangible assets		(21,562,000)	(13,500,000)
Additions to WIP	8	(5,144,343)	(2,843,717)
Income received from Islamic deposits		5,910,893	-
Net cash used in investing activities		**(20,795,450)**	**(17,973,710)**
Cash flows from financing activities			
Finance costs paid		(6,646,747)	(1,429,208)
Dividend distributions		(10,199,970)	-
Payment of lease liabilities		(10,386,784)	(11,254,498)
Net cash used in financing activities		**(27,233,501)**	**(12,683,706)**
Increase (decrease) in cash and cash equivalents		**10,566,588**	**39,553,076**
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 year		**445,565,280**	**92,615,735**
Supplementary information for non-cash transactions:			
Transfer from projects under constructions to property and equipment	8	4,611,930	-

The accompany notes from (1) to (28) are integrated 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

شركة اتحاد عذيب للاتصالات
1010263273 س.ت
No.(1) GO Telecom (1) رقم
رقم العضوية ....ع.ت
Etihad Atheeb Telecom Co.

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

Branch	CR number
Jeddah branch	4030197139
Khubar 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:

	Paid Capital	Ownership percentage	The nature of the company's business	Location	Date of acquisition
Future Resources Human Resources Company	100,000	100%	Limited liability company (single person)	Kingdom of Saudi Arabia	15/08/2024

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 1 April 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) (Previously: Communications and Information Technology Commission) has extended the life of the Company's license by 15 years (ending on 31 March 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, and on 27 Rabi' II 1443H (Corresponding to December 2, 2021) the Company received a final extension of the Company commitment to deploy the network under the license granted to it by the authority for the 3.5 GHz band frequencies for an additional six months to be ended on 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 finalized deploying 100% of its network phase (1) of the obligation set forth by the CST with regards to the spectrum license, which represents deploying network over 10% of the KSA. 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 9 Safar 1444H (corresponding to September 5, 2022), the Company received a letter from the CST informing the Company that it accepted its fulfilment 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 treatments regarding 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 work out a plan to meet the requirements of the third phase of the network deployment commitments to cover at least 50% of the populated areas in the cities subject to the commitment before the end of the year 2027, according to the requirements for licensing the frequency spectrum to provide fixed communications services with infrastructure for frequencies of the 3.5 GHz band granted by the CST.

1. ORGANIZATION AND MAIN ACTIVITIES (continued)

a) General information: (continued)

Group Activities
The main activities of the Company and its subsidiaries
The Company is providing various fixed line and wireless services such as voice, data services, broadband internet services, internet telephony services, international gateway, and fixed telephone lines to individuals, homes and businesses. The Company commenced commercial operations on January 1st, 2010.

The subsidiary company:
Head office activities include verifying the authenticity of documents, papers, and data, rehabilitating and restructuring administrative, financial, and operational processes of establishments, providing high-level administrative consulting services, integrated administrative services for offices, training centers, public relations and communication, mediating in the recruitment of foreign labor, mediating in the employment of Saudis, activities of temporary labor agencies for foreign labor, activities of temporary labor agencies for Saudis, the coordinating council for recruitment companies, and e-training.

Share Capital
The company's share capital is 339,999,000 Saudi Riyals as of September 30, 2024 (March 31, 2024: 339,999,000), divided into 33,999,900 shares (March 31,2024: 33,999,900 share), the 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 at a value of 350 million Saudi Riyals divided into 35 million ordinary shares at a value of 10 Saudi Riyals per share, its main objective after obtaining the required approvals from the competent authorities is to increase Capital to pay the Company's obligations and develop and modernize its business systems and networks. The Company submitted the 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 from 350,000,000 Saudi Riyals to 250,000,000 Saudi Riyals. the Company submitted the file to the competent authorities, and the approval of the share capital raising file 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 becomes 339,999,000 Saudi Riyals. The vote was held and the result of the vote 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, so that the share capital after the increase becomes 339,999,000 One million 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 at a value of 250 million Saudi Riyals divided into 25 million ordinary shares at a value of 10 Saudi Riyals per share, its main objective after obtaining the required approvals from the competent authorities is 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 competent authorities.

On January 8, 2024, CMA has approved Etihad Atheeb Telecommunication 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 BOD recommendation by the general assembly on their extraordinary meeting held.

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 which 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 12.1.1).

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 on the installment related to CST government charges of SAR 22.23 million over 36 months of 617 thousand Saudi Riyals monthly installment starting from February 20, 2022 and amount of 19.7 million Saudi Riyals has been paid as at September 30, 2024 (Note 12.1.2).
- On March 21, 2023, Company received an approval from Ministry of Finance on the installment related to CST government charges of SAR 23.98 million over 36 months of 666 thousand Saudi Riyals monthly installment starting from April 5, 2023, and amount of 12.6 million Saudi Riyals has been paid as at September 30, 2024 (Note 12.1.3).
- On May 10, 2023, the Company received an approval of the Ministry of Finance to install the amount related to government fees due for the period extending from the beginning of dealing with the CST until the end of 2018, at a value of SR 63.88 million over a period of 7 years. The yearly installment is SR 9.13 million starting from April 1, 2025 (Note 12.1.4 and 21).
- The Company's business is improving through the conclusion of new sales agreements, which led to revenue growth and net profits for the period ended on September 30, 2024. In return, the Company concluded contracts with suppliers for periods that are consistent with the cash received into 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 some other aspects 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 the B2B and B2C sectors, and cost optimization plans. The management has taken some initiatives emanating from this study
- The company received regulatory approval to raise its current capital to SAR 250 million through the offering of new priority shares, with the net proceeds used to develop and update network operations in addition to paying some due amount.

As described above, management has a reasonable expectation that the Company will have sufficient resources to meet its obligations as they fall due. Accordingly, these Interim Condensed Consolidated Financial Statements have been prepared on a going concern basis, which assumes that the Company will be able to discharge its liabilities for a period at least 12 months form the date of preparing 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.

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to June 30, 2022) (hereinafter referred as "the Law”) came into force on 26/6/1444 H (corresponding to January 19, 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444 H (corresponding to January 19, 2023). The management is in process of assessing the impact of the New Companies Law and will amend its Articles of Association/By-Laws for any changes to align the Articles to the provisions of the Law. Consequently, the Company shall present the amended By-Laws to the shareholders/partners in their Extraordinary / Annual General Assembly meeting for their ratification.

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) of 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.

These are the first consolidated financial statements issued by the company. The attached consolidated financial statements include the assets, liabilities, and operating results of the parent company and the subsidiary.

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.

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. SIGNIFICAT ACCOUNTING POLICIES

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 Saudi Organization for Chartered and Professional Accountants (SOCPA), and they are the same policies applied in preparation of the annual financial statements on March 31, 2024.

There are new standards and a number of amendments to the standards that are effective as of January 1, 2024, and they were disclosed in the annual financial statements of the Group, but 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. Moreover, these estimates and judgments affect revenues, expenses, provisions, in general, 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 necessarily based on multiple hypothesis and factors with varying degrees of estimation and uncertainty. Meanwhile, 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 versions approved by the Saudi Organization for Chartered and Professional Accountants (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. PROPERTY AND EQUIPMENT, NET

For the purposes of preparing the Interim Condensed Consolidated Statement of cash flows, movement on property and equipment was as following:

	For The Six Months Period Ended September 30,	
	2024 (Unaudited)	**2023 (Unaudited)**
Additions on property and equipment	-	1,629,993
Depreciation on property and equipment	10,328,114	7,601,728
Transfers from projects under constructions to PPE (Note 8)	4,611,930	-

6. INTANGIBLE ASSETS, NET

For the purposes of preparing the Interim Condensed Consolidated Statement of cash flows, movement in intangible assets was as following:

	For The Six Months Period Ended September 30,	
	2024 (Unaudited)	**2023 (Unaudited)**
Additions on intangible assets	21,562,000	13,500,000
Amortization of intangible assets	9,425,572	11,613,643

7. LEASING CONTRACT

7.1 Right of Use Assets, NET

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

	As at	
Cost	**September 30, 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
Disposals during the period/year	(4,433,811)	(50,405,365)
Settlements	-	973,296
Balance at the end of the period/year	**154,797,120**	**159,230,931**
Accumulated amortization		
Balance at the beginning of the period/year	78,715,617	99,900,655
Depreciation during the period/year	9,180,956	23,704,473
Disposals during the period/year	(2,775,813)	(44,889,511)
Balance at the end of the period/year	**85,120,760**	**78,715,617**
Net book value for the period/year	**69,676,360**	**80,515,314**

7.2 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	
	September 30, 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
Disposals during the period/year	(1,241,140)	(4,757,108)
Finance cost during the period/year	1,883,207	4,073,398
Paid during the period/year	(10,386,784)	(46,759,550)
Settlements during the period/year	-	973,296
Transferred to payables during the period/year	(888,628)	(26,178,097)
Lease liability at the end of the period/year	**67,307,260**	**77,940,605**
Current portion	**20,741,442**	**23,091,629**
Non-current portion	**46,565,818**	**54,848,976**

Expenses related to short-term and low-value leases for the period ended September 30, 2024 amounted to SAR 142,350 (September 30, 2023: SAR 24,480).

8. PROJECTS UNDER CONSTRCTIONS

Work in progresses 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, and its consumption and amortization will begin when these projects are completed and ready to use.

For the purposes of preparing the Interim Condensed Consolidated Statement of cash flows, movement on projects under constructions was as following:

	For The Six Months Period Ended September 30,	
	2024 (Unaudited)	**2023 (Unaudited)**
Additions during the period	5,144,343	2,843,717
Transferred to property and equipment (Note 5)	4,611,930	-

9. TRADE RECEIVABLES, NET

	Note	As at September 30, 2024 (Unaudited)	As at March 31, 2024 (Audited)
Trade receivables-Private Sector		273,839,775	256,157,651
Trade receivables-Government Sector		104,034,254	140,547,378
Trade receivables-Related Parties	23	122,626	590,953
Total		**377,996,655**	**397,295,982**
Less: Provision of impairment loss on trade receivable	9-1	(73,412,961)	(121,694,346)
		304,583,694	**275,601,636**

9-1 Movement on Impairment loss provision on trade receivable is as follows:

	As at September 30, 2024 (Unaudited)	As at March 31, 2024 (Audited)
Balance at beginning of the period/ year	121,694,346	107,301,263
Write off debts for the period/ year	(62,646,042)	-
Charge for the period/ year	14,364,657	14,393,083
Balance at end of the period/ year	**73,412,961**	**121,694,346**

10. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	As at September 30, 2024 (Unaudited)	As at March 31, 2024 (Audited)
Advances to suppliers	30,648,087	19,308,197
Margins held by banks against letters of guarantee issued	37,323,374	12,700,164
Prepaid insurance expenses	119,496	2,370,084
Income interest accrued	1,332,755	-
Advances to employees	653,551	499,665
Prepaid rent expenses	-	121,290
Other	565,901	260,227
	70,643,164	**35,259,627**

11. CASH AND CASH EQUIVALENT

	As at September 30, 2024 (Unaudited)	As at March 31, 2024 (Audited)
Cash in bank	86,915,280	434,998,692
Short term deposits *	358,650,000	-
	445,565,280	**434,998,692**

* Investment in Islamic deposits represents time deposits, placed with commercial bank and has a maturity of three months or less as at the original investment date. and on which a commission is generated according to the prevailing short-term deposit rates.

12. ACCOUNTS PAYABLE

	Note	As at September 30, 2024 (Unaudited)	As at March 31, 2024 (Audited)
Accounts payable - with deferred payment agreements	12.1	154,989,875	207,070,331
Accounts payable - Other		363,038,222	311,346,353
		518,028,097	**518,416,684**
Current-portion			
Accounts payable - with deferred payment agreements		68,589,993	63,827,029
Accounts payable - Other		363,038,222	311,346,353
		431,628,215	**375,173,382**
Non-current portion			
Accounts payable - with deferred payment agreements		86,399,882	143,243,302
		518,028,097	**518,416,684**

12.1 Movement in accounts payable with deferred payments agreement

	Note	As at September 30, 2024 (Unaudited)	As at 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		(57,359,639)	(64,404,856)
Unwinding of discount during the period/year	19	5,279,183	11,779,066
Balance at end of the period/year		**154,989,875**	**207,070,331**

12.1.1 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).

12.1.2 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).

12.1.3 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).

12.1.4 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 21).

13. ACCRUED EXPENSE AND OTHER CURRENT LIABILITIES

	As at September 30, 2024 (Unaudited)	As at March 31, 2024 (Audited)
Other suppliers	61,135,885	92,735,320
Government fees	35,035,227	17,598,595
Compensation of creditors for subscription to priority rights shares	19,253,079	25,981,455
Employee benefits	13,677,705	23,600,378
Value-added tax	8,594,840	4,348,074
Remuneration and allowances for members of the Board of Directors	1,516,301	2,456,357
	139,213,037	**166,720,179**

14. PROVISION FOR ZAKAT AND TAX

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

	As at	
	September 30, 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	3,000,000	5,421,415
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	**3,144,437**	**6,853,535**
The breakdown of Zakat paid is as follows:		
Zakat settlement payments during the period/year	6,709,098	1,236,315
The paid zakat charged for the previous years	-	-
Total payments during the period/year	**6,709,098**	**1,236,315**

14.2 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, objecting to the ruling of the Primary Committee regarding zakat, and in March 2022 the company received a decision on the appeal from the First Appeals Chamber for income tax violations and disputes, which stated that some of the objectionable points were accepted and rejected. Some others, and based on this, the company filed an appeal with the General Secretariat of Tax Committees, and on February 6, 2023, the second department for adjudicating income tax violations and disputes held its session in the presence of the company's representative and the representative of the General Authority for Zakat, Tax, and Customs, and the lawsuit filed by the company against the authority was accepted, and the decision was issued to prove that the dispute had ended and accordingly. The amount owed by the company, amounting to 6.98 million riyals, was canceled from the records of the General Authority of Zakat, Tax and Customs.

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 by an additional amount of SAR 5.53 million, and in December 2020, the ZATCA raised zakat and tax assessment for the fiscal years 2015, 2016, 2017, and 2018 with an additional amount of SAR 4.089 million, SAR 4.57 million, SAR nil, and SAR 18 million respectively. The Company went for a settlement with the Settlement of Zakat and Tax Disputes Committee in August 2021 and the Company attended a hearing record with the Settlement Committee, and the Settlement Committee sent the Company a proposal to pay 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 an amount of zero SAR, 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 declarations amount that equals to SAR 4.5 million, SAR 2.8 million and SAR 1 million respectively The Authority issued a zakat assessment for the fiscal years 2020, 2021, and 2022. There are no differences, which is Which corresponds to the form provided.
- The management and the zakat advisor are of the view that no additional provision is required other than what has already been provided for.

14. PROVISION FOR ZAKAT AND TAX (CONTIUED)

Withholding tax

In July 2015, the Authority issued a withholding tax assessment of SAR 0.83 million for the years 2010 through 2012, to which 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 corporation filed an objection with the Supreme Objections Committee (Supreme Committee) in response to the Primary Committee's decision to impose a late punishment on withholding taxes. However, the corporation settled withholding tax dues of SAR 0.83 million, as well as fines of SAR 0.6 million, with the authority.

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.

15. REVENUE

15.1 Revenue per Service

	For The Three Months Period Ended September 30,		For The Six Months Period Ended September 30,	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Data and internet revenue	160,207,343	141,539,239	312,201,158	287,665,239
Interconnection revenue	94,275,559	45,389,743	180,897,527	72,728,490
Voice revenue	88,582,477	47,120,276	156,314,890	76,148,449
Enterprise solutions revenue	3,840,000	3,840,000	7,680,000	7,680,000
	346,905,379	**237,889,258**	**657,093,575**	**444,222,178**

15.2 Timing of revenue recognition

	For The Three Months Period Ended September 30,		For The Six Months Period Ended September 30,	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Recognized over time	156,534,814	143,563,586	301,034,644	287,373,285
At a point in time	190,370,565	94,325,672	356,058,931	156,848,893
	346,905,379	**237,889,258**	**657,093,575**	**444,222,178**

15.3 Details about contract liabilities

	As at	
	September 30, 2024 (Unaudited)	March 31, 2024 (Audited)
Contract liabilities*	41,252,829	23,804,615

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

16. COST OF REVENUE

	For The Three Months Period Ended September 30,		For The Six Months Period Ended September 30,	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Voice Interconnection cost	112,416,814	47,122,936	217,345,599	74,762,015
Capacity lease charges	64,551,261	46,656,230	127,580,267	97,128,650
Government fees	18,206,969	16,257,726	35,956,991	30,637,438
Inventory consumption and installation	17,750,946	25,182,413	29,181,728	43,491,079
Depreciation and amortization	10,958,763	11,177,134	21,707,419	22,589,632
Employees' costs	10,807,777	9,148,889	21,245,819	17,282,596
Network maintenance and support	3,943,342	1,174,991	6,516,658	3,881,404
Site and facilities rental	907,706	1,005,656	1,886,678	2,003,779
Cloud & Hosting	4,448	2,488,155	139,884	4,279,469
Other	123,809	173,255	295,022	-
	239,671,835	**160,387,385**	**461,856,065**	**296,056,062**

17. SELLING AND MARKETING EXPENSES

	For The Three Months Period Ended September 30,		For The Six Months Period Ended September 30,	
	2024 (Unaudited)	**2023 (Unaudited)**	**2024 (Unaudited)**	**2023 (Unaudited)**
Employees' costs and benefits	10,388,208	7,690,485	19,811,697	14,878,159
Marketing and advertising cost	2,132,390	838,692	4,569,167	2,131,581
Dealers' commission	2,252,093	191,558	4,534,343	6,256,819
Customer care	1,611,253	871,476	2,151,252	1,860,958
Other	-	143,067	-	232,796
	16,383,944	**9,735,278**	**31,066,459**	**25,360,313**

18. GENERAL AND ADMINISTRATIVE EXPENSES

	For The Three Months Period Ended September 30,		For The Six Months Period Ended September 30,	
	2024 (Unaudited)	**2023 (Unaudited)**	**2024 (Unaudited)**	**2023 (Unaudited)**
Employees' costs and benefits	11,720,461	7,763,190	23,302,046	15,220,520
Depreciation and amortization	3,605,360	3,930,397	7,227,222	7,860,794
Insurance expense	1,221,972	793,239	2,288,780	1,606,663
Network maintenance and support	1,517,890	1,504,637	2,557,671	3,594,469
Professional and consultancy charges	2,711,306	746,333	3,139,389	2,921,928
Other	3,202,480	1,925,534	5,631,174	3,398,380
	23,979,469	**16,663,330**	**44,146,282**	**34,602,754**

19. FINANCE INCOME (COST), NET

	For The Three Months Period Ended September 30,		For The Six Months Period Ended September 30,	
	2024 (Unaudited)	**2023 (Unaudited)**	**2024 (Unaudited)**	**2023 (Unaudited)**
Unwinding of discount on long term liabilities	2,347,870	3,007,331	5,279,183	6,292,446
Interest cost on lease liabilities	930,229	1,023,918	1,883,207	1,854,849
Other finance cost	901,456	735,211	1,554,257	1,429,208
Finance cost on defined benefit liability	128,717	72,338	257,435	144,675
Unwinding of provision for dismantling cost	34,218	32,958	68,116	65,607
Discount income on long-term liabilities	-	-	-	(21,707,376)
Interest income for Murabaha	(5,898,383)	-	(7,243,649)	-
	(1,555,893)	**4,871,756**	**1,798,549**	**(11,920,591)**

20. EARNINGS PER SHARE

	For The Six Months Period Ended Sep 30,	
	2024 (Unaudited)	**2023 (Unaudited)**
Net profit for the period	105,335,327	100,498,136
Weighted average number of shares for the period	**33,999,900**	**29,622,940**
Basic and diluted earnings per share	**3.10**	**3.39**

* Modified priority rights

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

21. CONTINGENCIES

Letter of guarantees

The Company has outstanding letters of guarantees as of September 30, 2024 by the amount of SR 70 million (March 31, 2024: SR 50 million).

Legal cases status

In the normal course of business, the Company became part of legal cases with a few suppliers and employees. Management believes that the cases will be decreed in favor of the Company and accordingly no provision has been recognized.

CST liability

The Ministry of Finance requested the Company, according to its letter dated August 26, 2017, to pay an amount of 155.7 million SAR 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, Authority 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 see 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 equal to amount of SAR 63.9 million, and accordingly, no addition amounts 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 two parties from the beginning of the dealing period up to December 31, 2018 (Note 1-b and 12-1-4), and the agreement resulted as the following:

1- Paying the amount agreed with the Authority and recognized in the company's books of amount SAR 63,876,855 S in favor of the Authority in installments according to 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.

22. 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.
- **E-Commerce** transactions are not material during the condensed consolidated interim financial statements. The Company will continuously assess e-commerce transactions materiality.

22. SEGMENTAL INFORMATION (CONTINUED)

	As at September 30, 2024 (Unaudited)			
	Voice	**Data**	**Unallocated**	**Total**
Segment assets				
Property and equipment, net	4,125,533	153,869,334	-	157,994,867
Intangible assets, net	8,836,250	329,564,201	-	338,400,451
Right of use assets, net	1,819,376	67,856,984	-	69,676,360
Total assets	**313,209,424**	**1,125,271,620**	**-**	**1,438,481,044**
Total liabilities	**341,347,390**	**443,085,216**	**-**	**784,432,606**

	For The Three Months Period Ended September 30, 2024 (Unaudited)			
	Voice	**Data**	**Unallocated**	**Total**
Revenue	205,442,557	141,462,822	-	346,905,379
Cost of revenue	(133,621,800)	(106,050,035)	-	(239,671,835)
Gross profit	**71,820,757**	**35,412,787**	**-**	**107,233,544**
Selling and marketing expenses	-	-	(16,383,944)	(16,383,944)
General and administrative expenses	-	-	(23,979,469)	(23,979,469)
Impairment loss on trade receivables	-	-	(11,325,942)	(11,325,942)
Other income, net	-	-	3,006,988	3,006,988
Finance income (cost), net	-	-	1,555,893	1,555,893
Zakat and income tax	-	-	(1,500,000)	(1,500,000)
Net profit	**71,820,757**	**35,412,787**	**(48,626,474)**	**58,607,070**

	For The Six Months Period Ended September 30, 2024 (Unaudited)			
	Voice	**Data**	**Unallocated**	**Total**
Revenue	359,796,938	297,296,637	-	657,093,575
Cost of revenue	(238,550,584)	(223,305,481)	-	(461,856,065)
Gross profit	**121,246,354**	**73,991,156**	**-**	**195,237,510**
Selling and marketing expenses	-	-	(31,066,459)	(31,066,459)
General and administrative expenses	-	-	(44,146,282)	(44,146,282)
Impairment loss on trade receivables	-	-	(14,364,657)	(14,364,657)
Other income, net	-	-	4,473,764	4,473,764
Finance income (cost), net			(1,798,549)	(1,798,549)
Zakat and income tax	-	-	(3,000,000)	(3,000,000)
Net profit for the period	**121,246,354**	**73,991,156**	**(89,902,183)**	**105,335,327**

	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 September 30, 2023 (Unaudited)			
	Voice	**Data**	**Unallocated**	**Total**
Revenue	92,510,019	145,379,239	-	237,889,258
Cost of revenue	(6,398,064)	(153,989,321)	-	(160,387,385)
Gross profit	**86,111,955**	**(8,610,082)**	**-**	**77,501,873**
Selling and marketing expenses	-	-	(9,735,278)	(9,735,278)
General and administrative expenses	-	-	(16,663,330)	(16,663,330)
Impairment loss on trade receivables	-	-	(2,797,264)	(2,797,264)
Other income, net	-	-	4,459,924	4,459,924
Finance income (cost), net	-	-	(4,871,756)	(4,871,756)
Zakat and income tax	-	-	-	-
Net profit for the period	**86,111,955**	**(8,610,082)**	**(29,607,704)**	**47,894,169**

22. SEGMENTAL INFORMATION (CONTINUED)

	For The Six Months Period Ended September 30, 2023 (Unaudited)			
	Voice	**Data**	**Unallocated**	**Total**
Revenue	121,538,192	322,683,986	-	444,222,178
Cost of revenue	(11,810,066)	(284,245,996)	-	(296,056,062)
Gross profit	**109,728,126**	**38,437,990**	**-**	**148,166,116**
Selling and marketing expenses	-	-	(25,360,313)	(25,360,313)
General and administrative expenses	-	-	(34,602,754)	(34,602,754)
Impairment loss on trade receivables	-	-	(4,109,718)	(4,109,718)
Other income, net	-	-	4,484,214	4,484,214
Finance income (cost), net	-	-	11,920,591	11,920,591
Zakat and income tax	-	-	-	-
Net profit for the period	**109,728,126**	**38,437,990**	**(47,667,980)**	**100,498,136**

Information about geographical segmentation

	For The Six Months Period Ended September 30	
	2024 (Unaudited)	**2023 (Unaudited)**
Inside Kingdom of Saudi Arabia	505,739,567	379,799,244
Outside Kingdom of Saudi Arabia	151,354,008	64,422,934
	657,093,575	**444,222,178**

23. 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 September 30	
Related parties name	**Relationship**	**Nature of transaction**	**2024 (Unaudited)**	**2023 (Unaudited)**
Bahrain Telecommunication Company	Shareholder	Data revenue	385,534	395,804
		Interconnection revenue	74,754	67,568
		Interconnection cost	687,704	543,930
Digital technology solutions	Entity under Common Ownership of the Company's Shareholder	Service cost	-	-

			For The Six Months Period Ended September30	
Related parties name	**Relationship**	**Nature of transaction**	**2024 (Unaudited)**	**2023 (Unaudited)**
Bahrain Telecommunication Company	Shareholder	Data revenue	581,801	799,046
		Interconnection revenue	188,841	135,144
		Interconnection cost	1,241,554	1,080,747
Digital technology solutions	Entity under Common Ownership of the Company's Shareholder	Service cost	1,452,359	-

23. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The above transaction resulted in the following balances with these companies:

	As at	
Due from related party	**September 30, 2024 (Unaudited)**	**March 31, 2024 (Audited)**
Bahrain Telecommunication Company	120,041	590,953
Digital technology solutions	2,585	-
	122,626	**590,953**

	For The Three Months Period Ended September 30		For The Three Months Period Ended September 30	
Transactions with key management personnel:	**2024 (Unaudited)**	**2023 (Unaudited)**	**2024 (Unaudited)**	**2023 (Unaudited)**
Short-term employee benefits	2,854,782	1,966,639	5,347,464	3,719,480
End of service	44,035	377,530	88,068	399,972
Board members' bonuses, attendance fees, and committee bonuses	831,000	51,568	1,662,000	147,568
	3,729,817	**2,395,737**	**7,097,532**	**4,267,020**

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 September 30, 2024 (Unaudited)			
	Book value	**Fair value**		
		Level 1	**Level 2**	**Level 3**
Financial Liabilities				
Long term accounts payable	86,399,882	-	-	82,846,111

	As at March 31, 2024 (Audited)			
	Book value	**Fair value**		
		Level 1	**Level 2**	**Level 3**
Financial Liabilities				
Long term accounts payable	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

24. FINANCIAL INSTRUMENTS – FAIR VALUES(CONTINUED)

Describe the significant unobservable inputs to be evaluated:

Type of financial instrument	Fair value as at September 30, 2024	Valuation technique	Unobservable inputs	Sensitivity of the fair Value measurement to unobservable inputs
Long term payables	82,846,111	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 SAR 2.5 million

25. 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 ending 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 ending March 31, 2024.

26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation in the current year, 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

27. SUBSEQUENT EVENTS

In October 15, 2024 The group established Digital Launch Technologies, a limited liability company, with a capital of 25,000 Saudi Riyals. The group owns 100% of the shares of the newly formed company.

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

28. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors on Rabi' II 26, 1446H (Corresponding to October 29, 2024).