**ETIHAD GO TELECOM COMPANY**
**(FORMERLY KNOWN AS ETIHAD ATHEEB TELECOMMUNICATION COMPANY)**
**(Listed Joint Stock Company)**

Consolidated Financial Statements
Together with Independent Auditor's Report
For The Year Ended March 31, 2026

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# INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of**
**Etihad Go Telecom Company**
**(Formerly Known as Etihad Atheeb Telecommunication Company)**
(Listed Joint Stock Company)

## Opinion

We have audited the consolidated financial statements of Etihad Go Telecom Company (Formerly Known as Etihad Atheeb Telecommunication Company) ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at March 31, 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*" section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that are endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Below is a description of the key audit matters and how they were addressed.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the Shareholders of**
**Etihad Go Telecom Company**
**(Formerly Known as Etihad Atheeb Telecommunication Company)**
(Listed Joint Stock Company)

**Key Audit Matters (continued)**

| Key audit matter | How the key audit matter was addressed in our audit |
|---|---|
| **Revenue recognition** | |
| The Group's revenues mainly consist of revenues from data and internet services, interconnection revenues, enterprise solutions revenues, voice communication services revenues, software development revenues, in addition to revenues generated from the leasing of inactive fiber optic capacity, totaling SAR 1.92 billion for the year ended March 31, 2026.<br><br>We considered this a key audit matter as the application of IFRS 15 “Revenue from contracts with customers” in the telecommunication sector, includes inherent risks about the occurrence, accuracy, and completeness of revenues recorded due to the complexity associated with the network environment, changes caused by prices updates, dependency on IT applications, large volume of data, as well as the materiality of the related amounts.<br><br>Refer to notes (4-14) for the accounting policy and note (23) for related disclosures. | The audit procedures we have performed in this area among other matters based on our judgment included the following:<br><br>• Assessed the Group’s revenue recognition policy, for compliance with IFRS 15.<br>• Assessed, with the assistance of our IT specialists, the design, implementation and operating effectiveness of management’s key internal controls over the IT environment in which the business systems operate, including access controls, program change controls, program development controls and IT operation controls.<br>• Reviewed, on a sample basis, the reconciliation between the general ledger and the billing system to assess the accuracy and completeness of revenue recognition.<br>• Selected a sample of invoices for which revenue had been recognized and verified the revenue amounts based on the underlying supporting documents.<br>• Assessed, on a sample basis, the design, implementation and operating effectiveness of the automated controls over occurrence, accuracy, and completeness of revenue recognition.<br>• Performed substantive analytical procedures on significant revenue streams.<br>• Assessed the sufficiency and adequacy of relevant disclosures in the consolidated financial statements. |

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the Shareholders of**
**Etihad Go Telecom Company**
**(Formerly Known as Etihad Atheeb Telecommunication Company)**
(Listed Joint Stock Company)

**Key Audit Matters (continued)**

<table>
<tr><th>Key audit matter</th><th>How the key audit matter was addressed in our audit</th></tr>
<tr><td>Impairment of goodwill</td><td></td></tr>
<tr><td>At March 31, 2026, the Group had goodwill, amounting to SAR 59 million, which arose on past business combinations. In accordance with the International Accounting Standard ("IAS") 36 "Impairment of assets", that is endorsed in the Kingdom of Saudi Arabia, an entity is required to test goodwill acquired in a business combination at least annually irrespective of whether there is any indication of impairment.<br><br>Goodwill is monitored by management at a regional level comprising cash-generating units ("CGUs") based on the relevant operating activities of the Group. Management carried out an impairment assessment in respect of goodwill by determining the recoverable amount based on value-in-use using a discounted cash flow model, which utilized the most recent business plan prepared by the management.<br><br>We considered impairment testing of goodwill by management as a key audit matter since the assessment of the recoverable amount using value-in-use requires management to make estimates and assumptions particularly with respect to:<br><br>a) revenue growth and earnings before interest taxes depreciation and amortisation ("EBITDA") margin; and<br><br>b) discount rate and terminal growth rate used in the cash flow model<br><br>Refer to notes (4-3) for the accounting policy and note (7) for related disclosures.</td><td>The audit procedures we have performed in this area among other matters based on our judgment included the following:<br><br>• Engaged our internal valuation expert to:<br><br>- Assess the appropriateness of the methodology used by management against the requirements of IAS 36.<br><br>- Evaluate the underlying assumptions used by management, principally sales growth rates and discount rates.<br><br>- Assess the reasonableness of cash flow projections including projected financial information by comparison to the CGUs' historical results and approved business plans.<br><br>• Assessed the sufficiency and adequacy of the disclosures made in the consolidated financial statements</td></tr>
</table>

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the Shareholders of**
**Etihad Go Telecom Company**
**(Formerly Known as Etihad Atheeb Telecommunication Company)**
(Listed Joint Stock Company)

## Other Information

Management is responsible for the other information. The other information comprises the information contained in the Group's annual report for the year ended March 31, 2026, but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or with the knowledge obtained during the audit, or otherwise appears to be materially misstated.

When we read the Group's annual report for the year ended March 31, 2026, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

## Other Matter

The Group's consolidated financial statements for the year ended March 31, 2025, were audited by another auditor who issued an unmodified opinion on those consolidated financial statements on Muharram 5, 1447H (corresponding to June 30, 2025).

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by SOCPA, the regulations for companies and the Company's Bylaws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the Shareholders of**
**Etihad Go Telecom Company**
**(Formerly Known as Etihad Atheeb Telecommunication Company)**
(Listed Joint Stock Company)

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor`s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and the content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**To the Shareholders of**
**Etihad Go Telecom Company**
**(Formerly Known as Etihad Atheeb Telecommunication Company)**
(Listed Joint Stock Company)

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**RSM Allied Accountants Professional Services**

شركة ار اس ام المحاسبون المتحدون للاستشارات المهنية
س.ت: ٤٠٣٠٢٢٨٧٧٣
C.R. 4030228773
RSM Allied Accountants Professional Services Co.

**Mohammed Abdulmajeed Mohandes**
License No. 564
Riyadh, Kingdom Saudi Arabia
Dhu Al-Hijja 17, 1447H (corresponding to June 03, 2026)

**ETIHAD GO TELECOM COMPANY**
**(Formerly Known as Etihad Atheeb Telecommunication Company)**
(Listed Joint Stock Company)
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
As at March 31, 2026
(Expressed in Saudi Riyal)

| | Note | As at March 31, 2026 | 2025 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property and equipment, net | 6 | **130,676,272** | 144,109,934 |
| Intangible assets and goodwill, net | 7 | **395,079,268** | 392,141,209 |
| Right of use assets, net | 8-1 | **57,017,947** | 60,772,069 |
| Projects under construction | 9 | **68,999,599** | 27,554,738 |
| Prepayments and other assets, non-current portion | 13&38 | **25,199,906** | 22,224,141 |
| Advance for investment in a subsidiary | 10 | **-** | 5,000,000 |
| **Total non-current assets** | | **676,972,992** | 651,802,091 |
| **Current assets** | | | |
| Inventories, net | 11 | **13,175,049** | 26,328,803 |
| Trade receivables, net | 12 | **401,292,259** | 305,006,215 |
| Contract assets | 12 | **92,302,965** | 49,398,421 |
| Prepayments and other assets, current portion | 13 | **62,341,742** | 61,484,204 |
| Cash and cash equivalents | 14 | **593,954,324** | 561,668,887 |
| **Total current assets** | | **1,163,066,339** | 1,003,886,530 |
| **Total assets** | | **1,840,039,331** | 1,655,688,621 |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Share capital | 1-a | **339,999,000** | 339,999,000 |
| Statutory reserve | 15 | **71,579,433** | 45,672,216 |
| Retained earnings | | **602,331,604** | 380,097,298 |
| **Equity attributable to shareholders of the Parent Company** | | **1,013,910,037** | 765,768,514 |
| Non-controlling interests | | **38,336,959** | 19,219,550 |
| **Total equity** | | **1,052,246,996** | 784,988,064 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Accounts payable, non-current portion | 16 | **58,629,475** | 76,621,741 |
| Lease liabilities, non-current portion | 8-2 | **20,814,595** | 23,319,915 |
| Long-term loan, non-current portion | 17 | **4,981,945** | 7,307,356 |
| Employees' defined benefit obligation | 18 | **20,894,650** | 14,673,906 |
| Decommissioning provision | 19 | **1,898,455** | 1,892,820 |
| **Total non-current liabilities** | | **107,219,120** | 123,815,738 |
| **Current liabilities** | | | |
| Accounts payable, current portion | 16 | **423,963,200** | 410,609,318 |
| Long-term loan, current portion | 17 | **1,888,889** | 944,444 |
| Accrued expenses and other current liabilities | 20 | **183,499,585** | 240,287,020 |
| Lease liabilities, current portion | 8-2 | **35,071,450** | 36,760,246 |
| Contract liabilities | 21 | **20,784,479** | 49,541,179 |
| Provision for zakat and tax | 22 | **15,365,612** | 8,742,612 |
| **Total current liabilities** | | **680,573,215** | 746,884,819 |
| **Total liabilities** | | **787,792,335** | 870,700,557 |
| **Total equity and liabilities** | | **1,840,039,331** | 1,655,688,621 |

The accompanying notes from (1) to (39) form an integral part of these 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

Yazan Ibrahim Alturki
Acting Chief Financial Officer

Dr. Eisa Baeisa
Chairman

شركة اتحاد قو للاتصالات
No. (1) GO Telecom رقم (1)
Etihad GO Telecom Company

**ETIHAD GO TELECOM COMPANY**
**(Formerly Known as Etihad Atheeb Telecommunication Company)**
(Listed Joint Stock Company)
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
For the year ended March 31, 2026
(Expressed in Saudi Riyal)

| | | For the year ended March 31, | |
|---|---|---|---|
| **Profit or loss:** | **Note** | **2026** | 2025 |
| Revenue | 23 | **1,917,994,258** | 1,462,135,970 |
| Cost of revenue | 24 | **(1,396,336,182)** | (1,031,011,307) |
| **Gross profit** | | **521,658,076** | 431,124,663 |
| Selling and marketing expenses | 25 | **(73,168,600)** | (62,667,944) |
| General and administrative expenses | 26 | **(154,603,624)** | (111,735,975) |
| Expected credit loss on trade receivables and contract assets | 12 | **(11,690,297)** | (39,044,120) |
| Other income, net | 27 | **1,556,810** | 11,477,168 |
| **Operating profit** | | **283,752,365** | 229,153,792 |
| Finance income, net | 28 | **9,996,911** | 2,311,533 |
| **Profit for the year before zakat and income tax** | | **293,749,276** | 231,465,325 |
| Zakat and income tax expenses | 22 | **(15,471,373)** | (8,598,175) |
| **Net profit for the year** | | **278,277,903** | 222,867,150 |
| **Net profit for the year attributable to:** | | | |
| Shareholders of the Parent Company | | **259,072,173** | 219,575,526 |
| Non-controlling interest | | **19,205,730** | 3,291,624 |
| **Other comprehensive income:** | | | |
| **Items that will not be reclassified to profit or loss in subsequent year:** | | | |
| Re-measurement of defined benefit obligation | 18 | **(819,000)** | (2,245,643) |
| **Other comprehensive loss for the year** | | **(819,000)** | (2,245,643) |
| **Total comprehensive income for the year** | | **277,458,903** | 220,621,507 |
| **Total comprehensive income for the year attributable to:** | | | |
| Shareholders of the Parent Company | | **258,341,494** | 217,055,403 |
| Non-controlling interests | | **19,117,409** | 3,566,104 |
| **Earnings per share from net profit attributable to shareholders of the Parent Company** | | | |
| **Earnings per share – basic and diluted** | 29 | **7.62** | 6.46 |

The accompanying notes from (1) to (39) form an integral part of these 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

Yazan Ibrahim Alturki
Acting Chief Financial Officer

شركة اتحاد قو للاتصالات
س.ت 1010263273
No. (1) GO Telecom رقم (1)
رقم العضوية 2040000
Etihad GO Telecom Company

**ETIHAD GO TELECOM COMPANY**
**(Formerly Known as Etihad Atheeb Telecommunication Company)**
(Listed Joint Stock Company)
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
For the year ended March 31, 2026
(Expressed in Saudi Riyal)

| | **Share capital** | **Statutory reserve** | **Retained earnings** | **Equity attributable to shareholders of the Parent Company** | **Non-controlling interests** | **Total equity** |
|---|---|---|---|---|---|---|
| **Balance as at April 1, 2024** | 339,999,000 | 23,714,663 | 195,199,418 | 558,913,081 | - | 558,913,081 |
| Net profit for the year | - | - | 219,575,526 | 219,575,526 | 3,291,624 | 222,867,150 |
| Other comprehensive loss for the year | - | - | (2,520,123) | (2,520,123) | 274,480 | (2,245,643) |
| **Total comprehensive income for the year** | **-** | **-** | 217,055,403 | 217,055,403 | 3,566,104 | 220,621,507 |
| Dividends (note 35) | - | - | (10,199,970) | (10,199,970) | - | (10,199,970) |
| Non-controlling interest from acquisition of new subsidiaries | - | - | - | - | 15,653,446 | 15,653,446 |
| Transferred to statutory reserve | - | 21,957,553 | (21,957,553) | - | - | - |
| **Balance as at March 31, 2025** | 339,999,000 | 45,672,216 | 380,097,298 | 765,768,514 | 19,219,550 | 784,988,064 |
| | | | | | | |
| **Balance as at April 1, 2025** | **339,999,000** | **45,672,216** | **380,097,298** | **765,768,514** | **19,219,550** | **784,988,064** |
| Net profit for the year | **-** | **-** | **259,072,173** | **259,072,173** | **19,205,730** | **278,277,903** |
| Other comprehensive loss for the year | **-** | **-** | **(730,679)** | **(730,679)** | **(88,321)** | **(819,000)** |
| **Total comprehensive income for the year** | **-** | **-** | **258,341,494** | **258,341,494** | **19,117,409** | **277,458,903** |
| Dividends (note 35) | **-** | **-** | **(10,199,971)** | **(10,199,971)** | **-** | **(10,199,971)** |
| Transferred to statutory reserve | **-** | **25,907,217** | **(25,907,217)** | **-** | **-** | **-** |
| **Balance as at March 31, 2026** | **339,999,000** | **71,579,433** | **602,331,604** | **1,013,910,037** | **38,336,959** | **1,052,246,996** |

The accompanying notes from (1) to (49) form an integral part of these 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

Yazan Ibrahim Alturki
Acting Chief Financial Officer

Dr. Eisa Baeisa
Chairman

**ETIHAD GO TELECOM COMPANY**
**(Formerly Known as Etihad Atheeb Telecommunication Company)**
(Listed Joint Stock Company)
**CONSOLIDATED STATEMENT OF CASH FLOWS**
For the year ended March 31, 2026
(Expressed in Saudi Riyal)

| | | For The Year Ended March 31, | |
|---|---|---|---|
| | **Note** | **2026** | **2025** |
| **Cash flows from operating activities** | | | |
| Profit before zakat and income tax | | **293,749,276** | 231,465,325 |
| ***Adjustments:*** | | | |
| Depreciation and amortization | 6,7,8 | **57,878,814** | 57,920,314 |
| Finance cost | 28 | **19,956,229** | 17,970,478 |
| Finance income from short-term Murabaha deposits | 28 | **(29,953,140)** | (20,282,010) |
| Allowance for expected credit losses | 12 | **11,690,297** | 39,044,120 |
| Net gain on disposal of property and equipment and decommissioning provision | | **-** | (1,388,480) |
| Net loss / (Gain) on termination of lease contracts | 8 | **227,882** | (145,438) |
| Provision for slow-moving stock | 11-1 | **2,500,000** | - |
| Property and equipment adjustment | 6-3 | **3,842,001** | - |
| Projects under constructions written-off | | **-** | 939,962 |
| Current service cost of employees' defined benefit obligation | 18 | **6,446,953** | 1,147,779 |
| | | **366,338,312** | 326,672,050 |
| **Changes in working capital:** | | | |
| Inventories | | **10,653,754** | 3,801,977 |
| Trade receivables | | **(107,976,341)** | (41,280,228) |
| Prepayments and other assets | | **2,342,701** | (43,075,991) |
| Accounts payable | | **(16,576,140)** | (17,985,953) |
| Accrued expenses and other current liabilities | | **(56,787,435)** | 5,222,068 |
| Contract assets | | **(42,904,544)** | (49,398,421) |
| Contract liabilities | | **(28,756,700)** | 25,736,564 |
| **Total cash generated from operating activities** | | **126,333,607** | 209,692,066 |
| Employees' defined benefit obligation paid | 18 | **(1,812,455)** | (1,552,980) |
| Zakat and income tax paid | 22 | **(8,848,373)** | (6,709,098) |
| **Net cash generated from operating activities** | | **115,672,779** | 201,429,988 |
| **Cash flows from investing activities** | | | |
| Advance for investment in a subsidiary | 10 | **5,000,000** | (5,000,000) |
| Additions to property and equipment | 6 | **(492,216)** | (143,548) |
| Additions to intangible assets | 7 | **(5,312,500)** | (21,562,000) |
| Additions to projects under construction | 9 | **(68,533,162)** | (12,238,604) |
| Consideration paid for acquisition of a subsidiary | | **-** | (40,000,000) |
| Cash received from acquisition of a subsidiary | | **-** | 19,107,715 |
| Finance income received from short-term Murabaha deposits | | **23,777,136** | 18,050,969 |
| **Net cash used in investing activities** | | **(45,560,742)** | (41,785,468) |
| **Cash flows from financing activities** | | | |
| Finance costs paid | | **(3,130,493)** | (3,676,900) |
| Dividends paid | 35 | **(10,199,971)** | (10,199,970) |
| Payment of lease liabilities | 8-2 | **(22,911,438)** | (19,097,455) |
| Repayment of long-term loan | 17 | **(1,584,698)** | - |
| **Net cash used in financing activities** | | **(37,826,600)** | (32,974,325) |
| **Net change in cash and cash equivalents** | | **32,285,437** | 126,670,195 |
| Cash and cash equivalents at the beginning of the year | | **561,668,887** | 434,998,692 |
| **Cash and cash equivalents at the end of the year** | 14 | **593,954,324** | 561,668,887 |
| Less: restricted cash balances | 14-2 | **(4,015,837)** | - |
| **Cash and cash equivalents available for use at the end of the year** | 14 | **589,938,487** | 561,668,887 |

Non-cash transactions have been disclosed in note 14-3.

The accompanying notes (1) to (39) form an integral part of these 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

Yazan Ibrahim Alturki
Acting Chief Financial Officer

(Expressed in Saudi Riyal)

## 1. ORGANIZATION AND MAIN ACTIVITIES

### a) General information:

Etihad Go Telecom Company (Formerly Known as Etihad Atheeb Telecommunication Company) ("the Parent Company"), is a Listed Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration (No. 1010263273) and Unified Number 7001580625 issued in Riyadh on 30 Safar 1430H (corresponding to February 25, 2009).

The consolidated 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 Road – AlMughrizat District P.O. Box 12482-6488 Riyadh, Kingdom of Saudi Arabia.

On 17 Rabi' al-Akhir 1447H (corresponding to October 9, 2025), the shareholders, in an Extraordinary General Assembly meeting, approved the change of the company's name from Etihad Atheeb Telecommunication Company to Etihad Go Telecom Company. All legal procedures were completed during the year, and the amended Commercial Registration was received with the new name, " Etihad Go Telecom Company ". The company's short name on "Tadawul" will be: "GO TELECOM (7040)"

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries (collectively referred to as "the Group") as follows:

| **Subsidiary** | **Country** | **Legal form** | **Share Capital (SAR)** | **Ownership percentage** | |
|---|---|---|---|---|---|
| | | | | **March 31,2026** | March 31,2025 |
| Future Resources Company for Human Resources (1) | Saudi Arabia | Limited liability company | **100,000** | **100%** | 100% |
| Digital Launch Technologies Company (2) | Saudi Arabia | Limited liability company | **25,000** | **100%** | 100% |
| Alhulool Almuntilaqa Company (3) | Saudi Arabia | single-person joint stock company | **20,000,000** | **100%** | - |
| Ejad Technology Company for Information Technology (4) and its subsidiary* | Saudi Arabia | Limited liability company | **25,000** | **51%** | 51% |

* The consolidated financial statements include the consolidated financial statements of Ejad Technology Company for Information Technology – Saudi Arabia and its wholly owned subsidiary incorporated in the Arab Republic of Egypt.

**Group's Business and activities**

The Parent 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. ORGANIZATION AND MAIN ACTIVITIES (Continued)

### a) General information: (continued)

**Group's Business and activities (continued)**

(1) **Future Resources Company for Human Resources**, commercially known as "Go Talent" 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 activities include the main office's work in document and data verification, restructuring of 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 Technologies Company**, commercially known as "Go Digital" 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) Alhulool Almuntilaqa Company**, commercially known as "Go Money" is a single-person joint stock company established under the Companies law of the Kingdom of Saudi Arabia and registered in Riyadh under national unified No. 7050180178 Dated 27 Dhul-Qi'dah 1446 AH, corresponding to 25 May 2025. The Company has obtained the final approval from the Saudi Central Bank on 09/08/1447H, corresponding to 28/01/2026, to commence micro consumer financing activities in the Kingdom of Saudi Arabia. The Company's share capital is 20,000,000 Saudi Riyals as at March 31, 2026 (March 31, 2025: 5,000,000), divided into 2,000,000 shares (March 31,2025: 500,000 shares), authorized, issued and fully paid with ordinary shares with a nominal value of 10 Saudi Riyals per share.

**(4) Ejad Technology Company for Information Technology – Saudi Arabia** 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 04/09/2013.

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.

On 10 Jumada al-Akhirah 1446H (corresponding to December 11, 2024), the Group acquired a 51% stake in the share capital of Ejad Technology Company for Information Technology (a limited liability company) with a share capital of SAR 25,000, for a total acquisition consideration of SAR 75,431,998. Accordingly, the Group signed a Share Purchase Agreement (SPA) for Ejad Technology Company for Information Technology on December 11, 2024. All procedures for the acquisition were completed on December 11, 2024, and the economic rights and obligations for the acquired subsidiary were accounted for effective from December 11, 2024.

The management has concluded that this acquisition constitutes a business combination under IFRS 3, Business Combinations. The business combination was accounted for using the acquisition method in accordance with IFRS 3, with Etihad Go Telecom Company (Formerly Known as Etihad Atheeb Telecommunication Company) as the acquirer and Ejad Technology Company for Information Technology as the acquiree. The Group appointed an independent advisor to determine the fair value of the assets and liabilities of Ejad Technology Company for Information Technology as part of the purchase price allocation.

## 1. ORGANIZATION AND MAIN ACTIVITIES (continued)

### a) General information (continued):

**Group's Business and activities (continued)**

On June 23, 2025, the Parent Company announced the completion of the legal procedures for its 51% stake acquisition in Ejad Technology Company for Information Technology. These procedures included amending the Commercial Registration (CR) and the Articles of Association of Ejad Technology Company for Information Technology to reflect the change in ownership.

The Group finalized the procedures related to the financial impact of the acquisition in the consolidated financial statements for the year ended March 31, 2026, which were finalized from the independent valuator based on the purchase price allocation (PPA) report dated December 15, 2025.

The following is the final fair value of the identifiable assets and liabilities at the acquisition date on December 11, 2024:

| | (In Saudi Riyals) |
|---|---|
| **Assets** | |
| Property and equipment, net | 628,318 |
| Right of use assets, net | 99,353 |
| Trade receivables, net | 16,633,267 |
| Contract assets | 10,599,696 |
| Prepayments and other assets | 3,972,444 |
| Cash and cash equivalents | 19,107,796 |
| **Total assets** | 51,040,874 |
| **Liabilities** | |
| Lease liabilities | 121,294 |
| Long-term loan | 8,251,800 |
| Employees' defined benefit obligation | 1,196,787 |
| Accounts payable | 4,478,352 |
| Accrued expense and other current liabilities | 4,143,872 |
| Provision for zakat | 902,961 |
| **Total liabilities** | 19,095,066 |
| Fair value of net assets as at the acquisition date | 31,945,808 |
| Consideration (Cash and contingent) | 75,431,998 |
| Parent company's share of the subsidiary's net assets as at the acquisition date | (16,292,362) |
| Goodwill arising from the acquisition (Note 7) | 59,139,636 |

The non-controlling interest was measured at the proportionate share of the acquiree's identifiable net assets at the acquisition date

Acquisition-related costs amounting to SAR 475,000 were included in the consolidated statement of profit or loss and other comprehensive income for the year ended March 31, 2025.

The following is an analysis of the cash flows arising from the acquisition:

| | (In Saudi Riyals) |
|---|---|
| Net cash acquired from the subsidiary | 19,107,796 |
| Cash paid | (40,000,000) |
| Net cash outflow on acquisition (included in cash flows from investing activities) | (20,892,204) |

(Expressed in Saudi Riyal)

## 1. ORGANIZATION AND MAIN ACTIVITIES (continued)

### a) General information (continued):

**Group's Business and activities (continued)**

**Non- Controlling Interest in other entities**

**Subsidiary with Non-Controlling Interest ("NCI")**
Summarized financial information for Ejad Technology Company for Information Technology which has NCI that is material to the Group is as follows. The amounts disclosed below are before inter-company eliminations.

| | As of March 31, | |
|---|---|---|
| | **2026** | **2025** |
| Current assets | **121,174,525** | 63,222,166 |
| Current liabilities | **(33,366,376)** | (14,453,816) |
| Non-current assets | **2,280,013** | 785,886 |
| Non-current liabilities | **(10,266,197)** | (8,796,731) |
| **Net Assets** | **79,821,965** | 40,757,505 |
| Equity attributable to owners of the parent company | **41,485,006** | 21,537,955 |
| Non-controlling interests | **38,336,959** | 19,219,550 |

**Summarized statement of comprehensive income**

| | **2026** | **2025** |
|---|---|---|
| Revenue for the year / period | **138,523,992** | 42,546,338 |
| Profit for the year / period | **39,195,367** | 6,717,600 |
| Other comprehensive (loss) / income for the year / period | **(180,247)** | 560,163 |
| **Total comprehensive income for the year / period** | **39,015,120** | 7,277,763 |
| Total comprehensive income attributable to owners of the parent company for the year / period | **19,897,711** | 3,711,659 |
| Total comprehensive income attributable to the non-controlling interests for the year / period | **19,117,409** | 3,566,104 |

**Summarized statement of cash flows**

| | **2026** | **2025** |
|---|---|---|
| Cash inflows from operating activities for the year / period | **(1,384,674)** | 2,385,552 |
| Cash outflow from investing activities for the year / period | **(402,216)** | (293,227) |
| Cash outflow from financing activities for the year / period | **(1,655,215)** | (248,500) |
| **Net change in cash and cash equivalents** | **(3,442,105)** | 1,843,825 |

**Movement in Non-Controlling Interest**

| | As of March 31, | |
|---|---|---|
| | **2026** | **2025** |
| Balance at the beginning of the year | **19,219,550** | **-** |
| Non-controlling interests arising on the acquisitions | **-** | 15,653,446 |
| Share of profit for the year / period | **19,117,409** | 3,566,104 |
| **Balance at the end of the year** | **38,336,959** | 19,219,550 |

## 1. ORGANIZATION AND MAIN ACTIVITIES (continued)

### a) General information (continued):

(5) **Ejad Technology Company for Information Technology– Egypt** 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 Subsidiary is wholly owned (100%) by Ejad Technology Company for Information Technology – Saudi Arabia, in which the Group holds a 51 % controlling interest; accordingly, the Subsidiary has been fully consolidated from the acquisition date. The main 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.

**Parent's 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'I 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, 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 CST 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 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 demonstrates 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 plans 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.

**Share Capital**

The company's share capital is 339,999,000 Saudi Riyals as at March 31, 2026 (March 31, 2025: 339,999,000), divided into 33,999,900 shares (March 31,2025: 33,999,900 share), authorized, issued and fully paid with ordinary shares with a nominal value of 10 Saudi Riyals per share.

### b) Going concern Basis:

The Group's management has assessed its ability to continue as a going concern and concluded that it has the resources to continue its activities in the foreseeable future. Furthermore, management is not aware of any material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

## 2. BASIS OF PREPARATION AND CONSOLIDATION

### a) Statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA). (Hereinafter referred to as "IFRS as endorsed in Saudi Arabia").

### b) Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements 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, 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 has 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 non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All 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 under IAS 28.

## 2. BASIS OF PREPARATION AND CONSOLIDATION (Continued)

### c) Basis of measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for employees' defined benefit obligation which are measured at present value of future liabilities using the projected unit credit method.

### d) Functional and presentation currency

These consolidated financial statements are presented in Saudi Arabian Riyals (SAR), which is the functional and presentation currency of the Group.

## 3. NEW STANDARDS, AMENDMENT TO STANDARDS AND INTERPRETATIONS

### 3-1 Standards issued and effective

Amendments to IFRS Accounting Standards that were applied by the Group on April 1, 2025 and had no material impact are as follows:

#### 3-1-1 Amendments to IAS 21: Lack of exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.
The adoption of above amendments does not have any material impact on the Consolidated Financial Statements during the year.

### 3-2 Standards issued but not yet effective

The following are the new standards and amendments to standards which are effective for annual periods beginning on or after April 1, 2026 and earlier adoption is permitted, however the Group has not early adopted them in preparing these consolidated financial statements:

#### 3-2-1 Amendments to IFRS 9 "Financial Instruments" and IFRS 7 " Financial Instruments (effective for annual periods beginning on or after 1 January 2026): Disclosures" relating to (classification and measurement of financial instruments)

The amendments are as follows:

- Clarification of the timing requirements for the recognition and derecognition of certain financial assets and liabilities, with a new for certain financial liabilities settled through an electronic cash transfer system.
- Clarification and additional guidance on assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.
- Introduction of new disclosures for certain instruments with contractual terms that may alter cash flows (such as instruments with features linked to environmental, social, and governance (ESG) targets); and
- Updates to disclosures related to equity instruments measured at fair value through other comprehensive income (FVOCI).

#### 3-2-2 Amendments to IFRS 18 "Presentation and Disclosure in Financial Statements"

This standard, the new for presentation and disclosure in the consolidated financial statements, with a focus on updates to the consolidated statement of comprehensive income, introduces key new concepts under IFRS 18, including:

- The structure of the statement of profit or loss;
- Required disclosures in the consolidated financial statements for certain profit or loss performance measures that are reported outside the entity's consolidated financial statements (That is, management-defined performance measures); and
- Enhanced principles on aggregation and disaggregation which applied to the consolidated financial statements and notes in general.

IFRS 18 is effective for reporting periods beginning on or after January 1, 2027.

#### 3-2-3 IFRS 19 "Subsidiaries that are not subject to Public Accountability: Disclosures"

In May 2024, the International Accounting Standards Board (IASB) issued amendments to IFRS 19, which allow eligible entities to elect to apply reduced disclosure requirements while continuing to apply the same recognition and measurement requirements of other International Financial Reporting Standards. To qualify, an entity must, at the end of the reporting period be a subsidiary as defined in IFRS (10), must not have public accountability and must have a parent company (ultimate or intermediate) that prepares consolidated financial statements available for public use that comply with IFRS.

IFRS 19 is effective for reporting periods beginning on or after January 1, 2027, with early adoption permitted.
As the Group's equity instruments are publicly traded, the Group is not eligible to elect the adoption of IFRS 19.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

### 4-1 Property and equipment

**Recognition and measurement**

Items of property, and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset including any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, where applicable.

**Subsequent costs**

The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in the consolidated statement of profit or loss and other comprehensive income as incurred.

**Depreciation**

Depreciation is charged to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognized in profit or loss. The depreciation is charged from the date the asset is available for use until the date of its disposal or de-recognition.

The estimated useful lives of property and equipment are as follows:

| Category | Years |
|---|---|
| Leasehold improvements | Shorter of lease term or 5-10 years |
| Network infrastructure | 4-25 |
| Facilities, support, IT equipment & Spare parts | 5 |
| Vehicles | 5 |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**De-recognition**

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in consolidated statement of profit or loss and other comprehensive income.

### 4-2 Intangible assets Other than goodwill

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Amortization is calculated to write off the cost of intangible assets and is recognized in profit or loss. The amortization is charged from the date the intangible assets are available for use until the date of its disposal or de-recognition. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

The Group’s intangible assets comprise of the following:

**Licenses**

Acquired telecommunication licenses are initially recognized at cost. Licenses are amortized on a straight-line basis over their estimated useful lives from when the related networks are available for use.

**Indefeasible rights of use (IRUs) – network capacity**

IRUs represent the rights to use portions of the capacity of transmission cables granted for a fixed period. IRUs are recognized at cost as intangible assets when the Group has the specific indefeasible right to use an identified portion of the underlying asset, generally optical fibers. They are amortized on a straight-line basis over the life of the contract.

**Computer software**

Computer software are initially recognized at cost and are amortized on a straight-line basis over their estimated useful lives, from the date of initial recognition.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4-2 Intangible assets (continued)

**Useful lives**
The estimated useful lives of the Group's intangible assets are as follows:

| Category | Years |
|---|---|
| License | 40 |
| Network capacity | 10-15 |
| Computer software | 4-12 |

### 4-3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method upon transfer of control to the Group. The consideration transferred is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree, fair value of any assets or liabilities resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are generally recognized in the consolidated statement of profit or loss.

When the Group acquires a business, it assesses the identifiable assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value with limited exceptions.

Goodwill is initially measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value at the acquisition-date of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts recognized at the acquisition date.

If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then a gain on bargain purchase is recognized in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing for goodwill acquired from the business combination and from the date of acquisition, it will be allocated to cash-generating units ("CGU") that are expected to benefit from the business combination regardless of whether the other assets or liabilities acquired have been allocated to those units.

Impairment is determined annually for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another relevant IFRS approved in the Kingdom.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4-3 Business combinations and goodwill (continued)

Any contingent consideration to be paid (if any) will be recognized at fair value at the acquisition date and classified as equity or a financial liability. Contingent consideration classified as a financial liability is subsequently remeasured at fair value with the changes in fair value recognized in the consolidated statement of profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

If the initial accounting for the business combination is not completed by the end of the reporting period which constitutes the period in which the combination occurred, the Group presents the items whose value calculation has not been completed in a temporary manner in the consolidated financial statements. During the measurement period, which is not more than one year from the acquisition date, the provisional amounts recognized on the acquisition date is retrospectively adjusted to reflect the information obtained about the facts and circumstances that existed at the date of acquisition and if it is determined that this will affect the measurement of amounts recognized as of that date.

The Group recognizes additional assets or liabilities during the measurement period if new information becomes available about facts or circumstances that existed at the date of the acquisition and if it will result in recognition of assets or liabilities from that date. The measurement period ends once the group obtains all information that existed at the acquisition date or as soon as it becomes sure of the absence of more information.

### 4-4 Leases

The Group assesses whether a contract contains a lease, at inception of the contract. For all such lease arrangements, the Group recognizes right of use assets and lease liabilities except for the short-term leases and leases of low value assets as follows:

**The Group as a lessee**
The Group applies a single method for the recognition and measurement of all leases, except for short-term leases and leases of low-value assets. the Group recognizes lease liabilities for lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**
Leases are recognized as right-of-use assets, in addition to their corresponding liabilities, on the date that the leased assets are available for use by the Group. Lease payments are apportioned between the lease liability and the finance cost. Finance cost is recognized in the consolidated statement of profit or loss and other comprehensive income over the lease term. Right-of-use assets are depreciated on a straight-line basis over the lease term and the estimated useful lives of the assets, whichever is shorter, as follows:

| Category | Years |
|---|---:|
| Telecom towers locations | 3-12 |
| Telecom towers | 4 |
| Buildings and warehouses | 2-5 |

Right-of-use assets are initially measured at cost, which consists of the following:
- The amount of the initial measurement of lease liabilities;
- Lease payments made on or before the lease start date less lease incentives received;
- Any initial direct cost; And
- The cost of restoring the site to its original condition, as the case may be.

In the event that the ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of the purchase option, then depreciation is calculated over the estimated useful life of the asset. Right-of-use assets are also subject to impairment.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4-4 Leases (continued)

**Lease liabilities**
At the inception of the lease, the Group includes lease liabilities measured at the present value of the lease payments over the lease term. Lease payments include fixed payments (including fixed payments in substance) less any lease incentives receivable, variable lease payments that are index or rate dependent, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option that the Group is reasonably certain to exercise and payments of penalties for terminating the lease, if the lease term shows the Group exercising the option to terminate. Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs. The lease payments are discounted using the Group's implied rate of interest, or the Group's incremental borrowing rate.

**Short-term leases and leases of low-value assets**
Short-term leases represent leases with a lease term of 12 months or less. Low value assets represent those items that do not reach the Group's capitalization limit and are considered immaterial to the Group's statement of financial position as a whole. Payments relating to short-term leases and leases of low-value assets are recognized on a straight-line basis in profit or loss.

### 4-5 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGU).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.
Impairment losses are recognized in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

The Group's impairment calculation is based on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU's to which the individual asset is allocated. These budgets and forecast calculations are generally covering a five-year period. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the budget period.

Impairment losses of continuing operations are recognized in the consolidated statement of profit or loss and other comprehensive income in those expense categories consistent with the function of the impaired asset.

Irrespective of whether there is any indication of impairment, the Group shall also test intangible assets with an indefinite useful life (including goodwill) or intangible assets not yet available for use for impairment annually by comparing their carrying amount with respective recoverable amount. This impairment test may be performed at any time during an annual period, provided it is performed at the same time every year. Different intangible assets may be tested for impairment at different times. However, if such an intangible asset was initially recognized during the current annual period, that intangible asset shall be tested for impairment before the end of the current annual period.

For assets other than goodwill and indefinite-life intangible assets, an assessment is made at each financial year-end as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. This reversal is limited such that the recoverable amount doesn't exceed what the carrying amount would have been, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4-6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, or fair value through other comprehensive income (OCI) or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through income statement, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**
For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)
- Financial assets at fair value through income statement

<u>Financial assets at amortized cost (debt instruments)</u>
This category is the most relevant to the Group. the Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognized in consolidated statement of profit or loss when the asset is derecognized, modified or impaired. the Group's financial assets at amortized cost include cash and cash equivalents, trade, other receivables and contract assets.

<u>Financial assets at fair value through OCI (debt instruments)</u>
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

<u>Financial assets at fair value through OCI (debt instruments)</u>

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit and loss and other comprehensive income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon de-recognition, the cumulative fair value change recognized in OCI is recycled to the consolidated statement of profit or loss and other comprehensive income. Currently the Group does not have investment in financial asset at fair value through OCI.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4-6 Financial instruments (continued)

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the income statement. Dividends are recognized as other income in the statement of income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. Currently the Group have financial asset designated at fair value through OCI.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss and other comprehensive income.

**De-recognition**
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognized (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**Financial liabilities**

**Initial recognition and measurement**
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Group financial liabilities include trade payable, lease liabilities and other financial liabilities.

**Subsequent measurement**
The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4-6 Financial instruments (continued)

**Financial liabilities (continued)**

**Financial liabilities at fair value through profit or loss (continued)**

Gains or losses on liabilities held for trading are recognized in the consolidated statement of income. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

**De-recognition**
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss and other comprehensive income.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**Impairment of financial assets**
The Group recognizes an allowance for expected credit losses (ECLs) for trade receivables and contract assets. The ECL reflects the changes in credit risk since initial recognition of the instrument.

The Group applies the simplified approach to calculate impairment on accounts receivable and contract assets and this always recognizes lifetime ECL on such exposures. ECL on these financial assets are estimated using a credit loss rate based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

As a practical expedient allowed in IFRS 9, the Group reconstructed the expected credit loss model for trade receivables and contract assets by recalculating the allowance for impairment using the provision matrix and thus using the credit loss rate approach rather than the probability of default methodology.

**Credit impaired financial assets**
At each reporting date, the Group assesses whether there is any impairment in financial assets measured at amortized cost. Financial assets are considered credit-impaired when one of the following events occurs that can be monitored and has a material effect on the estimated future cash flows:

- Significant financial difficulties of the client, or
- Exceeding the allowed payment due date by 360 days, or
- It becomes probable that the customer will enter bankruptcy or other financial restructuring.

The Group considers trade receivables and contract assets to be in default when they are credit-impaired or significantly overdue. While the Group monitors credit risk indicators, the expected credit loss model primarily relies on aging analysis and historical loss rates. Non-Governmental receivables aged more than 720 days are considered fully uncollectible and are provided for at 100%, whereas those aged between 361 and 720 days are subject to progressively increasing credit loss rates in line with the Group's provision matrix.

### 4-7 Inventories

Inventories comprise of modems, pre-paid cards, scratch cards and other telecommunication equipment, which are measured at the lower of cost and net realizable value. Cost includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provision is made, where necessary, for obsolete, slow moving and defective inventory items.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4-8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks in current accounts and other short-term liquid investments with original maturities of three months or less, which are available to the Group without any restrictions. Investment income in time deposits is accrued on a timely basis by reference to the principal outstanding and at the applicable effective interest rate.

### 4-9 Provisions

**General**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost in the consolidated statement of profit or loss and other comprehensive income.

**Decommissioning provisions**

The provision for decommissioning cost arises on construction of networking sites. A corresponding asset is recognized in property and equipment upon initial recognition of the provision. Dismantling costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the consolidated statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

### 4-10 Borrowings and other payables

This category is relevant to the Group. After initial recognition, borrowings, trade and other payables are subsequently measured at amortized cost using the effective interest rate (“EIR”) method. Gains and losses as a result of unwinding of interest cost through EIR amortization process and on de-recognition of financial liabilities are recognized in the consolidated statement of profit or loss and other comprehensive income.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

### 4-11 Employees’ defined benefit obligation

Payments to defined contribution schemes are charged as an expense as they fall due. Payments made to state-managed pension schemes are dealt with as payments to defined contribution schemes where the Group’s obligations under the schemes are equivalent to those arising in a defined contribution scheme.

Employee’s end of service benefits provision is calculated annually by actuaries in accordance with the projected credit unit method as per (IAS 19) Employee Benefits, taking into consideration the labour law of the Kingdom of Saudi Arabia. The provision is recognized based on the present value of the defined benefit obligations.

The present value of the defined benefit obligation is calculated using assumptions on the average salary incremental rate, average employees’ years of service and an appropriate discount rate. The assumptions used are calculated on a consistent basis for each period and reflect management’s best estimate.

Due to the fact that the Kingdom does not have a deep market in high quality corporate bonds, the discount rate is determined based on available information of Saudi Arabia sovereign bond yields with a term consistent with the estimated term of the defined benefit obligation as at the reporting date.

Remeasurement of net liabilities that includes actuarial gains and losses arising from the changes in assumptions used in the calculation, is recognized directly in other comprehensive income. Remeasurements are not reclassified to the consolidated statement of profit and loss in subsequent periods.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4-11 Employees' defined benefit obligation (continued)

The cost of past services (if any) is recognized in the consolidated statement of profit or loss on the earlier of:

1. Date of modification of the program or curtailment; and
2. The date on which the Group recognizes the related restructuring costs

Net interest cost is calculated using the discount rate to net defined benefit assets or liabilities. The Group recognizes the following changes in the defined benefit obligation under "cost of revenue", "general and administrative expenses" and "selling and marketing expenses" in the consolidated statement of profit or loss (by function):

1. Service costs that include the current service costs, past service costs, profits and losses resulting from curtailment and non-routine payments.
2. Net finance cost

### 4-12 Earnings per share

Basic earnings per share is calculated by dividing:

- the income attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the profit attributable to ordinary equity holders of the Group, where applicable, for the effects of all dilutive potential ordinary shares, and
- the weighted average number of ordinary shares outstanding and the additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.
- Potential ordinary shares are treated as dilutive only when their conversion to ordinary shares would decrease earnings per share or increase loss per share

### 4-13 Zakat and taxes

The Group is subject to Zakat and income tax in accordance with the regulations of the Zakat Tax and Customs Authority (the "ZATCA"). The zakat and income tax charges are charged to profit or loss statement.

#### 4-13-1 Zakat

The Group calculates and records the zakat provision based on the zakat base in its consolidated financial statements in accordance with Zakat rules and principles in the Kingdom of Saudi Arabia. Adjustments arising from final zakat assessment are recorded in the reporting period in which such assessment is approved by the ZATCA.

#### 4-13-2 Income tax

The income tax provision for foreign companies is calculated in the consolidated financial statements in accordance with the tax systems in the countries in which they operate. Adjustments resulting from the final tax assessment are processed during the fiscal year in which the final assessment is issued.
The current tax is the expected tax, whether credit or debit, on the taxable profit or loss for the period using the tax brackets determined at the reporting date, in addition to any adjustments to the tax due related to previous years.

#### 4-13-3 Value Added Tax ("VAT")

Expenses and assets are recognized net of the amount of VAT, except:

- When VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and/or
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### 4-13-4 Withholding tax

The Group withhold taxes on transactions with non-resident parties and on dividends paid to foreign shareholders in accordance with ZATCA regulations. These are recorded as liabilities payable to ZATCA on behalf of the counter party from whom the amounts are withheld.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4-14 Revenue recognition

The Group mainly generates revenues from providing fixed telecommunication services, which include voice, internet, data and interconnection services. The Group also generates revenues from enterprise solutions services represented mainly in cloud services, managed advisory services and data center services.

The Group recognizes revenues using a 5-step model as specified in IFRS 15. The Group recognizes revenue from contracts with customers when it transfers control over services to a customer and based on the consideration specified in the contract with the customer and excludes amounts collected on behalf of other parties. When there is a high degree of uncertainty about the possibility of collection from certain customers, the Company does not recognize revenue only upon collection of these revenues.

The timing of revenue recognition is either at a point in time or over time depending upon the satisfaction of the performance obligation by transferring control of services to the customer. All revenue from services that is recognized over time is done using the input method to measure progress toward full acceptance of the services, because the customer simultaneously receives and consumes the benefits provided by the Company.

Revenue from data, internet, and voice services:
The Group offers services in fixed term contracts and short-term or long-term arrangements. When services include multiple performance obligations, the Group allocates transaction price to each distinct performance obligation based on respective standalone selling price. The standalone selling price is the observable price for which the good or service is sold by the Group in similar circumstances to similar customers. Revenue is recognized when the performance obligation is satisfied or services are rendered, i.e. after actual use by the end customer. Revenue is recognized for data and the internet when control is transferred over the contract period, and for voice, revenue is recognized when control is transferred upon consumption by the customer and based on the quantity consumed.

Revenue from device sales, installation, and activation services:
The Group provides device sales, installation and activation services to the B2C sector indistinctively along with providing fixed communications services. Bundled contracts for equipment sales, installation services, and fixed communications services consist of a single performance obligation and therefore revenue is recognized over the contract period.

The Group provides installation and activation services to the B2B sector for fixed telecommunications services one time and in a distinct manner at the start of the service. Thus, revenue is recognized when control is transferred to the customer upon completion of the installation work.

Interconnection revenue:
Interconnection revenue is recognized on the basis of the gross value of invoices raised on other operators for termination charges based on the airtime usage for the billing period as per the agreed rate.

Enterprise solutions services revenue:
Revenue from enterprise solutions services is recognized when control transfers to the customer over the period of the contracts.

Revenue from Technology Consulting Services and Software Development
The Group generates revenue by engaging with its clients to provide a range of services, including user interface and user experience (UI/UX) design, application development, artificial intelligence technologies, technology-related research and development, systems analysis, and software design and programming.
Operating revenue from UI/UX design, application development, and software development services is recognized over time, as services are rendered and performance obligations are progressively fulfilled. Revenue is presented net of any discounts or compensations provided by customers.
The Group applies the output method to measure progress toward the satisfaction of performance obligations, as it most accurately reflects the value delivered to the customer. Observable deliverables such as completed design phases, approved prototypes, or delivered software modules serve as indicators of progress, consistent with the transfer of control and benefit to the customer throughout the contract period.

Determination of transaction Price:
When contract include contractual clause covering commercial discount or free offers, the Group defers these discounts or free offers over the contract term.
In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4-14 Revenue recognition (continued)

Variable consideration:
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the products to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Significant financing component:
If a customer can pay for purchased equipment or services over a period of time, IFRS 15 requires judgement to determine if the contract includes a significant financing component. If it does, then the transaction price is adjusted to reflect the time value of money.

Non-cash consideration:
The fair value of non-cash consideration received from the customer on the transaction date is included in the transaction price.

Consideration payable to the customer:
Consideration payable to the customer includes cash amount that the Group pays or expect to pay to the customers and is accounted for as reduction of transaction price.

### 4-15 Contract balances

**Contract assets:**
Contract assets are the rights to consideration in exchange for products or services transferred by the Group to the customer. If the Group performs by transferring products or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

**Contract liabilities:**
Contract liabilities are recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related products or services. Contract liabilities are recognized as revenue when the Company performs under the contract (i.e. transfers control of the related products or services to the customer).

### 4-16 Cost and expenses

Costs that are directly attributable to the goods or services provided are classified as cost of revenues. Selling and marketing expenses principally comprise of costs incurred in the selling and marketing of the Group's products and services. Other expenses are classified as general and administrative expenses. General and administrative expenses include direct and indirect expenses that are not directly related to cost of revenues in accordance with generally accepted accounting standards. Expenses are allocated, if necessary, between general and administrative expenses and cost of revenues on a consistent basis

### 4-17 Foreign currency transactions

Transactions denominated in foreign currencies are translated to the functional currency of the Group at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to the functional currency of the Group at the exchange rate ruling at that date. Exchange differences arising on translations are recognized in the profit or loss account.

### 4-18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4-19 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group other components. All operating segments' operating results are reviewed by the Company's Chief Operating Decision Maker "CODM" to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

### 4-20 Offsetting

Financial liabilities are set off against financial assets, and the net amount is shown in the financial position only when the obliging legal rights are available and when settled on net basis or the realization of assets or settlement of liabilities is done at the same time.

## 5. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF UNCERTAINTY ESTIMATES

Preparation of the 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 statement of profit of loss and other comprehensive income and within shareholders' equity. In particular, the Group management requires judgments to be made to estimate the amounts and timing of future cash flows. These estimates are necessarily based on multiple hypotheses 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.

Judgments, estimates, and assumptions are reviewed periodically. Moreover, the effect of the change in estimates is recognized in the financial period in which the change occurs if the change affects only the financial period. On the other hand, the effect of the change in estimates is recognized in the financial period in which the change occurs and in future periods if the change affects the financial period and future financial periods.

### 5-1 SIGNIFICANT ACCOUNTING JUDGEMENTS

#### 5-1-1 Revenue (Identifying performance obligations in a bundled sale of devices and services)

The Group analyses whether devices and services are capable of being distinct or not. the Group provides services that are either sold separately or bundled together with the sale of devices to a customer. The Group analyzes whether the devices are distinguishable on their own as well as whether the installation and activation services are distinguishable from fixed telecommunications services.

#### 5-1-2 Determining the lease term of contracts with renewal and termination options and assessing substitution rights – Group as lessee

Some leases have extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practical, the Group looks to include extension options in new leases to supply operational flexibility. The extension options held are exercisable only by the Group and not by the lessors.

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

#### 5-1-3 Evaluation on control/non-control over an investee

The Group may consider that it controls an investee even though it owns 50% or less of the voting rights. This would be the case where the Group has power over the investee through its majority representation on the Board and has the right to appoint Key Management Personnel which gives the Group the ability to use its power over the investee to direct decisions and relevant activities and affect its returns.

Further, the Group may consider that it does not control an investee even though it has voting rights equal to or in excess of 50%. This would be the case where the Group either has an insignificant influence or has significant influence but does not have control over the investee.

## 5. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF UNCERTAINTY ESTIMATES (continued)

## 5-2. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

### 5-2-1 Property and equipment and intangible assets useful life

Management periodically reassesses the economic useful life of property and equipment, intangible assets, based on the general condition of these assets and the expectation of their useful economic lives in the future. The impairment loss is recognized in the consolidated statement of profit or loss for the year

The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any item of property and equipment would increase the recorded operating expenses and decrease non-current assets.

### 5-2-2 Zakat and income Tax

Management recognizes Zakat and income tax along with required provision for the year based on management's estimate in accordance with the prevailing laws, regulations and IFRSs.

### 5-2-3 Litigation provision

A provision is made to meet any potential legal liabilities based on a legal study prepared by the Group legal counsel. This study identifies potential future risks and is reviewed periodically.

### 5-2-4 Defined benefits obligation

The cost of defined benefits and the present value of the related obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### 5-2-5 Expected credit losses on trade receivables and contract assets

The Group uses a provision matrix based on credit loss rates to calculate expected credit loss on accounts receivable and contract assets. The loss rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group historical credit loss data and past due receivables. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the Group updates its historical loss rates and reflects that in future estimates, taking into account also changes in forecast of economic conditions.

The assessment of the correlation between historical observed loss rates, forecast economic conditions and expected credit loss is a significant estimate. The amount of expected credit loss is sensitive to changes in forecast of circumstances and economic conditions.

### 5-2-6 Fair value measurement

If the fair values of financial assets and financial liabilities included in the statement of financial position cannot be obtained from active markets, these fair values are determined using a range of valuation techniques involving the use of accounting models. If possible, the entered data for those models will be extracted from the market data. In the absence of such market data, fair values are determined by making judgments. These provisions include liquidity considerations and model data such as derivative volatility, longer-term discount rates, pre-payment ratios and default rates on asset-backed securities.

Management believes that the valuation techniques used are appropriate to determine the fair value of financial instruments.
When estimating the fair value of financial assets and financial liabilities, the Group uses available observable market data. In the absence of level (1) inputs, the Group conducts evaluations using appropriate valuation models to determine the fair value of financial instruments.

## 5 SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF UNCERTAINTY ESTIMATES (continued)

### 5-2. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

#### 5-2-7 Contingencies

The Group is currently involved in a number of legal proceedings. Estimates of the probable costs for the resolution of these claims, if any, have been developed in consultation with internal and external counsels handling the Group defense in these matters and are based upon the probability of potential results. the Group management currently believes that these proceedings will not have a material effect on the consolidated financial statements. It is possible, however, that future results of operations could be materially affected depending on the final outcome of the proceedings.

#### 5-2-8 Estimating the incremental borrowing rate – leases

The Group cannot easily determine the interest rate included in the lease and, therefore, it uses the incremental borrowing rate to measure its lease obligations. The incremental borrowing rate is the interest a Group would have to pay to borrow over a similar period and with a similar collateral – the money needed to acquire an asset with a similar value to a right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate reflects what the Group has to pay and requires an estimate when notable rates are not available or when they need to be amended to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (e.g. risk-free lending rate plus country risk) when available and required to make Group -specific estimates.

#### 5-2-9 Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating units (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and the value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for selling the asset. The recoverable amount determined on a value in use bases is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the business plan approved by the management and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the asset of the CGU being tested for impairment. The value in use is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### 5-2-10 Contingent Consideration

Contingent consideration arising from business combinations is recognized at fair value at the acquisition date as part of the consideration transferred. Subsequent to initial recognition, contingent consideration classified as a financial liability is remeasured at fair value at each reporting date, with changes in fair value recognized in profit or loss, whereas contingent consideration classified as equity is not remeasured and is accounted for within equity upon settlement. The fair value measurement incorporates management's best estimates of future performance conditions, probability-weighted outcomes, and the time value of money, and any subsequent changes that do not qualify as measurement period adjustments are recognized in profit or loss.

(Expressed in Saudi Riyal)

## 6. PROPERTY AND EQUIPMENT, NET

| | Leasehold improvements | Network infrastructure | Facilities, support, IT equipment & spare parts | Vehicles | Total |
|---|---|---|---|---|---|
| **Cost:** | | | | | |
| **Balance as at April 1, 2024** | 6,978,710 | 807,538,709 | 27,673,786 | 1,507,900 | 843,699,105 |
| Additions as a result of acquisition of new subsidiaries | 468,310 | - | 627,630 | - | 1,095,940 |
| Additions during the year | - | 84,700 | 58,848 | - | 143,548 |
| Disposals during the year (Note 6-4) | - | (1,173,821) | - | - | (1,173,821) |
| Transferred from projects under construction (Note 9) | - | 4,611,173 | - | - | 4,611,173 |
| Reclassification | (109,700) | (52,460) | 162,160 | - | - |
| **Balance as at March 31, 2025** | **7,337,320** | **811,008,301** | **28,522,424** | **1,507,900** | **848,375,945** |
| Additions during the year | **37,391** | **-** | **454,825** | **-** | **492,216** |
| Transferred from projects under construction (Note 9) | **-** | **8,385,037** | **-** | **-** | **8,385,037** |
| **Balance as at March 31, 2026** | **7,374,711** | **819,393,338** | **28,977,249** | **1,507,900** | **857,253,198** |
| **Accumulated depreciation and impairment:** | | | | | |
| **Balance as at April 1, 2024** | 4,284,218 | 659,480,252 | 20,350,939 | 786,755 | 684,902,164 |
| Addition as a result of acquisition of new subsidiaries | 212,423 | - | 234,748 | - | 447,171 |
| Depreciation for the year (Note 6-4) | 424,446 | 18,384,938 | 742,972 | 137,822 | 19,690,178 |
| Disposals during the year | - | (773,502) | - | - | (773,502) |
| Reclassification | (15,266) | 209,045 | (193,779) | - | - |
| **Balance as at March 31, 2025** | **4,905,821** | **677,300,733** | **21,134,880** | **924,577** | **704,266,011** |
| Depreciation for the year | **477,640** | **17,012,345** | **841,107** | **137,822** | **18,468,914** |
| Adjustments (Note 6-3) | **-** | **-** | **3,842,001** | **-** | **3,842,001** |
| **Balance as at March 31, 2026** | **5,383,461** | **694,313,078** | **25,817,988** | **1,062,399** | **726,576,926** |
| **Net book value as at:** | | | | | |
| **March 31, 2026** | **1,991,250** | **125,080,260** | **3,159,261** | **445,501** | **130,676,272** |
| **March 31, 2025** | 2,431,499 | 133,707,568 | 7,387,544 | 583,323 | 144,109,934 |

(Expressed in Saudi Riyal)

## 6 PROPERTY AND EQUIPMENT, NET (continued)

### 6-1 Allocation of depreciation:

| | Note | For The Year Ended March 31, 2026 | 2025 |
|---|---|---|---|
| Cost of revenue | 24 | **17,012,345** | 18,398,992 |
| General and administrative expenses | 26 | **1,456,569** | 1,291,186 |
| | | **18,468,914** | 19,690,178 |

### 6- 2 Fully depreciated assets

The cost of property and equipment that is fully depreciated but still in use as at March 31, 2026 is SAR 626,935,852 (March 31, 2025: SAR 608,245,337).

### 6- 3 Adjustments

During the year ended March 31, 2026 the Group fully depreciated equipment relating to WiMax assets with cost value of SAR 3,842,001. The adjustment loss has been fully recognised in the consolidated statement of profit or loss and other comprehensive income for the year (note 24).

### 6-4 Disposal in previous year

During the previous year, the Group disposed of property and equipment related to capitalized decommissioned sites with a net book value of SAR 400,319. The associated dismantling provision amounting to SAR 1,788,799 was also derecognized. As a result, a net gain of SAR 1,388,480 was recognized in the consolidated statement of profit or loss. (note – 27).

## 7 INTANGIBLE ASSETS AND GOODWILL, NET

| | License | Network capacity (Note 7-1) | Software | Goodwill (Note 7-2) | Total |
|---|---|---|---|---|---|
| **Cost:** | | | | | |
| **Balance as at April 1, 2024** | 534,128,044 | 195,103,340 | 53,169,311 | - | 782,400,695 |
| Additions as a result of acquisition of new subsidiaries (note – 1) | - | - | - | 59,139,636 | 59,139,636 |
| Additions during the year | - | 21,562,000 | - | - | 21,562,000 |
| **Balance as at March 31, 2025** | **534,128,044** | **216,665,340** | **53,169,311** | **59,139,636** | **863,102,331** |
| Additions during the year | **-** | **5,312,500** | **-** | **-** | **5,312,500** |
| Transferred from projects under construction (Note 9) | **-** | **-** | **18,703,264** | **-** | **18,703,264** |
| **Balance as at March 31, 2026** | **534,128,044** | **221,977,840** | **71,872,575** | **59,139,636** | **887,118,095** |
| **Accumulated amortization** | | | | | |
| **Balance as at April 1, 2024** | 246,606,009 | 151,839,376 | 52,777,177 | - | 451,222,562 |
| Amortization for the year | 11,845,880 | 7,809,787 | 82,893 | - | 19,738,560 |
| **Balance as at March 31, 2025** | 258,451,889 | 159,649,163 | 52,860,070 | - | 470,961,122 |
| Amortization for the year | **11,320,003** | **7,913,672** | **1,844,030** | **-** | **21,077,705** |
| **Balance as at March 31, 2026** | **269,771,892** | **167,562,835** | **54,704,100** | **-** | **492,038,827** |
| **Net book value as at:** | | | | | |
| **March 31, 2026** | **264,356,152** | **54,415,005** | **17,168,475** | **59,139,636** | **395,079,268** |
| March 31, 2025 | 275,676,155 | 57,016,177 | 309,241 | 59,139,636 | 392,141,209 |

(Expressed in Saudi Riyal)

## 7. INTANGIBLE ASSETS AND GOODWILL, NET (continued)

**7-1** These represent various Indefeasible Rights of Use ("IRU") agreements signed with telecom operators in the Kingdom of Saudi Arabia.

**7-2** International Accounting Standard (36) "Impairment of Assets" requires that goodwill impairment testing be performed on an annual basis regardless of whether or not there is any indication of impairment of goodwill. Goodwill is assigned to the group of CGUs of the Group that represent the cash-generating units within the region in which the goodwill is managed.

**Goodwill impairment test**

The Group performed its impairment test. As at March 31, 2026, the recoverable amount of the Group's CGUs to which the goodwill relates was more than the carrying value and hence, no impairment of goodwill was recognised. The group applied the DCF method to value the company based it on their strategic plans, operational expectations and valuator opinion based on the market indicators for IT consulting and other services sector for the next 5 years.

Key assumptions for the current value calculations are set out below:

| | March 31, 2026 |
|---|---|
| Discount rate | 16.2% |
| Terminal growth rate | 2% |

Sensitivity to changes in assumptions:

| | Change in assumptions | | Impact on fair value | |
|---|---|---|---|---|
| | Increase in assumption | Decrease in assumption | (Decrease) / Increase in amount | Increase / (Decrease) in amount |
| Discount rate | 1% | 1% | (13,037,752) | 15,014,095 |
| Terminal growth rate | 1% | 1% | 17,103,382 | (14,852,022) |

**7-3 Allocation of amortization**:

| | Note | For The Year Ended March 31, 2026 | 2025 |
|---|---|---|---|
| Cost of revenue | 24 | **8,510,818** | 8,418,557 |
| General and administrative expenses | 26 | **12,566,887** | 11,320,003 |
| | | **21,077,705** | 19,738,560 |

(Expressed in Saudi Riyal)

## 8 LEASES

The Group has lease contracts related to telecommunications tower sites, buildings, and warehouses, the lease periods usually range from 2 to 12 years. Below is the right-of-use assets recognized and lease liabilities and their movement during the year:

### 8-1 Right Of Use Assets, Net

The right-of-use assets movements during the year, as follows:

| | Note | For The Year Ended March 31, | |
|---|---|---|---|
| | | **2026** | 2025 |
| **Cost:** | | | |
| Balance at the beginning of the year | | **155,203,449** | 159,230,931 |
| Additions during the year | | **14,877,622** | - |
| Additions as a result of acquisition of new subsidiaries | 1 | **-** | 99,353 |
| Disposals during the year | | **(428,305)** | (4,433,811) |
| Settlements | | **-** | 306,976 |
| **Balance at the end of the year** | | **169,652,766** | 155,203,449 |
| **Accumulated depreciation:** | | | |
| Balance at the beginning of the year | | **94,431,380** | 78,715,617 |
| Depreciation during the year | | **18,332,195** | 18,491,576 |
| Disposals during the year | | **(128,756)** | (2,775,813) |
| **Balance at the end of the year** | | **112,634,819** | 94,431,380 |
| **Net book value** | | **57,017,947** | 60,772,069 |

**Allocation of depreciation** :

| | Note | For The Year Ended March 31, | |
|---|---|---|---|
| | | **2026** | 2025 |
| Cost of revenue | 24 | **15,615,063** | 16,540,501 |
| General and administrative expenses | 26 | **2,717,132** | 1,951,075 |
| | | **18,332,195** | 18,491,576 |

### 8-2 Lease Liabilities

The lease liability movements during the year, as follows:

| | Note | For The Year Ended March 31, | |
|---|---|---|---|
| | | **2026** | 2025 |
| Balance at the beginning of the year | | **60,080,161** | 77,940,605 |
| Additions as a result of acquisition of new subsidiaries | 1 | **-** | 121,294 |
| Additions during the year | | **14,877,622** | - |
| Disposals during the year | | **(71,667)** | (1,803,436) |
| Finance cost during the year | 28 | **3,911,367** | 3,793,114 |
| Paid and settled during the year | | **(22,911,438)** | (18,812,420) |
| Transferred to payables during the year | | **-** | (1,158,996) |
| **Lease liability at the end of the year** | | **55,886,045** | 60,080,161 |
| **Current portion** | | **35,071,450** | 36,760,246 |
| **Non-current portion** | | **20,814,595** | 23,319,915 |

Expenses related to short-term and low-value leases for the year ended March 31, 2026 amounted to SAR 885,135 (March 31, 2025: SAR 501,170) (note 24).

During the year, the Group incurred a net loss on disposal of lease contracts amounting to SAR 227,882 (March 31, 2025: net gain of SAR 145,438) (note 27).

(Expressed in Saudi Riyal)

## 9 PROJECTS UNDER CONSTRCTION

Projects under construction represent ongoing initiatives related to the expansion of the Group's 5G and fiber network amounting to SAR 51 million, and upgrades to its existing telecommunications infrastructure, in addition to major information technology transformation efforts, including the development and implementation of a new enterprise resource planning (ERP) system, amounting to SAR 17 million. The related assets will be capitalized and depreciated or amortized upon completion and when they are ready for their intended use.

The movement in projects under construction is as follows:

| | Note | For The Year Ended March 31, 2026 | 2025 |
|---|---|---|---|
| Balance at the beginning of the year | | **27,554,738** | 20,867,269 |
| Additions during the year | | **68,533,162** | 12,238,604 |
| Transferred to expenses | | **-** | (939,962) |
| Transferred to property and equipment | 6 | **(8,385,037)** | (4,611,173) |
| Transferred to intangibles assets | 7 | **(18,703,264)** | - |
| **Balance at the end of the year** | | **68,999,599** | 27,554,738 |

## 10 ADVANCE FOR INVESTMENT IN SUBSIDIARY

As at 31 March 2025, this balance represented an advance payment of SAR 5,000,000 made by the Parent Company towards the establishment of its wholly owned subsidiary, Al-Hulool Al-Muntaliqa Company (commercially known as "Go Money"), which was in the process of obtaining a final license from the Saudi Central Bank (SAMA) to operate as a consumer microfinance company. The advance payment represented the Group's initial contribution towards the subsidiary's share capital.

During the year, On May 26, 2025, the Group announced the completion of the incorporation of the subsidiary as a single member Joint Stock Company with a share capital of SAR 20 million, fully owned by the Parent Company. The subsidiary is headquartered in Riyadh, Saudi Arabia, and is registered under the Unified National Number (UNN): 7050180178.

## 11 INVENTORIES, NET

| | As at March 31, 2026 | 2025 |
|---|---|---|
| Customer premises equipment | **12,998,564** | 21,672,749 |
| Spare parts | **2,398,392** | 4,380,220 |
| Prepaid cards | **278,093** | 275,834 |
| Provision for obsolete and slow-moving inventories (Note 11-1) | **(2,500,000)** | - |
| | **13,175,049** | 26,328,803 |

**11-1** Movement in provision for obsolete and slow-moving inventories is as follows:

| | Note | For The Year Ended March 31, 2026 | 2025 |
|---|---|---|---|
| Balance at beginning of the year | | **-** | - |
| Charge for the year | 26 | **2,500,000** | - |
| Balance at end of the year | | **2,500,000** | - |

## 12 TRADE RECEIVABLES AND CONTRACT ASSETS

### 12-1 Trade receivables, net

| | Note | As at March 31, 2026 | 2025 |
|---|---|---|---|
| Related party - Umniah Mobile Company PLC | 32 | **1,920** | - |
| Private sector | | **325,158,393** | 258,657,825 |
| Government sector | | **186,637,267** | 145,163,414 |
| **Total** | | **511,797,580** | 403,821,239 |
| Less: Provision for expected credit loss on trade receivables | 12-1-2 | **(110,505,321)** | (98,815,024) |
| | | **401,292,259** | 305,006,215 |

(Expressed in Saudi Riyal)

## 12. TRADE RECEIVABLES AND CONTRACT ASSETS (continued)

**12-1-2** Movement in provision for expected credit loss on trade receivables is as follows:

| | Note | For The Year Ended March 31, 2026 | 2025 |
|---|---|---|---|
| Balance at beginning of the year | | **98,815,024** | 121,694,346 |
| Additions as a result of acquisition of new subsidiaries | 1 | **-** | 722,600 |
| Charge for the year | | **11,690,297** | 39,044,120 |
| Write offs during the year | | **-** | (62,646,042) |
| **Balance at end of the year** | | **110,505,321** | 98,815,024 |

**12-1-3** Ageing analysis of trade receivables is as follows:

| | As at March 31, 2026 | | | As at Mach 31, 2025 | | |
|---|---|---|---|---|---|---|
| **Aging bracket** | **Gross amount** | **Expected credit loss (ECL)** | **ECL%** | **Gross Amount** | **Expected credit loss (ECL)** | **ECL %** |
| Not Due | **15,896,346** | **14,343** | **0.09%** | 7,732,354 | 12,346 | 0.16% |
| Due: | | | | | | |
| 1 to 90 days | **256,643,890** | **1,145,924** | **0.45%** | 172,672,610 | 1,515,171 | 0.88% |
| 91 to 180 days | **41,105,576** | **1,048,210** | **2.55%** | 45,324,749 | 160,208 | 0.35% |
| 181 to 270 days | **28,261,976** | **141,219** | **0.50%** | 12,318,058 | 110,495 | 0.90% |
| 271 to 360 days | **15,586,885** | **196,296** | **1.26%** | 28,378,797 | 362,673 | 1.28% |
| More than 360 days | **154,302,907** | **107,959,329** | **69.97%** | 137,394,671 | 96,654,131 | 70.35% |
| **Total** | **511,797,580** | **110,505,321** | **21.58%** | 403,821,239 | 98,815,024 | 24.47% |

### 12-2 Contract Assets

Contract assets represent the values of services provided and not invoiced up to the date of preparing the consolidated financial statements.

| | As at March 31, 2026 | 2025 |
|---|---|---|
| Unbilled Revenue | **92,302,965** | 49,398,421 |
| Less: Provision for expected credit loss on contract assets | **-** | - |
| Ending Balance | **92,302,965** | 49,398,421 |

The movement of contracts assets is as follows:

| | For The Year Ended March 31, 2026 | 2025 |
|---|---|---|
| Balance at the beginning of the year | **49,398,421** | - |
| Additions as a result of acquisition of new subsidiaries | **-** | 3,972,444 |
| Revenue recognized and not billed for the year | **644,219,042** | 509,616,094 |
| Revenue billed during the year | **(601,314,498)** | (464,190,117) |
| Ending Balance | **92,302,965** | 49,398,421 |

**12-2-1 Ageing analysis of contract assets as follows:**

| **Aging bracket** | As at March 31, 2026 | 2025 |
|---|---|---|
| 1 to 90 days | **71,424,320** | 49,398,421 |
| 91 to 180 days | **11,947,477** | - |
| 181 to 270 days | **8,031,168** | - |
| 271 to 365 days | **900,000** | - |
| Above 365 days | **-** | - |
| | **92,302,965** | 49,398,421 |

## 13. PREPAYMENTS AND OTHER ASSETS

| | Note | As at March 31, 2026 | 2025 |
|---|---|---|---|
| Advances to suppliers | | **49,468,142** | 39,264,115 |
| Margins held by banks against letters of guarantee issued | **30** | **23,789,212** | 37,348,090 |
| Accrued finance income from Murabaha deposits | **14-1** | **8,407,045** | 2,231,041 |
| Prepaid expenses | | **4,649,598** | 3,273,926 |
| Advances to employees | | **5,071,004** | 4,890,385 |
| Others | | **270,004** | 814,145 |
| | | **91,655,005** | 87,821,702 |
| Less: provision against advances to employees | | **(4,113,357)** | (4,113,357) |
| **Total** | | **87,541,648** | 83,708,345 |
| **Non-current portion** | | **25,199,906** | 22,224,141 |
| **Current portion** | | **62,341,742** | 61,484,204 |

## 14. CASH AND CASH EQUIVALENTS

| | Note | As at March 31, 2026 | 2025 |
|---|---|---|---|
| Murabaha deposits (3 Months) | **14-1** | **480,800,000** | 424,000,000 |
| Bank balances | | **113,154,324** | 137,031,575 |
| Cash on hand | | **-** | 637,312 |
| | | **593,954,324** | 561,668,887 |

14-1 Represents short-term Islamic deposits (Murabaha) held with a local commercial bank in Saudi Riyals, with original maturities not exceeding three months from the original investment date. These deposits yield returns ranging from 3.3% to 5.7% per annum. Finance income from short-term Murabaha returns during the year amounted to SAR 29,953,140 (March 31, 2025: SAR 20,282,010) (Note 28).

14-2 Bank balances include restricted amounts as follows:
Restricted amounts held with the Saudi Central Bank (SAMA) on behalf of shareholders in connection with the increase/reduction of the Company’s share capital amounting to SAR 4,015,837 as at March 31, 2026 (March 31, 2025: NIL).

14-3 Following are the details regarding non-cash transactions:

**Supplementary information for non-cash transactions:**

| | Note | For The Year Ended March 31, 2026 | 2025 |
|---|---|---|---|
| Additions to right-of-use assets against lease liabilities | 8-1 | **14,877,622** | - |
| Transfer from projects under constructions to Property and Equipment | 6 | **8,385,037** | 4,611,173 |
| Transfer from projects under constructions to Intangible assets | 7 | **18,703,264** | - |
| Disposal of lease liabilities | 8 | **(71,667)** | (1,803,436) |

## 15. STATUTORY RESERVE

In line with its existing Bylaws, has elected to continue setting aside 10% of its net income as a statutory reserve. This approach remains consistent with the current legal framework. The reserve will continue to be presented within equity until the Parent Company formally amends its Bylaws or resolves otherwise through the general assembly.

## 16. ACCOUNTS PAYABLE

| | Note | As at March 31, 2026 | 2025 |
|---|---|---|---|
| Accounts payable and related parties - Deferred payment agreements | 16-1 | **76,915,936** | 179,431,898 |
| Suppliers | | **401,448,648** | 307,609,938 |
| Related parties - Beyon B.S.C | 32 | **4,228,091** | 189,223 |
| | | **482,592,675** | 487,231,059 |
| **Current-portion** | | | |
| Accounts payable and related parties - Deferred payment agreements | | **18,286,461** | 102,810,156 |
| Suppliers | | **401,448,648** | 307,609,939 |
| Related parties - Beyon B.S.C | 32 | **4,228,091** | 189,223 |
| | | **423,963,200** | 410,609,318 |
| **Non-current portion** | | | |
| Accounts payable and related parties - with deferred payment agreements | 16-2 | **58,629,475** | 76,621,741 |
| | | **482,592,675** | 487,231,059 |

**16-1** Movement in deferred payment agreements is as follows:

| | Note | For The Year Ended March 31, 2026 | 2025 |
|---|---|---|---|
| Balance at beginning of the year | | **179,431,898** | 207,070,331 |
| Additions during the year | | **-** | 35,431,999 |
| Paid during year | | **(114,453,718)** | (72,952,294) |
| Unwinding of present value discounting during the year | 28 | **11,937,756** | 9,881,862 |
| | | **76,915,936** | 179,431,898 |

(Expressed in Saudi Riyal)

## 16. ACCOUNTS PAYABLE (Continued)

**16-2** Movement in non-current portion is as follows:

| | For The Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| Balance at beginning of the year | **76,621,741** | 143,243,302 |
| Additions during the year | **-** | 35,431,999 |
| Transferred to current portion | **(27,411,724)** | (110,732,113) |
| Unwinding of present value discounting during the year | **9,419,458** | 8,678,553 |
| | **58,629,475** | 76,621,741 |

16-2-1 Major Vendor:

In February 2021, the Group 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.

| | | For The Year Ended March 31, | |
|---|---|---|---|
| | **Note** | **2026** | 2025 |
| Balance at beginning of the year | | **-** | 90,727,234 |
| Unwinding of present value discounting during the year | 16-2 | **-** | 3,886,637 |
| Transferred to current portion | | **-** | (94,613,871) |
| | | **-** | - |

16-2-2 Communications, Space and Technology Commission (Settlement agreement number 2):

On 21 March 2023, the Group entered into a rescheduling agreement with the Communications, Space and Technology Commission to settle the commercial consideration relating to the second, third and fourth quarters of 2021 and the first quarter of 2022. Under the terms of the agreement, the outstanding liability will be repaid in 36 equal monthly instalments of SAR 666,223, with the final instalment due in February 2026. The liability was initially measured at the present value of future cash flows in accordance with IFRS 9.

| | | For The Year Ended March 31, | |
|---|---|---|---|
| | **Note** | **2026** | 2025 |
| Balance at beginning of the year | | **-** | 6,149,333 |
| Unwinding of present value discounting during the year | 16-2 | **-** | 843,644 |
| Transferred to current portion | | **-** | (6,992,977) |
| **Balance at end of the year** | | **-** | - |

16-2-3 Communications, Space and Technology Commission (Settlement agreement number 3):

On May 10, 2023, the Group entered into a third rescheduling agreement with the Communications, Space and Technology Commission relating to the license fee payable to governmental authorities for the license granted to the Group for its operations in the Kingdom of Saudi Arabia. Under this agreement, the liability will be settled in seven equal annual instalments of SAR 9,125,265 each, with payments due on April 1, from 2025 through 2031. The liability was initially measured at the present value of future cash flows in accordance with IFRS 9.

| | | For The Year Ended March 31, | |
|---|---|---|---|
| | **Note** | **2026** | 2025 |
| Balance at beginning of the year | | **41,189,742** | 46,366,735 |
| Unwinding of present value discounting during the year | 16-2 | **3,574,641** | 3,948,272 |
| Transferred to current portion | | **(9,125,263)** | (9,125,265) |
| **Balance at end of the year** | | **35,639,120** | 41,189,742 |

16-2-4 Contingent consideration – acquisition of Ejad Technology Company for Information Technology:

On December 11, 2024, the Group acquired a 51% equity interest in Ejad Technology Company for Information Technology for a total consideration of SAR 86,700,000, comprising an upfront cash payment of SAR 40,000,000 and contingent consideration of up to SAR 46,000,000, payable over two years subject to the achievement of specified revenue and net profit targets. At the acquisition date, the fair value of the contingent consideration was estimated at SAR 35,431,999 determined using a probability-weighted discounted cash flow model using a discount rate of 16.2%.

| | | For The Year Ended March 31, | |
|---|---|---|---|
| | **Note** | **2026** | 2025 |
| Balance at beginning of the year | | **35,431,999** | - |
| Contingent consideration a result of subsidiaries acquisition | 1 | **-** | 35,431,999 |
| Unwinding of present value discounting during the year | 16-2 | **5,844,817** | - |
| Transferred to current portion | 32 | **(18,286,461)** | - |
| **Balance at end of the year** | 32 | **22,990,355** | 35,431,999 |

(Expressed in Saudi Riyal)

## 17. LONG TERM LOAN

| | Note | For The Year Ended March 31, 2026 | 2025 |
|---|---|---|---|
| Balance at beginning of the year | | **8,251,800** | - |
| Finance cost | 28 | **203,732** | - |
| Paid during the year | | **(1,584,698)** | - |
| Additions as a result of acquisition of new subsidiaries | 1 | **-** | 8,251,800 |
| **Balance at end of the year** | | **6,870,834** | 8,251,800 |
| **Non-current portion** | | | |
| Long term loan – Non-current portion | | **4,981,945** | 7,307,356 |
| **Current portion** | | | |
| Long term loan –current portion | | **1,888,889** | 944,444 |

During 2024, prior to its acquisition by the Group, Ejad Technology Company for Information Technology entered into a loan agreement with the Social Development Bank to finance marketing activities, exhibitions, digital product development and administrative expenses. The facility's principal amount of SAR 8,500,000 was drawn down net of an upfront administration fee of SAR 255,000, resulting in initial proceeds of SAR 8,245,000. The loan carries a total finance cost of SAR 425,000 over its term. Repayment is structured in 18 equal quarterly instalments, with the first instalment due on August 11, 2025 and the final instalment on November 11, 2029. The Group has assumed this liability as part of the business combination, The Group has not breached any loan covenants and remains in full compliance with all related requirements.

## 18. EMPLOYEES' DEFINED BENEFIT OBLIGATION

**18-1** Movement in the present value of the defined benefit obligation is as follows:

| | Note | For The Year Ended March 31, 2026 | 2025 |
|---|---|---|---|
| Balance at beginning of the year | | **14,673,906** | 11,103,843 |
| Addition as a result of business acquisition | 1 | **-** | 1,196,787 |
| Current service cost | | **6,446,953** | 1,147,779 |
| Finance cost | 28 | **767,246** | 532,834 |
| | | **21,888,105** | 13,981,243 |
| Re-measurement loss recognized in other comprehensive loss | 18-2 | **819,000** | 2,245,643 |
| Benefits paid during the year | | **(1,812,455)** | (1,552,980) |
| **Balance at the end of the year** | | **20,894,650** | 14,673,906 |

**18-2** Principal actuarial assumptions
The following were the principal actuarial assumptions:

| | For The Year Ended March 31, 2026 | 2025 |
|---|---|---|
| Key actuarial assumptions: | | |
| Discount rate used | **5.35%** | 5.40% |
| Future growth in salary | **3.00%** | 3.00% |
| Demographic assumptions: | | |
| Retirement Age | **60 years** | 60 years |

**18-3** Sensitivity analysis
Reasonably possible changes as to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in defined benefit obligation by the amounts shown below:

| | **March 31, 2026** | | March 31, 2025 | |
|---|---|---|---|---|
| | **Increase** | **Decrease** | Increase | Decrease |
| Discount rate (1% Change) | **19,272,241** | **22,800,428** | 13,457,484 | 15,529,581 |
| Future salary growth (1% Change) | **22,921,705** | **19,141,025** | 15,602,502 | 13,379,438 |

(Expressed in Saudi Riyal)

## 18. EMPLOYEES' DEFINED BENEFIT OBLIGATION (continued)

**18-4** Risks associated with defined benefit plans

Longevity risks:

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary increase risk:

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual salary increases are higher than expectation and impacts the liability accordingly.

**18-5** The projected liability for the next financial year is as follows:

| | For The Year Ended March 31, | |
|---|---|---|
| | **2027** | 2026 |
| Balance at the beginning of the next year | **20,894,650** | 14,673,906 |
| Expected cost in the next year | **7,738,394** | 4,395,422 |
| Expected benefits to be paid during the next year | **(5,969,265)** | (4,231,842) |
| **Balance at the end of the next year** | **22,663,779** | 14,837,486 |

**18-6** The maturity profile for the following years is as follows**:**

| | For The Year Ended March 31, | |
|---|---|---|
| | **2027** | 2026 |
| Year 1 | **4,246,706** | 4,207,346 |
| Year 2 | **1,242,507** | 2,567,716 |
| Year 3 | **1,293,672** | 1,692,498 |
| Year 4 | **1,532,900** | 1,855,525 |
| Year 5 | **1,152,047** | 2,126,322 |
| Year 6 to year 10 | **5,976,756** | 9,589,143 |
| Year 11 and above | **21,241,618** | 11,460,073 |

## 19. DECOMMISSIONING PROVISION

| | | For The Year Ended March 31, | |
|---|---|---|---|
| | Note | **2026** | 2025 |
| Balance at the beginning of the year | | **1,892,820** | 3,595,850 |
| Provision reversal during the year | 6-4 | **-** | (1,788,799) |
| Unwinding of present value discounting for the year | 28 | **5,635** | 85,769 |
| **Balance at the end of the year** | | **1,898,455** | 1,892,820 |

## 20. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

| | | As at March 31, | |
|---|---|---|---|
| | Note | **2026** | 2025 |
| Pending vendors bills | | **84,811,949** | 137,831,804 |
| Government fees | | **37,734,352** | 39,818,617 |
| Employee's payables | | **34,555,477** | 29,412,563 |
| Compensation of creditors for subscription to priority rights shares | **20-1** | **19,082,241** | 19,082,241 |
| Remuneration and allowances for members of the Board of Directors | | **4,503,909** | 2,998,233 |
| Value added tax and Withholding tax | | **2,811,657** | 11,143,562 |
| | | **183,499,585** | 240,287,020 |

**20-1** This amount represents compensation payable in connection with the Company's capital increase approved on February 6, 2024. In accordance with the Capital Market Authority regulations, and as part of the rights issue allocation process, not all shares were subscribed by entitled shareholder and certain shares were allocated to subscribers who were not shareholders as of the eligibility date. As a result, and in line with the approved allocation mechanism, compensation became payable to the eligible shareholders.

(Expressed in Saudi Riyal)

## 21. CONTRACT LIABILITIES

Contract liabilities represents amounts invoiced to customers in advance, where the associated performance obligations had not yet been fully satisfied as of the reporting date. These amounts primarily relate to subscription-based services and are amortized on a straight-line basis over the contract period, reflecting the even delivery of services.

The balance of contract liabilities as at year-end March 31, 2026 is as follows:

| | As at March 31, | |
|---|---|---|
| | **2026** | 2025 |
| Contract liabilities | **20,784,479** | 49,541,179 |

The movement for contract liabilities is as follows:

| | As at March 31, | |
|---|---|---|
| | **2026** | 2025 |
| Balance at the beginning of the year | **49,541,182** | 23,804,615 |
| Cash received in advance | **791,318,764** | 561,036,294 |
| Revenue recognised | **(820,075,467)** | (535,299,730) |
| Ending Balance | **20,784,479** | 49,541,179 |

## 22. PROVISION FOR ZAKAT AND TAX

### 22-1 Movement:

Movement in provision for zakat and tax is as follows:

| | | For The Year Ended March 31, | |
|---|---|---|---|
| | **Note** | **2026** | 2025 |
| Balance at beginning of the year | | **8,742,612** | 6,853,535 |
| Addition as a result of business acquisition | 1 | **-** | 902,961 |
| Zakat charge during the year | | **13,636,746** | 6,263,392 |
| Income tax charge during the year | | **1,834,627** | 1,431,822 |
| Paid during the year | | **(8,848,373)** | (6,709,098) |
| **Balance at end of the year** | | **15,365,612** | 8,742,612 |

**Zakat Base Calculations**

Zakat for the year ended March 31, 2026 is calculated as follows:
Minimum Zakat base: the total of non-reserved assets plus the lesser of (i) net book profit and (ii) adjusted profit.
Maximum Zakat base: equity after reclassification plus the difference between net book profit and adjusted profit.

### 22-2 Zakat and tax status:

#### 22-2-1 Etihad Go Telecom Co

The Company has filed its Zakat and tax return with the Zakat, Tax and Customs Authority ("ZATCA") for the years up to March 31, 2026.

- In July 2015, the ZATCA raised zakat and withholding tax (WHT) assessment for the years 2010 to 2012 amounting to SAR 17.43 million and SAR 0.83 million respectively. The Company filed an appeal with the ZATCA against the assessments in August 2015. In response to an appeal filed by the Company, the Preliminary Appeal Committee (PAC) issued a ruling in October 2016 based on which the Company zakat liability was reduced to SAR 6.98 million.

- In December 2016, the Company filed an appeal to the Higher Appeal Committee (HAC) against the PAC ruling in relation to zakat and imposition of a delay fine on WHT. However, the Company has settled the WHT liability of SAR 0.83 million and the related fine of SAR 0.6 million with the ZATCA. In March 2022 the Company received a decision on the appeal from The First Appeals Chamber for Income Tax Interventions and Disputes mentioned that some points were accepted and others were rejected, and the Company raised an appeal to the General Secretariat of Tax Committees.

- On February 6, 2023, the Tax Committees for Resolution of Tax Violations and Disputes Construction held its session in the presence of the representative from the Company and the representative from ZATCA, the lawsuit filed by the Company against the ZATCA was accepted and the decision was issued proving the end of the dispute, and accordingly the amount owed by the Company amounting to 6.98 million Saudi Riyals was canceled from the ZATCA records.

- No Zakat assessment for the year 2013 was received from the ZATCA.

(Expressed in Saudi Riyal)

## 22. PROVISION FOR ZAKAT AND TAX (Continued)

### 22-2 Zakat and tax status (Continued)

#### 22-2-1 Etihad Go Telecom Co (Continued)

- 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 Group a proposal to pay SAR 20.85 million for the years 2014, 2015, 2016, 2017, and 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, 2022, 2023 and 2024.and paid the declarations amount that equals to SAR 4.5 million, SAR 2.8 million, SAR 1 million, SAR 5.4 million and SAR 6.1 million respectively. The Authority issued a zakat assessment for the fiscal years 2020, 2021, 2022 ,2023 and 2024. There are no differences, which corresponds to the form provided.
- Based on the management and the zakat consultant that no additional provision is required other than what has already been provided for.

#### 22-2-2 Ejad Technology Company for Information Technology - KSA

- Zakat and tax returns have been filed with Zakat, Tax and Customs Authority (“ZATCA”) for all periods up to 31 December 2024, and the Company has obtained its Zakat certificate for the year ended December 31, 2024, which is valid until April 30, 2025. The Company is still awaiting ZATCA’s final assessments for these years. In October 2024, ZATCA issued the Zakat assessment for the year 2020, resulting in additional Zakat liabilities of SAR 7,963, which have been paid in full.

#### 22-2-3 Future Resources Human Resources Company

- The Company was incorporated on August 18, 2024 and its financial year-end is March 31, of each year. During the year, Zakat return has been filed on July 27, 2025 with Zakat, Tax and Customs Authority (“ZATCA”), and no Zakat assessments have been issued.

#### 22-2-4 Digital Launch Technologies Company

- The Company was incorporated on October 15, 2024 and its financial year-end is March 31, of each year. As at March 31, 2026, the company has neither commenced operations nor recorded any revenues. During the year, Zakat return has been filed on July 27, 2025 with Zakat, Tax and Customs Authority (“ZATCA”), and no Zakat assessments have been issued.

#### 22-2-5 Alhulool Almuntilaqa Company

- The Company was incorporated on 25 May 2025 and its financial year-end is March 31, of each year. As at March 31, 2026, the Company has neither commenced operations nor recorded any revenues. To date, no Zakat or tax returns have been filed with Zakat, Tax and Customs Authority (“ZATCA”), and no Zakat assessments have been issued.

#### 22-2-6 Ejad Technology Company for Information Technology – Egypt

- Tax returns have been filed with Egyptian Tax Authority (“ETA”) for all periods up to 31 December 2025.

## 23. REVENUE

### 23-1 Revenue per service

| | For The Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| Data and internet revenue | **1,040,309,523** | 750,150,874 |
| Voice communication and interconnection revenue | **747,944,687** | 675,092,766 |
| Consulting services revenue | **69,731,378** | 3,948,570 |
| Software development revenue | **60,008,670** | 32,943,760 |
| | **1,917,994,258** | 1,462,135,970 |

(Expressed in Saudi Riyal)

## 23. REVENUE (continued)

### 23-2 Timing of revenue recognition

| | For The Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| Recognized over time | **876,637,712** | 681,264,592 |
| At a point in time | **1,041,356,546** | 780,871,378 |
| | **1,917,994,258** | 1,462,135,970 |

As at March 31, 2026, The aggregate amount of unsatisfied or partially unsatisfied performance obligations related to contracts with customers amounted to SR 129,693,118. The Group expects to recognize the full amount of these remaining performance obligations as revenue in the following reporting periods:

| 2027 | 2028 | 2029 | 2030 | 2031 | Total |
|---|---|---|---|---|---|
| **87,365,358** | **25,483,235** | **14,568,780** | **2,236,345** | **39,398** | **129,693,116** |

As a practical expedient to IFRS 15, the Group did not disclose the total transaction price for contracts with remaining performance obligations.

## 24. COST OF REVENUE

| | Note | For The Year Ended March 31, | |
|---|---|---|---|
| | | **2026** | 2025 |
| Interconnection cost | | **795,828,017** | 472,868,437 |
| Capacity lease charges | | **251,130,310** | 277,466,086 |
| Government fees | | **84,303,037** | 68,267,543 |
| Employees' costs | | **83,629,189** | 51,760,519 |
| Inventory consumption and installation | | **78,022,884** | 77,863,625 |
| Depreciation and amortization | 6,7,8 | **41,138,226** | 43,358,050 |
| Professional and consultancy charges | | **41,152,493** | 15,857,002 |
| Network maintenance and support | | **12,323,436** | 19,385,531 |
| Property and equipment adjustment | 6-3 | **3,842,001** | - |
| Cloud storage and servers | | **2,870,372** | - |
| Site rental and utilities | | **1,795,976** | 2,270,474 |
| Other | | **300,241** | 1,914,040 |
| | | **1,396,336,182** | 1,031,011,307 |

## 25. SELLING AND MARKETING EXPENSES

| | For The Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| Employees' costs | **47,293,662** | 39,614,953 |
| Marketing and advertising cost | **12,563,094** | 12,870,648 |
| Dealers' commission | **10,170,751** | 6,612,235 |
| Customer care | **3,141,093** | 3,570,108 |
| | **73,168,600** | 62,667,944 |

## 26. GENERAL AND ADMINISTRATIVE EXPENSES

| | Note | For The Year Ended March 31, | |
|---|---|---|---|
| | | **2026** | 2025 |
| Employees' costs | | **98,601,020** | 58,933,029 |
| Depreciation and amortization | 6,7,8 | **16,740,588** | 14,562,264 |
| Insurance and iqama expenses | | **7,156,872** | 6,929,843 |
| Network maintenance and support | | **6,493,434** | 6,153,965 |
| Remuneration and allowances for members of the Board of Directors | 32-3 | **4,860,000** | 4,392,000 |
| Provision for obsolete and slow-moving stock | 11 | **2,500,000** | - |
| Professional and consultancy fees | | **2,487,846** | 6,314,977 |
| Computer software and supplies | | **496,666** | 769,506 |
| Other | | **15,267,198** | 13,680,391 |
| | | **154,603,624** | 111,735,975 |

(Expressed in Saudi Riyal)

## 27. OTHER INCOME, NET

| | Note | For The Year Ended March 31, 2026 | 2025 |
|---|---|---|---|
| VAT refundable | | **1,302,023** | - |
| Provisions no longer required * | 27-1 | - | 3,462,232 |
| Settlement with vendors and others | | - | 3,416,156 |
| Gain from the disposal of property and equipment and decommissioning provision | 6-4 | - | 1,388,480 |
| Net (loss) / gain from disposal of lease contracts | 8 | **(227,882)** | 145,438 |
| Other | | **482,669** | 3,064,862 |
| | | **1,556,810** | 11,477,168 |

**27-1** During the previous year, the Company released provisions totaling SAR 3,462,232, which had originally been accrued in prior periods for various obligations dating back several years for which no claims were received. These amounts were reversed as no payments were ultimately requested.

## 28. FINANCE INCOME, NET

| | Note | For The Year Ended March 31, 2026 | 2025 |
|---|---|---|---|
| Unwinding of present value discounting on deferred payment agreements | 16-1 | **11,937,756** | 9,881,862 |
| Finance cost on lease liabilities | 8-2 | **3,911,367** | 3,793,114 |
| Bank charges | 30-1 | **3,116,904** | 3,550,750 |
| Finance cost on defined benefit liability | 18 | **767,246** | 532,834 |
| Unwinding of provision for dismantling cost | 19 | **5,635** | 85,769 |
| Other finance cost | | **217,321** | 126,148 |
| Finance Income on Murabaha Short Term Deposits | 14-1 | **(29,953,140)** | (20,282,010) |
| | | **(9,996,911)** | (2,311,533) |

## 29. EARNINGS PER SHARE

| | For The Year Ended March 31, 2026 | 2025 |
|---|---|---|
| Net profit for the year attributable to shareholders | **259,072,173** | 219,575,526 |
| Weighted average number of shares for the year | **33,999,900** | 33,999,900 |
| Basic and diluted gains per share | **7.62** | 6.46 |

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

## 30. PROVISIONS, COMMITMENTS AND CONTINGENCIES

### 30-1 Letters of guarantee

The Group has outstanding letters of guarantees as at March 31, 2026 by the amount of SAR 98.4 million (March 31, 2025: SAR 51.4 million). A cash margin of SAR 23.8 million has been deposited in bank as collateral for these guarantees (March 31, 2025: SAR 37.3 million) (Note 13)

The letter of guarantee charges incurred during the year amounted to SAR 3.1 million (2025: SAR 3.6 million). (Note 28).

### 30-2 Legal cases status

The Group is involved in legal cases amounting to SAR 2.3 million with certain suppliers and employees in the normal course of business. Based on the probability of outcomes and the most likely events, a provision of SAR 0.967 million has been recognized; however and based on the assessment of management and the legal advisor, no additional provisions are considered necessary as at March 31, 2026.

### 30-3 Capital commitments

The Group has future capital commitments with contractors executing its projects under construction and for the purchase of tangible and intangible assets, amounting to SAR 58.4 million as of March 31, 2026 (March 31, 2025: SAR 49.7 million).

### 30-4 Communications, Space and Technology Commission liability "CST"

As per a letter dated August 26, 2017, the Ministry of Finance requested the Group to remit an amount of SAR 155.7 million to the communications, Space and Technology commission as royalty fees. The Group subsequently undertook certain steps to determine the mechanism for calculating the fees due, and the Commission issued amended invoices accordingly.

(Expressed in Saudi Riyal)

## 30 CONTINGENCIES (continued)

### 30-4 Communications, Space and Technology Commission liability "CST" (continued)

However, the Commission also assessed franchise fees on the Group's internet revenue. Management, in consultation with its legal advisor, believes that internet revenues are not subject to such fees and has formally raised the matter with the Commission. Based on its assessment, management believes that the total obligation to the Commission will not exceed SAR 63.9 million, which is the amount recognized in the books. Consequently, no amounts have been recorded in respect of the disputed balances.

On January 31, 2018, the Commission revised its fee calculation methodology to include internet services. Subsequently, on May 10, 2023, the Group entered into a settlement agreement with the Commission to settle all outstanding balances and obligations between the parties for the period from inception of the arrangement until December 31, 2018 (refer to Notes 1 and 16-2-3). The key terms and financial impact of this settlement are as follows:

1) Payment of the agreed-upon amount of SAR 63,876,855 to the Commission, which had already been recognized in the Group's books, to be settled in installments in accordance with the payment schedule outlined below:

| Installment No. | Amount (SAR) | Date of payment | Status |
|---|---|---|---|
| First | 9,125,265 | April 1, 2025 | Paid |
| Second | 9,125,265 | April 1, 2026 | Paid |
| Third | 9,125,265 | April 1, 2027 | Not yet due |
| Fourth | 9,125,265 | April 1, 2028 | Not yet due |
| Fifth | 9,125,265 | April 1, 2029 | Not yet due |
| Sixth | 9,125,265 | April 1, 2030 | Not yet due |
| Seventh | 9,125,265 | April 1, 2031 | Not yet due |
| **Total** | **63,876,855** | | |

2) A disputed amount of SAR 64,089,784, which had not been recognized in the Group's financial statements, was written off by the Authority.

## 31 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 operates primarily in the telecommunications and technology services sector and manages its operations through the following reportable segments:

- **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.

(Expressed in Saudi Riyal)

**31. SEGMENTAL INFORMATION (continued)**

The following table summarizes the segment information for the year ended March 31, 2026

| | As at March 31, 2026 | | | | |
|---|---|---|---|---|---|
| | **Voice** | **Data** | **Systems Analysis, Application, Design and Development Services** | **Unallocated** | **Total** |
| **Segment assets** | | | | | |
| Property and equipment, net | **3,412,195** | **126,515,417** | **748,660** | **-** | **130,676,272** |
| Intangible assets and goodwill | **10,316,237** | **325,623,395** | **-** | **59,139,636** | **395,079,268** |
| Right of use assets, net | **1,448,856** | **54,037,738** | **1,531,353** | **-** | **57,017,947** |
| Projects under construction | **68,999,599** | **-** | **-** | **-** | **68,999,599** |
| **Total assets** | **463,062,066** | **1,253,787,447** | **64,050,182** | **59,139,636** | **1,840,039,331** |
| **Total liabilities** | **328,984,349** | **415,175,413** | **43,632,573** | **-** | **787,792,335** |

| | For The Year Ended March 31, 2026 | | | | |
|---|---|---|---|---|---|
| | **Voice** | **Data** | **Systems Analysis, Application Design and Development Services** | **Unallocated** | **Total** |
| Revenue | **1,118,446,788** | **669,932,636** | **129,614,834** | **-** | **1,917,994,258** |
| Cost of revenue | **(739,370,292)** | **(583,695,725)** | **(73,270,165)** | **-** | **(1,396,336,182)** |
| **Gross profit** | **379,076,496** | **86,236,911** | **56,344,669** | **-** | **521,658,076** |
| Selling and marketing expenses | **-** | **-** | **(1,858,276)** | **(71,310,324)** | **(73,168,600)** |
| General and administrative expenses | **-** | **-** | **(12,768,064)** | **(141,835,560)** | **(154,603,624)** |
| Expected credit loss on trade receivables | **-** | **-** | **(442,888)** | **(11,247,409)** | **(11,690,297)** |
| Other income, net | **-** | **-** | **1,148,593** | **408,217** | **1,556,810** |
| Finance income (cost), net | **-** | **-** | **(396,673)** | **10,393,584** | **9,996,911** |
| Zakat and income tax | **-** | **-** | **(2,831,994)** | **(12,639,379)** | **(15,471,373)** |
| **Net profit for the year** | **379,076,496** | **86,236,911** | **39,195,367** | **(226,230,871)** | **278,277,903** |

| | As at March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | **Voice** | **Data** | **Systems Analysis, Application, Design and Development Services** | **Unallocated** | **Total** |
| **Segment assets** | | | | | |
| Property and equipment, net | 3,859,103 | 139,627,004 | 623,827 | - | 144,109,934 |
| Intangible assets and goodwill | 8,582,856 | 324,418,717 | - | 59,139,636 | 392,141,209 |
| Right of use assets, net | 1,583,725 | 59,067,950 | 120,394 | - | 60,772,069 |
| Projects under construction | 27,554,738 | - | - | - | 27,554,738 |
| **Total assets** | 397,001,208 | 1,154,576,509 | 44,971,268 | 59,139,636 | 1,655,688,621 |
| **Total liabilities** | 349,128,646 | 499,405,590 | 22,166,321 | - | 870,700,557 |

| | For The Year Ended March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | **Voice** | **Data** | **Systems Analysis, Application Design and Development Services** | **Unallocated** | **Total** |
| Revenue | 752,284,495 | 672,959,145 | 36,892,330 | - | 1,462,135,970 |
| Cost of revenue | (562,673,045) | (446,570,064) | (21,768,198) | - | (1,031,011,307) |
| **Gross profit** | 189,611,450 | 226,389,081 | 15,124,132 | - | 431,124,663 |
| Selling and marketing expenses | - | - | (295,896) | (62,372,048) | (62,667,944) |
| General and administrative expenses | - | - | (6,906,088) | (104,829,887) | (111,735,975) |

(Expressed in Saudi Riyal)

## 31. SEGMENTAL INFORMATION (continued)

| | Voice | Data | Systems Analysis, Application Design and Development Services | Unallocated | Total |
|---|---|---|---|---|---|
| Expected credit loss on trade receivables | - | - | (449,860) | (38,594,260) | (39,044,120) |
| Other income, net | - | - | 437,435 | 11,039,733 | 11,477,168 |
| Finance income (cost), net | - | - | (144,726) | 2,456,259 | 2,311,533 |
| Zakat and income tax | - | - | (1,047,398) | (7,550,777) | (8,598,175) |
| **Net profit for the year** | 189,611,450 | 226,389,081 | 6,717,599 | (199,850,980) | 222,867,150 |

**Revenue information about geographical segmentation**

| | For The Year Ended March 31, 2026 | 2025 |
|---|---|---|
| Kingdom of Saudi Arabia | **1,312,746,342** | 1,131,241,656 |
| Outside Kingdom of Saudi Arabia* | **605,247,916** | 330,894,314 |
| | **1,917,994,258** | 1,462,135,970 |

* All revenue generated from outside of KSA pertains to interconnection.

## 32. 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 Company, Outstanding balances are unsecured, non-interest bearing, and are settled on demand.

**32-1 Significant transactions entered into with related parties are as follows:**

| Related parties | Relationship | Nature of transaction | Note | For The Year Ended March 31, 2026 | 2025 |
|---|---|---|---|---|---|
| Beyon B.S.C | Shareholder | Data revenue | | **948,005** | 1,271,051 |
| | | Interconnection revenue | | **6,536,169** | 1,730,166 |
| | | Interconnection cost | | **11,523,041** | 3,781,394 |
| Al-Maha Hadi Al-Buqami | Close family member of a non-controlling shareholder | Acquisition of Shares in a subsidiary | 1 | **-** | 44,200,000 |
| | | Payment | | **-** | 20,392,157 |
| Aysha Ali Al-Buqami | Close Family member of a non-controlling shareholder | Acquisition of Shares in a subsidiary | 1 | **-** | 42,500,000 |
| | | Payment | | **-** | 19,607,843 |
| Mohammad Al-Buqami | Close Family member of a non-controlling shareholder | Finance Cost | | **5,844,817** | - |
| Umniah Mobile Company PLC | subsidiary under a shareholder entity (Beyon) | Interconnection revenue | | **753,541** | - |
| | | Interconnection cost | | **751,621** | - |
| Digital Transformation Solutions (DTS) | subsidiary under a shareholder entity (Beyon) | Service cost | | **572,006** | 1,680,740 |
| | | Payment | | **572,006** | 1,680,740 |

(Expressed in Saudi Riyal)

## 32. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

### 32-2 Due to related parties

| | | As at March 31 | |
|---|---|---|---|
| **Due to related party** | **Relationship** | **2026** | 2025 |
| Mohammad Al-Buqami* | Family member of a non-controlling shareholder | **41,276,816** | 35,431,998 |
| Beyon B.S.C | Shareholder | **4,228,091** | 189,223 |
| | | **45,504,907** | 35,621,221 |

* Balances resulting from the acquisition of shares in a subsidiary have been reclassified from Al-Maha Hadi Al-Buqami and Aysha Ali Al-Buqami to Mohammad Al-Buqami as per the share purchase agreement.

### 32-3 Due from related party

| | | As at March 31 | |
|---|---|---|---|
| **Due from related party** | **Relationship** | **2026** | 2025 |
| Umniah Mobile Company PLC | subsidiary under a shareholder entity | **1,920** | - |
| | | **1,920** | **-** |

| | | For The Year Ended March 31, | |
|---|---|---|---|
| **32-4 Transactions with key management personnel's** | **Note** | **2026** | 2025 |
| Short-term employee benefits | | **34,344,222** | 23,879,943 |
| Expenses and allowances for attending meetings for members of the Board of Directors | 26 | **4,860,000** | 4,392,000 |
| Employees benefit obligation | | **1,226,166** | 977,774 |
| | | **40,430,388** | 29,249,717 |

## 33. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

**i. 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 financial statements. As at the reporting date, the fair value of the Group financial assets and liabilities was a reasonable fair value

**ii. Financial risk management**

The Group has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk
- Currency risk
- Commission rate risk

This note presents information about the Group exposure to each of the above risks, the Group objectives, policies and processes for measuring and managing risk, and the Group management of capital.

**Risk Management framework**

The Board of Directors has an overall responsibility for the establishment and oversight of the Group risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

the Group risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities. the Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee ensures and reviews management's compliance with the Group risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(Expressed in Saudi Riyal)

## 33. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Continued)

**Credit risk**
the Group manages exposure to credit risk, which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit exposures arise principally from the Group receivables, the maximum exposure to credit risk represents the carrying value of these assets.

The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

| | | As at March 31, | |
|---|---|---|---|
| | **Note** | **2026** | 2025 |
| Trade receivables | **12** | **401,292,259** | 305,006,215 |
| Contract assets | **12-3** | **92,302,965** | 49,398,421 |
| Prepayments and other assets | **13** | **32,196,257** | 39,579,131 |
| Cash and cash equivalents | **14** | **593,954,324** | 561,031,575 |
| | | **1,119,745,805** | 955,015,342 |

**Trade receivables and contract assets:**
the Group exposure to credit risk is influenced mainly by the collective characteristics of the B2C sector and by the individual characteristics of the B2B sector. However, the management also takes into account the risk of default of the business sectors and individuals, as these factors may have an impact on the credit risk, and there is no concentration of credit risk geographically.
It is the Group policy that all clients who wish to trade on credit terms are subject to a credit check procedure. The credit quality of the customer is evaluated based on the financial solvency of each individual customer. In addition, receivable balances are monitored on an ongoing basis.

Customer credit risk is managed by each business unit subject to the Company's policy, procedures and controls in relation to the management of customer credit risk. Credit limits are set for all customers using internal and external rating criteria. In order to avoid excessive concentration of risk, the Group policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risk are controlled and managed accordingly.

The Group management has established a credit policy according to which each new customer is analysed separately in terms of financial solvency before stating the Group terms and conditions for the payment process. A Group review includes external valuations, when available, and in some cases, bank references. Purchase limits are established for each customer, which represent the maximum amount without the need for the approval of the Group management; These limits are reviewed every year. Customers who fail to meet the Group standard creditworthiness may transact with the Group only on a prepaid basis only.

The concentration of risks related to trade receivables and contract assets is limited because the Group’s customers consist of a large number of unrelated customers and there is no customer whose revenue exceeds more than 17% (March 31, 2025: 25%) of the total Group revenue. Payment terms and credit limit are set in accordance with the standards of the telecommunications sector.

| | For the year Ended March 31, | |
|---|---|---|
| | **2026** | **2025** |
| Revenue from General Directorate of Prisons (GDP) | **323,986,671** | 358,866,273 |
| Total Group revenue | **1,917,994,258** | 1,462,135,970 |
| Revenue contribution | **17%** | 25% |

An impairment analysis is performed at each reporting date using a provision matrix for measuring expected credit losses. Credit loss rates are based on days past due for groups of different customer segments with similar loss patterns (i.e., customer type and classification).

**Cash and cash equivalents:**
The Group’s bank balances are placed with reputable local banks having sound credit ratings. the Group believes that it would be able to realise its balances from these banks without any loss to the Group.

**Geographical concentration of risks of financial assets with credit risk exposure**
the Group operations are principally in the Kingdom of Saudi Arabia and hence significant exposures are within the Kingdom with the exception of its voice interconnect receivables which are geographically spread in various countries.

(Expressed in Saudi Riyal)

## 33 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Continued)

**Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments, contingencies and commitments. The Group approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due without incurring unacceptable losses or risking the Group reputation.
The management closely and continuously monitors liquidity risk by conducting a regular review of available funds, current and future commitments, and operating and capital expenditures. Furthermore, the Group monitors the actual cash flows and seeks to match the maturity dates of its financial assets and liabilities.

The Group also limits liquidity risk by monitoring funding requirements and deferring payments to its suppliers, as indicated in Note 16.

**Analysis of financial liabilities by remaining contractual maturities**

The table below presents the maturity profile of the Group's financial liabilities as at March 31, 2025 and 2026. based on contractual cash flows. The contractual maturities of liabilities have been determined based on the remaining period at the statement of financial position date to the contractual maturity date.

| **2026** | ***Within 1 Year*** | ***1 to 5 Years*** | ***More than 5 Years*** | ***Total*** |
|---|---|---|---|---|
| Accounts payable | **423,963,200** | **58,629,475** | **-** | **482,592,675** |
| Contract liabilities | **20,784,479** | **-** | **-** | **20,784,479** |
| Accrued expenses and Other current liabilities | **183,499,585** | **-** | **-** | **183,499,585** |
| Lease liability | **35,071,450** | **20,814,595** | **-** | **55,886,045** |
| Long term loan | **1,888,889** | **4,981,945** | **-** | **6,870,834** |
| | **665,207,603** | **84,426,015** | **-** | **749,633,618** |

| **2025** | ***Within 1 Year*** | ***1 to 5 Years*** | ***More than 5 Years*** | ***Total*** |
|---|---|---|---|---|
| Accounts payable | 410,609,318 | 59,204,338 | 17,417,403 | 487,231,059 |
| Contract liabilities | 49,541,179 | - | - | 49,541,179 |
| Accrued expenses and Other current liabilities | 240,287,020 | - | - | 240,287,020 |
| Lease liability | 36,760,246 | 23,319,915 | - | 60,080,161 |
| Long term loan | 944,444 | 7,307,356 | - | 8,251,800 |
| | 738,142,207 | 89,831,609 | 17,417,403 | 845,391,219 |

***Market risk***

Market risk is the changes in market prices, such as foreign exchange rates and commission rates which will affect the Group income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. the Company is subject to fluctuations in foreign exchange rates in the normal course of its business. the Group did not undertake significant transactions in currencies other than Saudi Arabian Riyals and US Dollars and EGP. The foreign currency risk with respect to the US Dollars is limited as the Saudi Arabian Riyal is pegged to the US Dollar.

**Commission rate risk**

Commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market commission rates. the Group is subject to commission rate risk on its commission bearing liability, including loans and borrowings. the Group manages its commission rate risk by maintaining floating rate term loans at an acceptable level.

(Expressed in Saudi Riyal)

## 33. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Continued)

### iii. Fair Value levels

Assets and liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of fair value hierarchy. This Grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

**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 March 31, 2026 | | | |
|---|---|---|---|---|
| | **Book value** | **Fair value** | | |
| **SAR** | | **Level 1** | **Level 2** | **Level 3** |
| **Financial Liabilities** | | | | |
| Long term accounts payable | **58,629,475** | **-** | - | **58,629,475** |

| | As at March 31, 2025 | | | |
|---|---|---|---|---|
| | **Book value** | **Fair value** | | |
| **SAR** | | **Level 1** | **Level 2** | **Level 3** |
| **Financial Liabilities** | | | | |
| Long term accounts payable | 76,621,741 | **-** | - | 78,371,645 |

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

The book value of the financial assets and financial liabilities stated in the Group consolidated financial statements approximates their fair values.

Describe the significant unobservable inputs to be evaluated:

| Type of financial instrument | Fair value as at March 31, 2026 | Valuation technique | Unobservable inputs | sensitivity of the fair Value measurement to unobservable inputs |
|---|---|---|---|---|
| Long term payables | 59,966,000 | 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 1.07 million |

## 34. CAPITAL MANAGEMENT

The Group policy is to maintain a strong capital base to maintain creditor and market confidence and to sustain future development of the business. Management periodically monitors the growth of business, asset quality risks and return on capital as well as the level of dividends to be distributed to shareholders.

The Board of Directors seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position

the Group monitors capital using a ratio of "adjusted net debt" to "adjusted equity". For this purpose, Adjusted Net Debt is defined as the total liabilities consisting of Murabaha financing and long-term payables, including current portions, less cash and cash equivalents. Adjusted equity consists of all elements of equity.

(Expressed in Saudi Riyal)

## 34. CAPITAL MANAGEMENT (continued)

The Group net debt to equity ratio at the end of the year are as follows:

| | **As at March 31,** | |
|---|---|---|
| | **2026** | 2025 |
| Total Liabilities | **787,792,335** | 870,700,557 |
| Less: Cash and cash equivalents | **(593,954,324)** | (561,668,887) |
| Net Liabilities | **193,838,011** | 309,031,670 |
| | | |
| Total equity | **1,052,246,996** | 784,988,064 |
| Net debt to equity | **0.18** | 0.39 |

## 35. DIVIDEND AND BOARD OF DIRECTORS REMUNERATIONS

The Ordinary General Assembly, in its meeting held on 2 Rabi' Al-Thani 1447H (corresponding to September 24, 2025), approved the Board of Directors' recommendation to distribute cash dividends to shareholders for the financial year ended March 31, 2025, totaling SAR 10,199,971 at a rate of 30 halalas per share. (March 31, 2025: SAR 10,199,970).

## 36. GEOPOLITICAL DEVELOPMENTS

During the reporting period, geopolitical tensions in the Middle East escalated. As of the date of approval of these consolidated financial statements, management is closely monitoring the situation. Evolving geopolitical developments indicate increasing risks which may impact operational activities. However, as of the reporting date, management has not identified any operational disruptions.

Due to the rapidly changing nature of these circumstances, it is not currently possible to reliably estimate the potential financial impacts. Management and those charged with governance will continue to monitor the situation closely and assess any potential effects on the Group's operations, financial position, and financial performance.

## 37. SUBSEQUENT EVENTS

As per management opinion, there are no significant subsequent events after the year ended March 31, 2026 that could have a material impact on the Group's consolidated financial position or the results of its operations.

## 38. COMPARATIVE FIGURE

Comparative figures have been reclassified to reflect the reclassification of advances to suppliers from current assets to non-current assets according to their nature.

## 39. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were authorized for issue by the Board of Directors on Dhu al-Hijja 2, 1447H (corresponding to May 19, 2026).