

**AL MOAMMAR INFORMATION SYSTEMS COMPANY
(A Saudi Joint Stock Company)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

**For the three-month period ended
31 March 2024
Together with
INDEPENDENT AUDITOR'S REVIEW REPORT**

AL MOAMMAR INFORMATION SYSTEMS COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the period ended 31 March 2024

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF
AL MOAMMAR INFORMATION SYSTEMS COMPANY
(A SAUDI JOINT STOCK COMPANY)**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Moammar Information Systems Company (A Saudi Joint Stock Company) ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2024, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other matter

The interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2023 were reviewed by another auditor who expressed an unmodified review conclusion on those interim condensed consolidated financial statements on 1 Thul-Qi'dah 1444H (corresponding to 21 May 2023).

for Ernst & Young Professional Services

Fahad M. Al-Toaimi
Certified Public Accountant
License No. (354)

Riyadh: 12 Thul-Qi'dah 1445H
(20 May 2024)

AL MOAMMAR INFORMATION SYSTEMS COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2024

	<u>Note</u>	<i>31 March 2024 SR</i>	<i>31 December 2023 SR</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS			
Non-current assets			
Property and equipment, net	7A	36,787,141	37,506,419
Intangible assets, net	7B	3,833,915	3,868,853
Equity-accounted investees	8A	12,558,627	15,885,121
Contract assets, net	9A	77,190,944	10,283,608
Contract costs, net	9B	19,714,852	11,057,878
Total non-current assets		150,085,479	78,601,879
Current assets			
Contract assets, net	9A	630,600,903	694,834,858
Contract costs, net	9B	71,953,004	109,438,300
Trade and other receivables, net	10	727,291,425	654,209,473
Prepayments and other assets, net	11	167,919,895	126,848,445
Investments classified as FVTPL	8B	128,679,329	25,000,000
Inventory	12A	3,531,597	2,555,222
Cash and cash equivalents		161,202,868	162,665,473
Total current assets		1,891,179,021	1,775,551,771
Total assets		2,041,264,500	1,854,153,650
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	13	300,000,000	300,000,000
Other reserves		9,063,336	9,748,399
Treasury shares	15	(12,059,326)	(12,447,944)
Retained earnings		60,550,210	(10,412,333)
Total shareholders' equity		357,554,220	286,888,122
Liabilities			
Non-current liabilities			
Employee benefit obligations		25,901,296	24,697,800
Total non-current liabilities		25,901,296	24,697,800
Current liabilities			
Loans and borrowings	17	703,042,947	619,294,498
Trade and other payables	18	665,065,166	660,218,208
Other liabilities		26,183,556	56,302,021
Contract liabilities	19	251,380,783	197,055,144
Zakat	6	12,136,532	9,697,857
Total current liabilities		1,657,808,984	1,542,567,728
Total liabilities		1,683,710,280	1,567,265,528
Total shareholders' equity and liabilities		2,041,264,500	1,854,153,650

Ibrahim Abdullah Al Moammar
Vice Chairman, Board of Directors

Abdullah Ghazi Al Ghamdi
Chief Executive Officer

Karim Mohamed Awny Gaffar
Chief Financial Officer

AL MOAMMAR INFORMATION SYSTEMS COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
 OTHER COMPREHENSIVE INCOME**
 For the three-month period ended 31 March 2024

		<i>For the three-month period ended 31 March (Unaudited)</i>	
	<i>Note</i>	2024 SR	2023 SR
Revenue	4	333,506,862	437,477,142
Cost of sales		(279,565,170)	(361,027,451)
Gross profit		53,941,692	76,449,691
General and administration expenses		(24,177,980)	(19,249,773)
Selling and marketing expenses		(4,132,315)	(3,157,639)
Reversal of impairment loss on contract assets and trade receivables	9A&10	4,269,325	-
Income from operations		29,900,722	54,042,279
Other income		1,070,750	1,421,979
Share in profit/(loss) of equity-accounted investees	8A	576,621	1,317,000
Gain on disposal of shares	8A	57,532,443	-
Finance costs		(15,184,507)	(9,405,401)
Finance income		1,631,969	1,589,946
Income before Zakat		75,527,998	48,965,803
Zakat	6	(2,438,675)	(2,400,000)
Net income for the period		73,089,323	46,565,803
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Remeasurements gain on employee benefits		(685,063)	(191,247)
Other comprehensive income		(685,063)	(191,247)
Total comprehensive income for the period		72,404,260	46,374,556
Earnings per share:			
Basic and diluted earnings per share for the period	5	2.44	1.55



Ibrahim Abdullah Al Moammar
 Vice Chairman, Board of Directors



Abdullah Ghazi Al Ghamdi
 Chief Executive Officer



Karim Mohamed Awny Gaffar
 Chief Financial Officer

AL MOAMMAR INFORMATION SYSTEMS COMPANY
 (A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 For the period ended 31 March 2024

	<i>Share capital</i> <i>SR</i>	<i>Statutory reserve</i> <i>SR</i>	<i>Other reserves</i> <i>SR</i>	<i>Treasury Shares</i> <i>SR</i>	<i>Retained Earnings / (loss)</i> <i>SR</i>	<i>Total shareholders' equity</i> <i>SR</i>
As at 1 January 2023 (Audited)	300,000,000	9,586,376	9,744,876	-	51,767,686	371,098,938
Net income for the period	-	-	(191,247)	-	46,565,803	46,565,803
Other comprehensive income for the period	-	-	(191,247)	-	46,565,803	(191,247)
Total comprehensive income for the period	-	-	-	-	46,374,556	46,374,556
Dividends (note 16)	-	-	-	-	(36,000,000)	(36,000,000)
Balance as at 31 March 2023 (Unaudited)	<u>300,000,000</u>	<u>9,586,376</u>	<u>9,553,629</u>	<u>-</u>	<u>62,333,489</u>	<u>381,473,494</u>
As at 1 January 2024 (Audited)	300,000,000	-	9,748,399	(12,447,944)	(10,412,333)	286,888,122
Net income for the period	-	-	(685,063)	-	73,089,323	73,089,323
Other comprehensive income for the period	-	-	(685,063)	-	-	(685,063)
Total comprehensive income for the period	-	-	-	-	73,089,323	73,089,323
Loss on treasury shares (note 15)	-	-	-	-	(2,126,780)	(2,126,780)
Movement for treasury shares (note 15)	-	-	-	388,618	-	388,618
Balance as at 31 March 2024 (Unaudited)	<u>300,000,000</u>	<u>-</u>	<u>9,063,336</u>	<u>(12,059,326)</u>	<u>60,550,210</u>	<u>357,554,220</u>


 Ibrahim Abdulllah Al Moammar
 Vice Chairman, Board of Directors


 Abdullah Ghazi Al Ghandi
 Chief Executive Officer


 Karim Mohammed Awny Gaffar
 Chief Financial Officer

AL MOAMMAR INFORMATION SYSTEMS COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2024

		<i>For the three-month period ended 31 March (unaudited)</i>	
	<i>Note</i>	<i>2024 SR</i>	<i>2023 SR</i>
Cash flow from operating activities			
Net income for the period		73,089,323	46,565,803
<i>Adjustments for:</i>			
Depreciation of property and equipment	7A	792,108	901,081
Amortization of intangible assets	7B	413,443	509,819
Share in profit of equity-accounted investees	8A	(576,621)	(1,317,000)
Impairment loss on trade receivables	10	(3,864,730)	-
Reversal of impairment loss on contract assets	9A	(404,595)	-
Non-cash consideration for Data Centers	8B	(65,898,539)	-
Employee benefit obligations		2,140,316	1,853,928
Finance costs		15,184,507	9,405,401
Finance income		(1,631,969)	(1,589,946)
Gain from disposal of shares	8A	(57,532,443)	-
Zakat charge		2,438,675	2,400,000
		(35,850,525)	58,729,086
Changes in working capital:			
Contract assets		(2,268,786)	(81,026,836)
Contract costs		28,828,322	(1,644,694)
Trade and other receivables		(69,217,222)	29,640,356
Prepayments and other assets		(41,071,450)	(34,925,172)
Inventory		(976,375)	325,233
Trade and other payables		4,846,958	212,458,164
Other liabilities		(30,118,465)	5,204,765
Contract liabilities		54,325,640	(178,504,979)
Net cash (used in)/ generated from in operations		(91,501,903)	10,255,923
Employee benefit obligations paid		(1,621,882)	(1,382,273)
Net cash (used in)/ generated from operating activities		(93,123,785)	8,873,650
Purchase of property and equipment	7A	(72,830)	(135,685)
Purchase of intangible assets	7B	(378,505)	(356,111)
Investment at Artificial Intelligence	8B	(37,780,790)	-
Finance income received		1,631,969	1,589,946
Disposal of equity accounted investee	8A	61,435,559	-
Net cash generated from investing activities		24,835,403	1,098,150
Cash flow from financing activities			
Proceeds from loans and borrowings	17	386,622,352	201,122,395
Repayment of loans and borrowings	17	(302,873,903)	(224,810,472)
Finance costs paid		(15,118,860)	(9,341,828)
- Payment of lease liabilities- Principle		(65,650)	(83,200)
- Payment of lease liabilities- Interest		-	(4,550)
Loss on treasury shares, net		(2,126,780)	-
Sold of treasury shares		388,618	-
Advance for purchase of treasury shares		(756,453)	-
Dividends paid		-	(36,000,000)
Net cash generated from/ (used in) financing activities		66,069,324	(69,117,655)
Net (decrease) in cash and cash equivalents		(2,219,058)	(59,145,855)
Cash and cash equivalents at the beginning of the period		162,665,473	152,283,200
Cash and cash equivalents at the end of the period	12B	160,446,415	93,137,345


Ibrahim Abdullah Al Moammar
Vice Chairman, Board of Directors


Abdullah Ghazi Al Ghamdi
Chief Executive Officer


Karim Mohamed Awny Gaffar
Chief Financial Officer

The accompanying notes from 1 to 23 form an integral part of these interim condensed consolidated interim financial statements.

AL MOAMMAR INFORMATION SYSTEMS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2024

1. CORPORATE INFORMATION

Al Moammar Information Systems Company (the “Company”) is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia (“KSA”) under Commercial registration number 1010063470 dated 10 Muharram 1407H (corresponding to 15 September 1986).

The registered office of the Company is located at following address:

Head Office and Central Region:
6330 Al Thumamah Rd - Al Sahafa Dist.
Unit No 1, 3296
Riyadh 13315, Kingdom of Saudi Arabia

The Company is registered in KSA with the following branches as at 31 December 2023:

<i>Commercial registration number</i>	<i>Commercial registration date</i>	<i>City</i>
4030097824	8 Rabi Awal 1414H (corresponding to 26 August 1993)	Jeddah
1010432047	12 Jumada Al-Alkhirah 1436H (corresponding to 01 April 2015)	Riyadh
2051011413	17 Rabi Awal 1407H (corresponding to 20 November 1986)	Al Khobar
4030288661	4 Rajab 1437H (corresponding to 11 April 2016)	Jeddah

The Company is engaged in providing information technology solutions services which includes operating systems, system analysis, software design and programming, software maintenance, web design, setting up the primary structure for web hosting, data processing services and related activities.

In 2021, the Group incorporated a wholly owned subsidiary “Excellence Medical Systems Company” (A one person company) under commercial registration number 1010707294 with a paid-up capital of SR 1,000,000. The primary business of this wholly owned subsidiary is to engage in providing supplies and maintenance of medical devices, laboratory products, operate tele-care and telemedicine centers and canteens or cafeterias in hospitals and storage of hazardous medical waste.

During December 2021, the Group incorporated a wholly owned subsidiary “Excellence Application Solutions Company” (A one person company) under commercial registration number 1010764928 with a paid-up capital of SR 1,000,000. The primary business of this wholly owned subsidiary is to engage with clients to nurture bold ideas and build innovative technology solutions by offering its expertise derived from its employees with long experience in managing such businesses, technical strength in the development of technologies and digital integration. The Company engages in developing leading-edge platforms and products such as buy now pay later, marketplace and open banking solutions.

During 2023, the subsidiary received permit approval from the Saudi Central Bank ("SAMA") to carry out the Buy Now Pay Later (“BNPL”) activities in KSA under the name of MIS pay. However, the subsidiary has not commenced its operations yet.

During April 2023, the Group incorporated a wholly owned subsidiary “Excellence Solution for Information technology Company” (A one person company) under commercial registration number 1010875044 with the capital of SR 100,000. The primary business of this wholly owned subsidiary is to engage in providing information and Telecommunication solutions services, Software deployment, other communication activities, Computer programming activities, Computer consulting expertise and facilities management activities, Data processing, web hosting and related activities. However, the subsidiary has not commenced its operations as the year ended 31 December 2023.

During April 2023, the Group incorporated a wholly owned subsidiary “Integrated Excellence Information Technology Company” (A one person company) under commercial registration number 1010878145 with the capital of SR 100,000. The primary business of this wholly owned subsidiary is to engage to build a one-stop homing solution & living needs by solving all the cumbersome purchasing tasks. However, the subsidiary has not commenced its operations as the year ended 31 December 2023.

These interim consolidated financial statements include the financial information of the branches of the Company and the above-mentioned subsidiaries (together referred to as the “Group”).

These interim consolidated financial statements were approved by the Board of Directors on 18 May 2024 (corresponding to 10 Duh Al-Qi'dah 1445H).

AL MOAMMAR INFORMATION SYSTEMS COMPANY (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the three-month period ended 31 March 2024

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements comprise the financial information of the Group and have been prepared in accordance with IAS 34 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants.

The interim condensed consolidated financial statements do not include all of the information and disclosures required for full annual consolidated financial statements and should be read in conjunction with Group's annual consolidated financial statements for the year ended 31 December 2023. Certain comparative figures in these interim condensed consolidated financial statements have been reclassified wherever necessary for better presentation and disclosure.

These interim condensed consolidated financial statements have been prepared on a historical cost using accrual basis, except for equity-accounted investees which are measured using equity method. The carrying amount of financial assets and liabilities are a reasonable approximation of their fair values. These interim condensed consolidated financial statements are prepared on a going concern basis. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the date of approval of interim condensed consolidated financial statements.

2.2 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyal ("SR") which is the functional currency of the Group. The Group has used the Saudi Riyal ("SR") as presentation currency.

2.3 Material Accounting Policy Information

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in preparing the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

Following standard, interpretation or amendment are effective from the current year and are adopted by the Group, however, these do not have a material impact on the consolidated financial statements of the year.

Standard, interpretation or amendments	Description	Effective date
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	January 01, 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	January 01, 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	January 01, 2024

**AL MOAMMAR INFORMATION SYSTEMS COMPANY
(A Saudi Joint Stock Company)**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the three-month period ended 31 March 2024

2. BASIS OF PREPARATION (continued)

2.4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP (continued)

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which are effective from the period on or after January 1, 2025. The Group did not opt for early adoption of these pronouncements and do not expect the adoption to have a significant impact on these interim condensed consolidated financial statements of the Group.

Standard, interpretation or amendments	Description	Effective date
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely

3. Significant Accounting Estimates and Assumptions

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2023. In 2021 the Group entered into a contract with its customer to build data centers. The following significant judgement has been applied to the assessment.

The Group has applied the significant judgement while assessing the performance obligations under revenue from contracts with customers. The Group entered into separate contracts with customer to build data centers. These contracts involve various promises including design, procurement and construction of the data centers. The Group evaluates whether it is a principal or an agent under these contracts.

The Group assessed that it is acting as a principal where it is responsible to make the decisions around effective utilization of internal resources and/or vendors/sub-contractor in implementation services and in the eventual delivery of the deliverables fulfilling the customer's requirements. Where the Group is the primary obligor within the context of the contract and has the direct responsibility to provide the services, the revenue is recorded on a gross basis as a principal.

The Group further assesses whether the promises under these contracts involve a significant service of integrating the goods or services with other goods or services promised in the contract into a bundle of goods or services that represent the combined output or outputs for which the customer has contracted. Accordingly, the Group assesses its promises to transfer goods or services to the customer under these contracts are not separately identifiable within the context of the contract and represents a single performance obligation to build the data centers for the customer.

**AL MOAMMAR INFORMATION SYSTEMS COMPANY
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the three-month period ended 31 March 2024

3. Significant accounting estimates and assumptions (continued)

In addition, under the terms of the contracts, the Group assesses that its performance creates an asset that the customer controls as the asset is created and recognizes revenue over the period of the contract as the performance obligation is satisfied over time. The Group applies the input method to recognize revenue based on cost incurred as a percentage of total estimated cost towards satisfying the performance obligation.

The Group evaluates if such contracts include defect and warranty periods following completion of the project. These are not deemed to be separate performance obligations and therefore estimated and included in the total costs of the contracts. Where required, amounts are recognized according to IAS 37 as provisions.

Any non-cash consideration receivable under the contract from the customer is measured at fair value. The fair value of the non-cash consideration is determined at each billing date based on the terms of the contract. Where such non-cash consideration includes financial asset, these are subsequently re-measured at the reporting date in accordance with the Group's policy.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorized within the fair value hierarchy. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities.

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

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognized in the interim condensed consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year. The Group determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

AL MOAMMAR INFORMATION SYSTEMS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the three-month period ended 31 March 2024

4. REVENUE

The Group revenue is derived from contracts with customers.

Disaggregation of revenue

Set out below is the disaggregation of Group's revenue from contracts by type of goods or services, timing of revenue recognition, type of customers and revenue earned acting as principals or agent:

	<i>For the three-month period ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>
Timing of revenue recognition		
Services transferred overtime	263,250,798	363,021,688
Product transferred at a point in time	70,256,064	74,455,454
	<u>333,506,862</u>	<u>437,477,142</u>
Type of customers		
Government & government-controlled entities	142,666,553	150,200,151
Private	190,840,309	287,276,991
	<u>333,506,862</u>	<u>437,477,142</u>
Product or service		
Equipment and hardware	258,779,066	381,746,823
Maintenance, services and solutions	64,876,649	45,664,764
Software licenses	9,851,147	10,065,555
	<u>333,506,862</u>	<u>437,477,142</u>
Revenue earned as principal or agent		
Revenue derived from principal relationships	318,355,698	417,935,523
Revenue derived from agent relationships	15,151,164	19,541,619
	<u>333,506,862</u>	<u>437,477,142</u>

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5. EARNINGS PER SHARE

Basic earnings per share is calculated based on the weighted average number of outstanding shares during the period. Diluted earnings per share is calculated by adjusting the basic earnings per share for the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all diluted potential ordinary shares.

There has been no item of dilution affecting the weighted average number of ordinary shares.

	<i>For the three-month period ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>
Net income for the period	73,089,323	46,565,803
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	29,913,417	30,000,000
Basic and diluted earnings per share for the period	2.44	1.55

6. ZAKAT

Zakat charge for the three-month period ended 31 March 2024 amounts to SR 2,438,675 (unaudited) (for the three-month period ended 31 March 2023 amounts to SR 2,400,000) (unaudited).

Movement in Zakat provision during the period / year

	<i>31 March 2023</i>	<i>31 December 2023</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>SR</i>	<i>SR</i>
Balance at 1 January	9,697,857	8,647,251
Charge for the period/year	2,438,675	10,431,491
Paid during the period/year	-	(9,380,885)
	12,136,532	9,697,857

The Company has finalized its Zakat and withholding tax assessment with the ZATCA up to year 2016 and obtained the final Zakat and withholding tax certificate. The Company has filed the Zakat returns for the years 2017 to 2022 and withholding tax returns for the years 2017 to 2022, which are under review by ZATCA.

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7A. PROPERTY AND EQUIPMENT, NET

	2024				
	<i>Land</i> <u>SR</u>	<i>Building*</i> <u>SR</u>	<i>Equipment</i> <u>SR</u>	<i>Motor vehicles</i> <u>SR</u>	<i>Furniture and fixtures</i> <u>SR</u>
Cost					
As at 1 January 2024 (Audited)	8,122,900	30,459,035	16,806,132	1,349,887	3,531,007
Additions	-	-	72,830	-	-
As at 31 March 2024 (Unaudited)	8,122,900	30,459,035	16,878,962	1,349,887	3,531,007
Accumulated Depreciation					
As at 1 January 2024 (Audited)	-	5,475,286	14,054,288	1,218,056	2,014,912
Charge for the period	-	281,688	323,910	11,015	175,495
As at 31 March 2024 (Unaudited)	-	5,756,974	14,378,198	1,229,071	2,190,407
Net book value	8,122,900	24,702,061	2,500,764	120,816	1,340,600
As at 31 March 2024 (Unaudited)	8,122,900	24,702,061	2,500,764	120,816	1,340,600

** Building includes right-of-use assets at net book value of SR 130,638 (unaudited) (2023: SR 153,047 (audited)) related to leased office premises.

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7A. PROPERTY AND EQUIPMENT (CONTINUED)

	<i>Land</i> SR	<i>Building*</i> SR	<i>Equipment</i> SR	<i>Motor vehicles</i> SR	<i>Furniture and fixtures</i> SR	<i>Total</i> SR
2023						
Cost						
As at 1 January 2023 (Audited)	8,122,900	30,425,433	16,358,599	1,287,687	3,489,497	59,684,116
Additions	-	33,602	447,533	62,200	41,510	584,845
As at 31 December 2023 (Audited)	<u>8,122,900</u>	<u>30,459,035</u>	<u>16,806,132</u>	<u>1,349,887</u>	<u>3,531,007</u>	<u>60,268,961</u>
Accumulated depreciation						
As at 1 January 2023 (Audited)	-	3,759,068	12,826,044	1,180,328	1,296,407	19,061,847
Change for the year	-	1,716,218	1,228,244	37,728	718,505	3,700,695
As at 31 December 2023 (Audited)	-	<u>5,475,286</u>	<u>14,054,288</u>	<u>1,218,056</u>	<u>2,014,912</u>	<u>22,762,542</u>
Net book value						
As at 31 December 2023 (Audited)	<u>8,122,900</u>	<u>24,983,749</u>	<u>2,751,844</u>	<u>131,831</u>	<u>1,516,095</u>	<u>37,506,419</u>

* Property and equipment include right-of-use assets at net book value of SR 153,047 (unaudited) (2022: SR 421,883(audited)) related to leased office premises.

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For the three-month period ended 31 March 2024

7B. INTANGIBLE ASSETS, NET

	<i>ERP Software SR</i>	<i>Application development SR</i>	<i>Other Software SR</i>	<i>Total SR</i>
<u>2024</u>				
<u>Cost</u>				
As at 1 January 2024 (Audited)	5,629,807	4,532,387	6,361,069	16,523,263
Additions	378,505	-	-	378,505
As at 31 March 2024 (Unaudited)	6,008,312	4,532,387	6,361,069	16,901,768
<u>Accumulated amortization</u>				
As at 1 January 2024 (Audited)	4,481,253	4,532,387	3,640,770	12,654,410
Charge for the period	284,546	-	128,897	413,443
As at 31 March 2024 (Unaudited)	4,765,799	4,532,387	3,769,667	13,067,853
<u>Net book value</u>				
As at 31 March 2024 (Unaudited)	1,242,513	-	2,591,402	3,833,915
<u>2023</u>				
<u>Cost</u>				
As at 1 January 2023 (Audited)	4,572,834	4,532,387	6,361,069	15,466,290
Additions	1,056,973	-	-	1,056,973
As at 31 December 2023 (Audited)	5,629,807	4,532,387	6,361,069	16,523,263
<u>Accumulated amortization</u>				
As at 1 January 2023 (Audited)	2,339,414	4,532,387	3,099,718	9,971,519
Charge for the year	2,141,839	-	541,052	2,682,891
As at 31 December 2023 (Audited)	4,481,253	4,532,387	3,640,770	12,654,410
<u>Net book value</u>				
As at 31 December 2023 (Audited)	1,148,554	-	2,720,299	3,868,853

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8A. EQUITY-ACCOUNTED INVESTEES

Name of associates	Principal activities	Place of incorporation and principal place of business	% age holding at	
			31 March 2024	31 December 2023
Edarat Group SAL	Technology based solutions	Lebanon	50%	50%
Edarat Telecommunication and Information	Development, installation and maintenance of computer hardware and software	Kingdom of Saudi Arabia	30%	40%
Phoenicia Tech Worldwide Inc. – BVI	Technology based solutions	British Virgin Island	50%	50%

The Group has significant influence, but does not have control or joint control, over the financial and operating policies of these equity accounted investees.

The movement in investment in associates is as follows:

	<i>Edarat Group SAL</i>	<i>Edarat Telecommunication & Information Technology Company</i>	<i>Phoenicia Tech Worldwide Inc.</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
At 1 January 2023 (Audited)	164,516	8,583,830	59,373	8,807,719
Share of profit/ (loss)	103,836	7,028,634	(55,068)	7,077,402
At 31 December 2023 (Audited)	268,352	15,612,464	4,305	15,885,121
Share of profit/ (loss)	1,416	576,998	(1,793)	576,621
Disposal of investment*	-	(3,903,115)	-	(3,903,115)
At 31 March 2024 (Unaudited)	269,768	12,286,347	2,512	12,558,627

* During the period ended 31 March 2024, the Company sold 126,000 shares (unaudited) out of 504,000 (unaudited) having carrying value of SR 3,903,116 (unaudited) at a sale proceeds of SR 61,435,559 (unaudited) resulting in gain on disposal of shares amounting to SR 57,532,443 (unaudited).

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8B. INVESTMENTS CLASSIFIED AT FVTPL

The investments classified at fair value through profit and loss include:

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Vision Bank	25,000,000	25,000,000
International companies specialized in the field of artificial intelligence (A.I)	37,780,790	-
Data Centers Units	65,898,539	-
	128,679,329	25,000,000

- A) The Company has an investment in Vision Bank Limited ('the bank'), which is accounted for in these financial statements at the cost of acquisition of SR 25 million. The Company has chosen to account for the investment at fair value through profit or loss. The bank has obtained regulatory licenses from relevant authorities and is currently in pre-operation phase including development of its IT infrastructure and recruitment and training of staff. It is the Company's estimate that the carrying value approximates the fair value, as the bank is yet to commence operations.
- B) The Board of Directors in their meeting held on to 29 Jumada Al-Ula 1445H (corresponding to 10-January-2024) resolved to allocate 40 million Saudi riyals to establish an investment portfolio via self-financing to invest in international companies specialized in the field of artificial intelligence (A.I). On 21 January 2024, the company placed and invested the funds in two major & leading international companies based in the United States of America in the field of AI. The company had accounted for the investment in these companies at the cost of acquisitions of SR. 37.8 million (unaudited). The Company has chosen to account for the investment at fair value through profit or loss.
- C) MIS obtained on the 31st of March 2024 a total of 6,589,853.93 units valued at 10 Saudi Riyals each (amounting to 65,898,530 SAR) (unaudited) in the Saudi Data Centers Fund 1, equivalent to 10% of the completed works relating to data centers design and construction contract. These units are classified as investment at fair value through profit and loss.

9A. CONTRACT ASSETS, NET

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Unbilled receivables*	779,655,630	777,386,844
Less: Impairment loss on contract asscts	(71,863,783)	(72,268,378)
	707,791,847	705,118,466

Classification of contract assets

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Unbilled receivables, current	630,600,903	694,834,858
Unbilled receivables, non-current	77,190,944	10,283,608
	707,791,847	705,118,466

* Unbilled receivables primarily relate to the Group's right to consideration for goods and services delivered but not billed at the reporting date. The same is transferred to trade receivables when the Group issues invoices to the customers. The contractual terms of invoicing are primarily on a milestone basis.

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9A. CONTRACT ASSETS, NET (CONTINUED)

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Opening balance	777,386,844	663,376,649
Additions	207,831,622	1,159,656,605
Invoicing during the period/year	<u>(205,562,836)</u>	<u>(1,045,646,410)</u>
Closing balance	<u>779,655,630</u>	<u>777,386,844</u>

Movement of allowance for expected loss on contract assets was as follows:

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Opening balance	72,268,378	13,084,787
(Reversal)/ charge during the period/year	<u>(404,595)</u>	<u>59,183,591</u>
Closing balance	<u>71,863,783</u>	<u>72,268,378</u>

9B. CONTRACT COSTS, NET

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Classification of contract costs	19,714,852	11,057,878
Contract costs, non-current	71,953,004	109,438,300
Contract costs, current	<u>91,667,856</u>	<u>120,496,178</u>

The movement of contract cost balance is as follows:

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Opening balance	120,496,178	25,741,087
Additions	41,310,802	165,162,979
Amortization	<u>(70,139,124)</u>	<u>(70,407,888)</u>
Closing balance	<u>91,667,856</u>	<u>120,496,178</u>

It includes incurred costs in respect of long-term IT support contracts, which will generate resources that will be used in satisfying these contracts and are expected to be recovered. They were therefore recognised as an asset for costs to fulfil contracts. The asset is amortised on a straight-line basis over the term where the Group is principal in the performance obligation.

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10. TRADE AND OTHER RECEIVABLES, NET

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Trade receivables – external*	690,982,631	697,413,658
Less: Impairment loss on trade receivables	<u>(52,425,585)</u>	<u>(56,290,315)</u>
	<u>638,557,046</u>	<u>641,123,343</u>
Trade receivables - amounts due from related parties (note 20)	104,328	-
Other receivables	<u>88,630,051</u>	<u>13,086,130</u>
	<u>727,291,425</u>	<u>654,209,473</u>

* Trade receivables includes SR 445,381,770 (unaudited) (31 December 2023: SR R 483,227,809) (audited) due from government or government - controlled entities which represents the vast majority of the total receivables.

Below is the ageing of gross trade receivables (including dues from related parties).

	<i>Total SR</i>	<i>Not yet due SR</i>	<i>0 to 3 months SR</i>	<i>4 to 6 months SR</i>	<i>7 to 12 months SR</i>	<i>Over 1 year SR</i>
31 March 2024 (Unaudited)	691,086,959	136,240,881	252,248,603	120,464,363	70,386,701	111,746,411
ECL	52,425,585	3,221,529	8,993,044	7,959,358	9,711,293	22,540,361
ECL %	8%	2%	4%	7%	14%	20%
31 December 2023 (Audited)	697,413,658	105,792,321	325,638,927	87,803,824	67,250,335	110,928,251
ECL	56,290,315	4,891,826	10,939,712	7,108,572	7,908,639	25,441,566
ECL %	8%	5%	3%	8%	12%	23%

The movement for allowance for impairment loss on trade receivables was as follows:

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (audited) SR</i>
Opening balance	56,290,315	28,028,461
Charged during the period/year	-	28,347,370
Reverse/Write off during the period/year	(3,864,730)	(85,516)
Closing balance	<u>52,425,585</u>	<u>56,290,315</u>

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11. PREPAYMENTS AND OTHER ASSETS, NET

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Advances to supplier	139,965,495	101,332,926
Margin on letters of credit and guarantee	13,868,430	14,263,086
Prepaid expenses	12,259,866	9,933,420
Advances to employees	2,250,619	1,820,867
Others	369,638	292,299
Provision on advances to supplier	168,714,048 (794,153)	127,642,598 (794,153)
	167,919,895	126,848,445

** Primarily pertains to advances paid to vendors related to data center projects.

12. INVENTORY AND CASH & CASH EQUIVALENTS

12A INVENTORY

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Goods held for sales	3,730,720	2,754,345
Less: allowance for slow moving inventories	(199,123)	(199,123)
	3,531,597	2,555,222

Inventory is stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Cost includes expenditure incurred in acquiring the inventories, and other direct cost incurred in bringing them to their existing location and condition. At each reporting date, inventories are assessed for impairment using net realizable value that represents the estimated selling price for inventories less all estimated costs of completion & costs necessary to make the sale.

12B CASH AND CASH EQUIVALENTS

For the purposes of consolidated statement of cash flows, cash and cash equivalents comprise the following at 31 March:

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 March 2023 (Unaudited) SR</i>
Cash at bank – deposits	129,266,949	68,893,531
Cash at bank - current accounts	30,113,621	23,698,496
Cash in hand	1,065,845	545,318
Cash and cash equivalents	160,446,415	93,137,345

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13. SHARE CAPITAL

Capital of SAR 300,000,000 is divided into 30,000,000 shares of SR 10 each.

The Board of Directors in their meeting held on 28 Jumada-Al-Ula 1443H (corresponding to 31 January 2022) resolved to increase the Company's share capital to SR 300,000,000 (previously SR 250,000,000) through issuance of one (1) bonus share for every five (5) shares by transferring SR 44,352,025 and SR 5,647,975 from retained earnings and statutory reserve, respectively to share capital. The legal formalities required to enforce the increase of the share capital were completed during the year ended 31 December 2022.

14. STATUTORY RESERVE

The board of directors in their meeting held on 30 April 2023 (corresponding to 10 Shawwal 1444) recommended cancelling the statutory reserve of the company as a part of the amendments to the company by-laws to be in line with the new company law (31 December 2023: Nil). The amendments to the company's by-laws had been approved by the Extraordinary General Assembly meeting held on 6 August 2023 (corresponding to 19 Muharam 1445).

15. TREASURY SHARES

During the year ended 31 December 2023, the Company entered into market making arrangement with Al Rajhi Capital to provide continuous buying and selling of the Company shares in order to support Company's liquidity in shares trading. As of 31 March 2024, Company held 82,148 of its own shares (unaudited) (31 December 2023: SR 91,529) (unaudited) amounting to SR 12,059,326 (unaudited) (31 December 2023: SR 12,447,944) (audited). As of 31 March 2024, the company recorded a loss of SAR 2,126,780 (unaudited) (31 December 2023: SR 4,739,751) (audited).

Further, the Board of Directors in their meeting held on 26 Rabie Al-Thani 1445H (corresponding to 11 October 2023) recommended to purchase 300,000 of company's own shares which will be held as treasury shares. These purchases of the shares are subject to approval and consent of the Extraordinary General Assembly to proceed with the other institutional formality. The regulatory procedures required to enforce purchase of treasury shares were not completed as of the reporting date.

The following is the movement in number of treasury shares during the period/year: 31 March 2024:

	<i>31 December</i>	
	<i>31 March 2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(audited)</i>
	<i>SR</i>	<i>SR</i>
Outstanding shares as of 1 January	91,529	-
Treasury shares re-issued, net	(9,381)	91,529
	<u>82,148</u>	<u>91,529</u>

16. DIVIDENDS

On 10 July 2023 corresponding to 12 Dhu hajja 1444H, the Board of Directors of the Group resolved to distribute cash dividends amounting to SR 1.5 per share aggregating to SR 45,000,000 (audited). This dividend was paid on 9 August 2023.

On 10 January 2023 corresponding to 17 Jumada Al-Alkhirah 1444H, the Board of Directors of the Group resolved to distribute cash dividends amounting to SR 1.2 per share aggregating to SR 36,000,000 (audited). This dividend was paid on 12 March 2023.

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17. LOANS AND BORROWINGS

The Group has obtained loans from various local commercial banks and other financial institutions to meet the working capital requirements. These loans are subject to certain financial covenants which are reviewed on annual basis and are secured by promissory notes and assignment of certain contract proceeds and carry commission charges at prevailing market commission rates. The Group did not comply with certain loan covenants during period/year. However, the Group was able to obtain waivers from the respective banks in this regard.

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Murabaha facilities	659,288,519	612,153,612
Conventional facilities	43,754,428	7,140,886
	703,042,947	619,294,498

Movement in loans and borrowings are shown below:

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Opening balance	619,294,498	370,942,909
Additions during the period /year	386,622,352	1,604,536,480
Repayment made during the period / year	(302,873,903)	(1,356,184,891)
Closing balance	703,042,947	619,294,498

18. TRADE AND OTHER PAYABLES

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Trade payables	356,307,780	415,764,027
Accrued expenses	286,564,923	221,272,436
Amounts due to related parties (note 20)	11,949,713	14,066,671
Accrued salaries and other employee costs	9,190,136	7,030,768
Other payables	986,567	1,952,609
Lease liabilities, current	66,047	131,697
	665,065,166	660,218,208

19. CONTRACT LIABILITIES

The contract liabilities relate to advance consideration billed/received, for which revenue is recognised on satisfaction of performance obligations which is generally over one to four years.

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Contract liabilities- current	251,380,783	197,055,144
	251,380,783	197,055,144

The amount of SR 65,224,702 included in contract liabilities at 31 December 2023 has been recognised as revenue during the three-month period ended 31 March 2024 (unaudited) (for the year ended 31 December 2023: SR 282,931,422) (audited).

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19. CONTRACT LIABILITIES (continued)

The movements during the year are as follows:

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Opening balance	197,055,144	332,601,216
During the period / year	326,741,860	1,029,358,350
Utilized during the period / year	(272,416,221)	(1,164,904,422)
Closing balance	<u>251,380,783</u>	<u>197,055,144</u>

20. RELATED PARTY TRANSACTIONS AND BALANCES

During the period ended 31 March 2024, the Group transacted with its related parties. The terms of those transactions are approved by the management/Board of Directors in the ordinary course of business. The transactions during the period are as follows:

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 March 2023 (Unaudited) SR</i>
Transaction with shareholders		
Dividends paid	-	36,000,000
Transactions with associate:		
Edarat Telecommunication and Information Technology Company;		
Revenue	17,530	8,128
Purchases	5,433,436	6,490,567

The remuneration of key management personnel for the period are as follows:

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 March 2023 (Unaudited) SR</i>
Salaries and short-term benefits	1,611,000	2,107,455
Employee benefits	94,375	112,750
	<u>1,705,375</u>	<u>2,220,205</u>

The following balances were outstanding with related parties at the reporting date:

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Due from related parties (note 10):		
Edarat Telecommunication and Information Technology Company	104,328	-
	<u>104,328</u>	<u>-</u>
Due to related parties (note 18):		
Edarat Telecommunication and Information Technology Company	11,949,713	14,066,671
	<u>11,949,713</u>	<u>14,066,671</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the three-month period ended 31 March 2024

21. SEGMENT INFORMATION

The Group operates solely in KSA and has no geographical segment. For management purposes, the Group is organized into business units based on service provided and has the following reportable segments:

Information about reportable segments

	<i>Segments</i>						<i>Non-segment remaining items</i>	<i>Total</i>		
	<i>Business service management Unit</i>	<i>Information technology</i>		<i>Networking Unit</i>	<i>Operation and maintenance unit</i>	<i>Data center unit</i>				
		<i>Solutions unit</i>	<i>Systems unit</i>							
As at 31 March 2024 (Unaudited)										
Total assets	96,300,020	252,958,302	242,999,570	222,584,503	417,945,934	211,094,861	170,232,335	427,148,975		
Total liabilities	30,150,617	274,733,595	138,814,706	164,482,687	400,809,270	188,412,472	484,354,621	1,952,312		
For the three-month period ended 31 March 2024 (Unaudited)										
Revenue										
Timings of revenue										
Sale of goods at point in time	1,254,053	4,000,824	23,385,546	6,913,222	27,910,494	6,791,925	-	-		
Sale of services over period of time	1,131,561	6,647,956	6,147,567	1,998,509	23,104,757	49,306,349	174,914,099	263,250,798		
Type of customers										
Government & government - controlled entities	1,561,246	9,921,039	26,073,313	7,648,307	42,740,510	54,722,138	-	142,666,553		
Private	824,367	727,742	3,459,801	1,263,425	8,274,740	1,376,135	174,914,099	190,840,309		
<i>Principal or agent revenue</i>										
Principal revenue	1,131,561	6,647,957	29,455,477	5,947,753	46,853,067	53,405,784	174,914,099	318,355,698		
Agent revenue	1,254,053	4,000,824	77,637	2,963,978	4,162,184	2,692,488	-	15,151,164		
Income before Zakat	1,089,735	3,134,251	900,421	793,342	9,287,380	1,170,869	1,042,935	58,109,065		
								75,527,998		

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the three-month period ended 31 March 2024

21. SEGMENT INFORMATION (CONTINUED)

	Segments						<i>Non-segment remaining items</i>	<i>Total</i>		
	<i>Business service management Unit</i>	<i>Information technology</i>			<i>Networking maintenance unit</i>	<i>Data center unit</i>				
		<i>Solutions unit</i>	<i>Systems unit</i>	<i>Security unit</i>						
As at 31 December 2023 (audited)										
Total assets	78,315,511	162,666,009	198,620,984	146,320,758	324,289,557	321,662,668	376,678,679	245,599,484		
Total liabilities	16,557,358	180,163,895	124,201,596	104,607,302	244,971,488	294,275,239	579,014,700	23,473,950		
For the three-month period ended 31 March 2023 (Unaudited)										
Sale of goods at point in time	3,221,131	5,058,082	19,855,100	7,674,638	33,015,006	5,631,497	-	74,455,454		
Sale of services over period of time	2,479,086	18,313,412	8,105,079	5,750,772	29,259,120	46,912,379	252,201,840	-		
Type of customers										
Government & government - controlled entities	2,377,896	19,801,951	20,386,239	12,589,879	42,621,849	52,422,337	-	150,200,151		
Private	3,322,321	3,569,543	7,573,939	835,531	19,652,276	121,541	252,201,840	-		
Principal or agent revenue										
Principal revenue	2,479,086	20,664,022	20,309,749	10,144,014	60,758,895	51,377,917	252,201,840	417,935,523		
Agent revenue	3,221,131	2,707,471	7,650,429	3,281,397	1,515,230	1,165,961	-	19,541,619		
Income before Zakat	2,048,984	2,934,172	5,863,447	1,207,230	9,620,754	2,568,216	22,253,114	69,886		
								46,565,803		

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
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For the three-month period ended 31 March 2024

22. CONTINGENT LIABILITIES AND COMMITMENTS

Guarantees

At reporting date, the Group has issued the bank guarantees and letter of credits in the normal course of business:

	<i>31 March</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>
Letters of guarantee	568,851,715	507,407,976
Letters of credit	183,100,523	292,796,316

The duration of the letters of guarantees is between three to thirty-six months. While the duration for letter of credits is between 3 months to 12 months.

23. SUBSEQUENT EVENT

No event has occurred subsequent to the reporting date and including the date of the approval of the interim condensed consolidated financial statements which requires the adjustment to, or disclosures, in these interim condensed consolidated financial statements.