Saudi AZM for Communication and Information Technology Company
(A Saudi Joint Stock Company)

Consolidated financial statements and independent auditor's report for the year ended 30 June 2024

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Independent auditor's report to the shareholders of Saudi AZM for Communication and Information Technology Company

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Saudi AZM for Communication and Information Technology Company (the "Company") and its subsidiaries (together the "Group") as at 30 June 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 30 June 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Our audit approach

Overview

Key Audit Matter	• Revenue recognition

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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 of the current period. 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.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition For the year ended 30 June 2024, the Group's revenue amounted to SR 217.6 million (2023: SR 170.8 million) and comprised of enterprise services, proprietary technologies, advisory and platforms for third parties. Revenue is considered a key audit matter in view of the significance of the amount involved, the susceptibility of such revenue to misstatement and fraud risk, different types of products and services, significant number of transactions and the fact that the Group's management focuses on revenue as one of key performance measures and a driver for the business. *Refer to Notes 3.18, 4.1, 4.3, 15 and 39 to the Group's consolidated financial statements for the accounting policy, significant judgments and related disclosures accordingly.*	Our audit procedures for revenue testing, among other audit procedures, included the following: • Obtained an understanding of the nature of revenue contracts with customers with various significant revenue streams and revenue process, identified and evaluated the relevant controls; • Assessed the consistency and compliance of the related policies with the applicable IFRS that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by SOCPA; • Inspected a sample of revenue contracts and transactions to confirm that the related revenue recognition is compliant with IFRS 15 requirements and to obtain evidence that such transactions occurred; • Inspected a sample of revenue transactions recorded before and after the year-end to assess the appropriateness of revenue recognition in their corresponding period; • Tested, on a sample basis, the accuracy of the estimated cost related projects and related recorded revenue transaction; and • Assessed the adequacy of the disclosures in the Group's consolidated financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Group's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as Board of Directors 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, the Board of Directors 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 the Board of Directors 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 and the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Independent auditor's report to the shareholders of Saudi AZM for Communication and Information Technology Company (continued)

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 misstatement, 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 International Standards on Auditing, 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 International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism 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 omissions, 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report to the shareholders of Saudi AZM for Communication and Information Technology Company (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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 period 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.

PricewaterhouseCoopers

Waleed A. Alhidiri
License Number 559

2 Rabi' al-Awwal 1446H
(5 September 2024)

Assets	**Note**	**30 June 2024 SR**	30 June 2023 SR
Non-current assets			
Property and equipment	6	**6,706,128**	7,068,603
Right-of-use assets	7	**21,538,169**	8,354,568
Intangible assets	8	**2,790,525**	806,988
Investment in an associate	9	**5,438,097**	2,316,164
Investment in finance lease	10	**3,185,280**	3,857,280
Financial assets at fair value through other comprehensive income	11	**1,437,496**	1,770,881
Financial assets held at amortised cost	12	**31,184,988**	24,995,169
Total non-current assets		**72,280,683**	49,169,653
Current assets			
Current portion of investment in finance lease	10	**672,000**	672,000
Financial assets at fair value through profit or loss	13	**26,001,999**	25,019,473
Due from related parties	14	**127,034**	1,137,210
Contract assets	15	**82,694,059**	20,538,603
Trade receivables	16	**34,422,658**	23,919,701
Prepayments and other current assets	17	**13,512,079**	10,807,365
Cash and cash equivalents	18	**11,957,376**	27,595,279
Total current assets		**169,387,205**	109,689,631
Total assets		**241,667,888**	158,859,284
Equity and liabilities			
Equity			
Share capital	19	**30,000,000**	30,000,000
Treasury stock	20	**(16,609,332)**	(7,243,981)
Statutory reserve	21	**-**	5,923,890
Share based payment reserve		**954,555**	495,250
Retained earnings		**74,099,175**	39,246,185
Equity attributable to equity holders of the Company		**88,444,398**	68,421,344
Non-controlling interest		**3,102,632**	859,978
Total equity		**91,547,030**	69,281,322
Liabilities			
Non-current liabilities			
Employees' defined benefits liabilities	22	**5,028,340**	5,081,100
Long-term loan	23	**-**	3,605,445
Lease liabilities	24	**19,774,449**	9,336,036
Accruals and other liabilities- non-current	25	**692,238**	923,838
Total non-current liabilities		**25,495,027**	18,946,419
Current liabilities			
Current portion of long-term loan	23	**6,094,626**	4,639,555
Short-term loan	23	**5,084,739**	-
Current portion of lease liabilities	24	**4,326,400**	2,251,800
Contract liabilities	15	**33,856,094**	24,691,027
Zakat and income tax provision	26	**4,420,719**	2,486,702
Accruals and other liabilities-current	25	**44,158,485**	24,772,991
Due to related parties	14	**4,156,182**	8,537,580
Trade payables		**22,528,586**	3,251,888
Total current liabilities		**124,625,831**	70,631,543
Total liabilities		**150,120,858**	89,577,962
Total equity and liabilities		**241,667,888**	158,859,284

The accompanying notes 1 to 40 form an integral part of these consolidated financial statements

Chief Financial Officer | **Chief Executive Officer** | **Chairman, Board of Directors**

	Note	For the year ended 30 June 2024 SR	2023 (*) SR
Revenue	15	**217,638,378**	170,829,037
Cost of revenue	27	**(159,816,161)**	(132,355,155)
Gross profit		**57,822,217**	38,473,882
General and administrative expenses	28	**(28,160,247)**	(20,347,331)
Selling and distribution expenses		**(1,066,702)**	(24,148)
Expected credit losses	15,16	**(918,247)**	(777,035)
Operating profit		**27,677,021**	17,325,368
Share of result from investment in an associate	9	**2,019,933**	1,779,434
Finance cost, net	29	**(1,535,979)**	(1,164,714)
Other income, net	30	**5,061,084**	7,662,890
Profit before zakat and income tax		**33,222,059**	25,602,978
Zakat and income tax	26	**(3,059,516)**	(1,635,609)
Profit for the year		**30,162,543**	23,967,369
Attributable to:			
Equity holders of the Company		**27,948,450**	23,081,725
Non-controlling interest		**2,214,093**	885,644
		30,162,543	23,967,369
Other comprehensive (loss)/income			
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent years:			
Change in fair value on financial assets at fair value through other comprehensive income	11	**(333,385)**	135,082
Remeasurement gain on employees' defined benefit liabilities	22	**907,631**	282,460
Other comprehensive income for the year		**574,246**	417,542
Total comprehensive income for the year		**30,736,789**	24,384,911
Attributable to:			
Equity holders of the Company		**28,494,135**	23,509,494
Non-controlling interest		**2,242,654**	875,417
		30,736,789	24,384,911
Earnings per share			
Basic and diluted earnings per share attributable to the equity holders of the Company	31	**0.47**	0.39

The accompanying notes 1 to 40 form an integral part of these consolidated financial statements

*Certain adjustments (reclassifications and other adjustments) have been made to the comparative consolidated statement of comprehensive income (note 39).

Chief Financial Officer | **Chief Executive Officer** | **Chairman, Board of Directors**

	Total equity attributable to the equity holders of the Company							
	Share capital	**Treasury Stock**	**Statutory reserve**	**Share based payment reserve**	**Retained earnings**	**Equity attributable to equity holders**	**Non-controlling interest**	**Total equity**
	SR	**SR**	**SR**	**SR**	**SR**	**SR**	**SR**	**SR**
As at 1 July 2022	30,000,000	-	3,615,717	-	18,220,161	51,835,878	(15,439)	51,820,439
Profit for the year	-	-	-	-	23,081,725	23,081,725	885,644	23,967,369
Other comprehensive income/(loss) for the year	-	-	-	-	427,769	427,769	(10,227)	417,542
Total comprehensive income for the year	-	-	-	-	23,509,494	23,509,494	875,417	24,384,911
Transfer to statutory reserve	-	-	2,308,173	-	(2,308,173)	-	-	-
Share based payment reserves	-	-	-	495,250	-	495,250	-	495,250
Treasury shares purchased during the year (note 20)	-	(11,133,250)	-	-	-	(11,133,250)	-	(11,133,250)
Treasury shares distributed during the year (note 20)	-	3,889,269	-	-	(175,297)	3,713,972	-	3,713,972
As at 30 June 2023	30,000,000	(7,243,981)	5,923,890	495,250	39,246,185	68,421,344	859,978	69,281,322
As at 1 July 2023	**30,000,000**	**(7,243,981)**	**5,923,890**	**495,250**	**39,246,185**	**68,421,344**	**859,978**	**69,281,322**
Profit for the year	-	-	-	-	**27,948,450**	**27,948,450**	**2,214,093**	**30,162,543**
Other comprehensive income for the year	-	-	-	-	**545,685**	**545,685**	**28,561**	**574,246**
Total comprehensive income for the year	-	-	-	-	**28,494,135**	**28,494,135**	**2,242,654**	**30,736,789**
Transfer from statutory reserve to retained earnings (note 21)	-	-	**(5,923,890)**	-	**5,923,890**	-	-	-
Share based payment reserves (note 20)	-	-	-	**836,055**	-	**836,055**	-	**836,055**
Treasury shares purchased during the year (note 20)	-	**(12,006,309)**	-	-	-	**(12,006,309)**	-	**(12,006,309)**
Treasury shares distributed during the year (note 20)	-	**2,640,958**	-	**(376,750)**	**434,965**	**2,699,173**	-	**2,699,173**
As at 30 June 2024	**30,000,000**	**(16,609,332)**	-	**954,555**	**74,099,175**	**88,444,398**	**3,102,632**	**91,547,030**

The accompanying notes 1 to 40 form an integral part of these consolidated financial statements

Chief Financial Officer | **Chief Executive Officer** | **Chairman, Board of Directors**

	Note	For the year ended 30 June 2024 SR	2023 (*) SR
Operating activities			
Profit before zakat and income tax		**33,222,059**	25,602,978
Adjustments to reconcile profit before zakat and income tax to net cash flows:			
Depreciation of property and equipment	6	**1,115,371**	993,818
Depreciation of right-of-use assets	7	**1,466,794**	1,222,620
Provision for employees' defined benefits liabilities	22	**2,328,962**	2,662,614
Expected credit losses	15,16	**918,247**	777,035
Loss on disposal of property and equipment	30	**267**	-
Gain on disposal of investment in an associate	30	**-**	(5,295,473)
Change in fair value of financial assets at fair value through profit or loss	13	**(1,124,875)**	(788,945)
Share of result from investment in an associate	9	**(2,019,933)**	(1,779,434)
Share based payment expenses	20	**646,834**	495,250
Finance income on assets held at amortised cost	30	**(1,669,794)**	-
Finance cost, net	29	**1,535,979**	1,164,714
Rental income	30	**(1,848,547)**	(1,333,813)
		34,571,364	23,721,364
Changes in operating assets and liabilities			
Due from/to related parties, net		**(3,358,010)**	9,732,930
Contract assets		**(62,222,130)**	(7,404,638)
Trade receivables		**(11,354,530)**	(13,184,944)
Prepayments and other current assets		**(1,998,076)**	1,352,096
Contract liabilities		**9,165,067**	14,780,167
Accruals and other current liabilities		**20,284,767**	14,349,359
Trade payables		**19,276,698**	(7,940,721)
		4,365,150	35,405,613
Employees' defined benefits liabilities paid	22	**(1,235,391)**	(957,891)
Zakat and income tax paid	26	**(1,125,499)**	(730,105)
Finance cost paid		**(433,686)**	(479,349)
Net cash flows generated from operating activities		**1,570,574**	33,238,268
Investing activities			
Additions to property and equipment	6	**(755,675)**	(1,093,764)
Proceeds from the disposals of property and equipment		**2,512**	141,087
Additions to intangible assets	8	**(1,951,906)**	(335,134)
Proceeds from the disposal of investment in an associate		**-**	5,548,001
Proceeds from financial assets held at amortised cost		**1,216,323**	-
Purchase of financial assets held at amortised cost	12	**(5,736,348)**	(24,995,169)
Purchase of financial assets at fair value through profit or loss	13	**(40,000,000)**	(27,000,000)
Proceeds from disposal of financial assets at fair value through profit or loss	13	**40,142,349**	19,769,472
Proceeds from financial assets at fair value through other comprehensive income		**-**	247,725
Proceed from investment in finance lease	10	**672,000**	672,000
Rental income received		**1,559,451**	1,333,813
Net cash flows used in investing activities		**(4,851,294)**	(25,711,969)
Financing activities			
Purchase of treasury shares	20	**(12,006,309)**	(11,133,250)
Repayment of principal of long-term loan		**(2,150,374)**	(2,012,606)
Addition to short-term/long term loans	23	**5,000,000**	8,245,000
Principal element of lease payments	24	**(2,137,382)**	(1,530,672)
Interest element of lease payment	24	**(1,063,118)**	(721,128)
Net cash flows used in financing activities		**(12,357,183)**	(7,152,656)
Net change in cash and cash equivalents		**(15,637,903)**	373,643
Cash and cash equivalents at the beginning of the year	18	**27,595,279**	27,221,636
Cash and cash equivalents at the end of the year	18	**11,957,376**	27,595,279

	Note	For the year ended 30 June 2024 SR	2023 (*) SR
Non-cash transaction:			
Remeasurement gain on employees' defined benefit liabilities	22	**(907,631)**	(282,460)
Additions to investment in an associate	9	**1,102,000**	-
Transfer from related party	14	**(1,102,000)**	-
Additions to right-of-use assets	7	**14,650,395**	-
Additions to lease liabilities	24	**14,650,395**	-
Capitalisation to intangible assets	8	**31,631**	-

The accompanying notes 1 to 40 form an integral part of these consolidated financial statements

*Certain adjustments (reclassifications and other adjustments) have been made to the comparative consolidated statement of cash flows (note 39).

Chief Financial Officer	**Chief Executive Officer**	**Chairman, Board of Directors**

1. Activities

Saudi AZM for Communication and Information Technology Company (the "Company") is a Saudi joint stock company registered in the Kingdom of Saudi Arabia on 11 Rabi Awal 1439H (corresponding to 29 November 2017) under Commercial Registration No. 1010918075. The Company became listed on the parallel market "Nomu" on 1 March 2022 and is in the process of transferring its listing to the main market "TASI".

On 22 Shawwal 1442H (corresponding to 3 June 2021), the shareholders decided to change the legal structure of the Company from a limited liability company to a Saudi closed joint stock company, as well as increasing its share capital to SR 30 million by transferring SR 29.5 million from retained earnings to the share capital.

The Company and its subsidiaries (the "Group") are principally engaged in the designing and programming special software, application development, providing management and control services of communication sale of wire and wireless equipment and devices, design User Experience and customer journey, repair and maintenance of personal and portable computers, providing senior management consulting services and information networks and research and development on technology.

The registered office of the Company is as follows:

7999, King Khalid Road, 2280 West Umm Al Hammam District
Riyadh 12329
Kingdom of Saudi Arabia

2. Basis of preparation and presentation

2.1 Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") ("IFRS as endorsed in KSA").

2.2 Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals ("SR"), which is the Group's functional currency and all values are rounded to the nearest one Saudi Riyal, except where otherwise indicated.

2.3 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for the following items in the consolidated statement of financial position:

- Financial assets at fair value through profit or loss ("FVPL") are measured at fair value.
- Financial assets at fair value through other comprehensive income ("FVOCI") are measured at fair value.
- Employees' defined benefits liabilities are recognised at the present value of future obligations using the projected unit credit method.

Preparing the consolidated financial statements requires management to use certain judgments, estimates and assumptions that affect the application of accounting policies and the amounts presented for assets and liabilities, revenues, and expenses. Actual results may differ from these estimates. The significant judgments taken by management in applying the Group's accounting policies and the main sources of uncertainty estimates are the same as those applied to the annual consolidated financial statements for the year ended 30 June 2023.

2. Basis of preparation and presentation (continued)

2.4 New standards and amendments to standards adopted by the Group

Certain new standards and interpretations have been issued which are effective from 1 July 2023 or later, but they do not have a material impact on the Group's consolidated financial statements for the year ended 30 June 2024.

Standard, interpretation, 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.	1 January 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.	1 January 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.	1 January 2024

2.5 Basis of consolidation

The Group's subsidiaries consolidated in these consolidated financial statements are as follows:

Subsidiary name	Country of incorporation	Percentage of ownership 30 June 2024	Percentage of ownership 30 June 2023
AZM Tajrubah for Information Technology Company	Saudi Arabia	**75%**	75%
Azm Development	Egypt	**100%**	100%

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it 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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

2. Basis of preparation and presentation (continued)

2.5 Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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 in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Income and each component of other comprehensive income ("OCI") are 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. Financial statements of subsidiaries are prepared using accounting policies which are consistent with those of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in consolidated statement of income. Any investment retained is recognised at fair value.

3. Material accounting policies

The material accounting policies applied by the Group in the preparation of consolidated financial statements are the same applied during the preparation of consolidated financial statements for the year ended 30 June 2023, unless otherwise stated.

3.1 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects to measure the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial 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.

Contingent consideration, if any, to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, 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 to be recognised 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 the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash- generating unit retained.

3. Material accounting policies (continued)

3.2 Investments in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence is similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates is accounted for using the equity method. Under the equity method, the investment in associates is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associates. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's other comprehensive income ("OCI"). In addition, when there has been a change recognised directly in the equity of the associates, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates is eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of associates is shown on the face of the consolidated statement of income outside operating profit and represents profit or loss and non- controlling interests in the subsidiaries of the associate, if any.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investments in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retaining investment and proceeds from disposal is recognised in consolidated statement of comprehensive income.

3.3 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

3. Material accounting policies (continued)

3.4 Foreign currencies

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each respective entity operates (the "functional currency"). The consolidated financial statements are presented in Saudi Riyals ("SR"), which is the Group's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of comprehensive income.

(iii) Group companies
The results and financial position of foreign operations (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency of the consolidated financial statements are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- Income and expenses for each statement of income and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

3.5 Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes all amounts necessary to bring the asset to the present condition and location to be ready for its intended use by management. Such costs include the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects (qualifying assets), if the recognition criteria are met, and costs incurred during the commissioning period, net of proceeds from sale of trial production.

When parts of property and equipment are significant in cost in comparison to the total cost of the item, and where such parts/ components have a useful life different from the other parts and required to be replaced at different intervals, the Group shall recognise such parts as individual components of the asset with specific useful lives and depreciate them accordingly.

All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated from the date the item of property and equipment is available for their intended use or in respect of self-constructed assets from the date such assets are completed and ready for the intended use. Land and assets under construction, which are not ready for their intended use, are not depreciated.

Depreciation on assets is calculated on a straight-line basis over the useful life of the asset as follows:

Computers and equipments	4 years
Furniture and fixtures	7 years
Leasehold improvements	10 years or lease terms whatever is shorter
Vehicle	5 years

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at each reporting date.

An item of property and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of retired, sold or otherwise derecognised property and equipment are determined by comparing the proceeds with the carrying amount of the asset, and are recognised within "other income/(loss)" in statement of comprehensive income.

An asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3. Material accounting policies (continued)

3.6 Intangible assets

The Group's intangible assets consist of online platforms established by the Group and Software and IT systems and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets acquired separately are measured at cost upon initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite live are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in statement of comprehensive income in the expense category consistent with the function of the intangible asset.

The estimated useful lives for current and comparative periods are 8 years. Intangible assets which are not ready for their intended use, are not amortised.

Gains or losses arising from derecognising an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

3.7 Leases

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

3.7.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

3.7.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of commercial buildings, accommodations and offices that are considered of low value (i.e., below SR 20,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3. Material accounting policies (continued)

3.7 Leases (continued)

3.7.2 Lease liabilities (continued)

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Operating lease income is recognised in the consolidated statement of profit or loss on a straight-line basis over the lease term. Any benefits granted as an incentive to enter into an operating lease, are distributed in a straight-line basis over the lease term. Total benefits from incentives are recognised as a reduction in rental income on a straight-line basis, unless there is another basis that better represents the period of time in which the economic benefits of the leased asset are exhausted.

The amounts due from the finance leases are recorded as lease receivables at an amount equal to the net investment of the Group in the lease. The lease payments to be received are distributed into two components:

- a reimbursement of the original amount
- a financing income to compensate the Group for its investment and services.

The additional costs directly attributable to negotiating the lease contract are included in the amounts due, which in return, will reduce the finance income portion from the contract.

3.8 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.

i) Financial assets

Classification of financial assets depends on the Group's business model for managing its financial assets and the contractual terms of the cash flows. The Group classifies its financial assets as:

- Financial assets measured at amortised cost; or
- Financial assets measured at fair value

Gains or losses of assets measured at fair value will be recognised in the statement of comprehensive income either in profit or loss or in other comprehensive income ("OCI").

Initial measurement

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 profit or loss, 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.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income ("FVOCI"), 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. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through other comprehensive income ("FVOCI") are held within a business model with the objective of both holding to collect contractual cash flows and selling.

3. Material accounting policies (continued)

3.8 Financial instruments (continued)

i) Financial assets (continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income ("FVOCI") with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income ("FVOCI") with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss ("FVPL")

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in statement of comprehensive income when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and investment in Sukuk.

- **FVOCI**

Financial assets held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at ("FVOCI"). Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognised in the statement of comprehensive income.

When the financial asset is de-recognised, the cumulative gain or loss previously recognised in ("OCI"), is reclassified from equity to the statement of comprehensive income and recognised in other income/expense. Interest income from

these financial assets are included in finance income using the EIR method. Foreign exchange gains and losses are presented in other income/expense

- **FVPL**

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 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.

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 recognised in the statement of comprehensive income. This category includes derivative instruments.

Equity instruments
The Group measures all investments in equity instruments at fair value and presents changes in fair value of investments in equity instruments in other comprehensive income ("OCI"). Dividends from such investments continue to be recognised in the statement of comprehensive income as other income when the Group's right to receive payments is established. There shall be no subsequent reclassification of changes in fair value through profit or loss income.

A financial asset or a part of a financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset; or
b. The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

3. Material accounting policies (continued)

3.8 Financial instruments (continued)

i) Financial assets (continued)

Impairment

At each reporting date, the Group applies a three-stage approach to measuring expected credit losses (“ECL”) on financial assets. Assets migrate through the following three stages based on the change in credit quality since initial recognition:

a) Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

b) Stage 2: Lifetime ECL - not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.

c) Stage 3: Lifetime ECL - credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.
For trade receivables and contract assets, the Group recognises expected credit losses for trade receivables based on the simplified approach. The simplified approach to the recognition of expected losses does not require the Group to track the changes in credit risk; rather, the Group recognises a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable.

Objective evidence that financial assets are impaired may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in profit or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Group under the contract, and the cash flows that the Group expects to receive. The Group assesses all information available, including past due status, credit ratings, the existence of third-party insurance, and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortised cost.

The Group measures expected credit loss by considering the risk of default over the contract period and in Group’s forward-looking information into its measurement.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified under either of the below two classes:

- Financial liabilities at FVPL; and
- Other financial liabilities measured at amortised cost using the EIR method.

The category of financial liability at FVPL has two sub-categories:
- Designated: A financial liability that is designated by the entity as a liability at FVPL upon initial recognition; and

3. Material accounting policies (continued)

3.8 Financial instruments (continued)

ii) Financial liabilities (continued)

Initial recognition and measurement (continued)

- Held for trading: A financial liability classified as held for trading, such as an obligation for securities borrowed in a short sale, which have to be returned in the future. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

All financial liabilities are recognised initially when the Group becomes party to contractual provisions and obligations under the financial instrument. The liabilities are recorded at fair value, and in the case of loans and borrowings and payables, the proceeds received net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at FVPL continue to be recorded at fair value with changes being recorded in the statement of comprehensive income.

For other financial liabilities, including loans and borrowings, after initial recognition, these are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of comprehensive income when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR method. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value adjusted for transaction costs that are directly attributable to the issuance of the guarantee. The fair value of financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payables to a third party for assuming the obligation.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

De-recognition

A financial liability is de-recognised when the obligation under the liability is settled or discharged. 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 recognised in the statement of comprehensive income.

3.9 Offsetting of financial instruments

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

3.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

3. Material accounting policies (continued)

3.10 Provisions (continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to liability. The increase in the provision due to the passage of time is recognised as interest expense.

3.11 Employees' defined benefits liabilities

Employees' defined benefits liabilities
The Group primarily has end of service benefits which qualifies as defined benefit plans.

The pension liability recognised in the consolidated statement of financial position is the present value of the projected Defined Benefit Obligation ("DBO") at the reporting date.

DBO is re-measured on a periodic basis by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high-quality bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For instances where there is no deep market in such bonds, the market rates on government bonds are used. As Kingdom of Saudi Arabia does not have a deep market in high quality corporate bonds, the discount rate was determined based on available information of Kingdom of Saudi Arabia sovereign bond yields.

The net interest cost is calculated by applying the discount rate to the net balance of the DBO. This cost is included in employees' related costs in the consolidated statement of comprehensive income.

Re-measurement gains and losses arising from changes in actuarial assumptions are recognised in the period in which they occur in other comprehensive income ("OCI"). Changes in the present value of the DBO resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of comprehensive income as past service costs.

Current and past service costs related to end of service indemnities and unwinding of the liability at discount rates used are recognised immediately in the consolidated statement of comprehensive income. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in other comprehensive income ("OCI").

The actuarial valuation process takes into consideration the provisions of the Saudi Arabian Labor Laws and Workmen Law as well as the Group's policy.

Retirement benefits

The Group pays retirement contributions for its national employees to the General Organization for Social Insurance. This represents a defined contribution plan. The payments made are expensed as incurred.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.12 Cash and cash equivalents

Cash and cash equivalents include cash at banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3. Material accounting policies (continued)

3.13 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, Group assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are 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 for which the estimates of future cash flows have not been adjusted

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit), except for goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the comprehensive income.

3.14 Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the Consolidated financial statements but disclosed when an inflow of economic benefits is probable.

3.15 Fair value measurement

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 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.

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.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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

For assets and liabilities that are recognised in the Consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. Material accounting policies (continued)

3.16 Treasury shares

Own equity instruments that are repurchased (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in consolidated statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of the shares and the consideration, if reissued, is recognised in the retained earnings within equity.

3.17 Shared-based payment transactions

The Group's executive employees receive remuneration in the form of share-based payments under the employee long term incentives program, whereby employees render services as consideration for the Group's shares (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value of the equity instrument at the grant date. The grant date is the date on which the Group and the employee agree on the share-based agreement, so that a common understanding of the terms and conditions of the agreement exists between the parties.

Share-based payment expense is included as part of employee benefit expenses over the period in which the service and the performance conditions are fulfilled (the vesting period), with the corresponding amount recorded under other reserves within equity in accordance with the requirements of the International Financial Reporting Standard (2) Share-based payment. The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of shares that will ultimately vest. The expense or credit in the consolidated statement of comprehensive for a period represents the movement in cumulative expense recognised from the beginning to the end of that period.

3.18 Revenue from contracts with customers

Revenue from contracts with customers is recognised using the five-step model:

i) identify the contract with a customer;
ii) identify the performance obligations (distinct elements that are part of a single contract but are separated for accounting purposes) in the contract;
iii) determine the transaction price;
iv) allocate the transaction price to the performance obligations in the contract;
v) recognise revenue when (or as) the entity satisfies a performance obligation, which is when the customer obtains control of the good or service which can take place over time or at a point in time.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty collected on behalf of third parties. Revenue is recognized at an

amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods to a customer.

Revenue recognised in any period is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. For contracts with multiple components to be delivered, management applies judgement to consider whether those promised goods or services are:

(i) distinct – to be accounted for as separate performance obligations;
(ii) not distinct – to be combined with other promised goods or services until a bundle is identified that is distinct; or
(iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

At contract inception the total transaction price is estimated, which is allocated to the identified performance obligations in proportion to their relative standalone selling prices and revenue is recognised when (or as) those performance obligations are satisfied. The transaction price for contracts with customers that include variable consideration is estimated using either the expected value method or the most likely amount method, depending on the nature of the contract. Inputs used in determining the transaction price include historical data, market conditions, customer-specific factors, and contract-specific terms. The estimated variable consideration is constrained to ensure that a significant reversal of revenue does not occur when the uncertainty is resolved.

3. Material accounting policies (continued)

3.18 Revenue from contracts with customers (continued)

For each performance obligation, the Group determines if revenue will be recognised over time or at a point in time. Where the Company recognises revenue over time this is due to any of the following reasons:

(i) the Group performing and the customer simultaneously receiving and consuming the benefits provided over the life of the contract,
(ii) the Group performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(iii) the Group performance creates an asset with no alternative use, and the Group has an enforceable right to payment for performance completed to date.

For each performance obligation to be recognised over time, the Group applies a revenue recognition method that faithfully depicts the Group's performance in transferring control of the goods or services to the customer. The Group applies the relevant input method consistently to similar performance obligations as it faithfully depicts actual efforts made by the Group to satisfy performance obligations and to transfer services to end customer. Moreover, information required for input method can be measured reliably. The cost of contract includes the cost and general administrative expenses that are directly attributable to the contract from the date of securing the contract to its final completion. Changes in cost estimates and losses on uncompleted contracts, if any, are recognised in the period they are determined. When it is probable that the total contract costs will exceed the total contract revenues, the expected loss is recognised immediately.

Changes in estimates of measures of progress of performance obligations satisfied over time are recognised on a cumulative catch-up basis, which recognises in the current period the cumulative effect of any changes on current and prior periods based on a performance obligation's percentage of completion.

If performance obligations in a contract do not meet the overtime criteria, the Group recognises revenue at a point in time when obligations under the terms of the contract with the customer are satisfied.

The Group disaggregates revenue from contracts with customers by contract type, customer type and timing of revenue recognition at point in time or point over time, as management believes this best depicts how the nature, amount, timing and uncertainty of the Group's revenue and cash flows are affected by economic factors. The revenue recognition policy relevant to each contract type is as below:

3. Material accounting policies (continued)

3.18 Revenue from contracts with customers (continued)

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Platforms for third parties	Custom Software Development involves creating a tailored IT platform or software solution to meet specific customer requirements. The performance obligation is satisfied over time as the work progresses, based on the actual costs incurred. Alternatively, if the project has a single identifiable obligation, such as successful deployment, the performance obligation is satisfied at a point in time. Payment terms vary with clients and agreed with clients based on the commercial factors such as business volume, client history with the Group and creditworthiness. When costs have been incurred and the related revenue has not yet been billed, these amounts are presented as contract assets.	For performance obligation satisfied over the period of time, revenue is recognised over the period of time based on the cost-to-cost method determined based on the proportion of actual costs to the estimated cost required to complete the contract. The cost of contract includes the cost and general administrative expenses that are directly attributable to the contract from the date of securing the contract to its final completion. Changes in cost estimates and losses on uncompleted contracts if any, are recognised in the period they are determined. For performance obligation satisfied at a point in time, the revenue is recognised at point in time as soon as the services are provided or goods are delivered. When it is probable that the total contract costs will exceed the total contract revenues, the expected losses are recognised immediately. The cost related to these services are recognised in comprehensive income when they are incurred. Advances received from customers are included as contract liabilities.
Proprietary Technologies	Revenue from proprietary technologies consists of revenue from the provision of on-going support, training and progress reports on training provided to the customers on various IT Platforms. Revenue from the services are recognised over the period of time as the services are provided by the Group to the customer. Invoices are issued to the customer according to the agreed contractual terms (i.e financial plan) and are collected according to the agreed payment terms.	Revenue is recognised over the period of time based on the cost-to-cost method determined based on the proportion of actual costs to the estimated cost required to complete the contract. When the Group satisfies a performance obligation by delivering the promised services it creates a contract asset based on the amount of consideration earned by the performance. In addition, where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability. When costs have been incurred and the related revenue has not yet been billed, these amounts are presented as contract assets.

3. Material accounting policies (continued)

3.18 Revenue from contracts with customers (continued)

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Advisory services	Revenue from advisory services consists of IT consulting services provided by the Group to the customer for an agreed fee. Revenue from the services are recognised over the period of time as the services are provided by the Group to the customer. Invoices are issued to the customer according to the agreed contractual terms (i.e milestones) and are collected according to the agreed payment terms	Revenue is recognised over the period of time based on the cost-to-cost method determined based on the proportion of actual costs to the estimated cost required to complete the contract. When the Group satisfies a performance obligation by delivering the promised services it creates a contract asset based on the amount of consideration earned by the performance. In addition, where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.
Enterprise Services	Revenue from enterprise services consists of manpower services provided by the Group to its customers to support them on their various IT projects. Revenue from the services are recognised over the period of time as the services are provided by the Group to the customer. Invoices are issued to the customer according to the agreed contractual terms and are collected according to the agreed payment terms.	Revenue is recognised over the period of time based on the cost-to-cost method determined based on the proportion of actual costs to the estimated cost required to complete the contract. When the Group satisfies a performance obligation by delivering the promised services it creates a contract asset based on the amount of consideration earned by the performance. In addition, where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability. When costs have been incurred and the related revenue has not yet been billed, these amounts are presented as contract assets

- **Contract assets and liabilities**

When either party to a contract has performed, an entity shall present the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer.

- **Principal versus agent consideration**

The Group has evaluated its arrangements to determine whether it is a principal, and report revenues on a gross basis, or an agent, and report revenues on a net basis. In this assessment, the Group has considered if it has obtained control of the specified goods or services before they are transferred to the customer, as well as other indicators such as the party primarily responsible for fulfillment, inventory risk, and discretion in establishing price.

Where the Group performs agency related activities under a contract, the Group only recognises net commission income, as the Group arranges for another party to transfer goods or services under such arrangement and accordingly is acting as an agent.

3. Material accounting policies (continued)

3.19 Expenses

Selling and distribution expenses principally comprise of costs incurred in the distribution and sale of the Group's products and services.

General and administration expenses include indirect costs not specifically part of cost of sales or selling and distribution expenses as required under IFRSs as endorsed in KSA. Allocations between general and administration expenses, cost of sales and selling and distribution expenses, when required, are made on a consistent basis.

3.20 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 capitalised as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of finance and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalised is calculated using the Group weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalised as from the commencement of the development work until the date of practical completion, when substantially all of the development work is completed.

The capitalisation of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Borrowing costs is also capitalised on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress.

3.21 Zakat and Value Added Tax (VAT)

Zakat is provided for the Group in the Kingdom of Saudi Arabia in accordance with the Regulations of Zakat, Tax and Customs Authority (the "ZATCA") in the Kingdom of Saudi Arabia, and the provision is charged to the consolidated statement of comprehensive income.

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

- When the VAT incurred on a purchase of assets or services is not recoverable from the Zakat, Tax and Customs Authority, in which case, the VAT is recognised 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 Zakat, Tax and Customs Authority is included as part of receivables or payables in the consolidated statement of financial position.

4. Significant accounting estimates, assumptions and judgements

The preparation of the Group's Consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses and assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

The following critical judgements and estimates have the most significant effect on the amounts recognised in the consolidated financial statements:

4. Significant accounting estimates, assumptions and judgements (continued)

4.1 Contract cost estimation and allocating transaction price

The Group recognises contract revenue by reference to the stage of completion of the activity at the reporting date, when the outcome of a contract can be estimated reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Assumptions are required to estimate the total estimated contract costs and the recoverable variation works that will affect the stage of completion. The estimates are made based on past experience and knowledge of the project engineers and other technical teams. The accuracy of these estimates is likely to have an impact on the amount of revenue and related profits recognised.

At the end of each reporting period, the Group is required to estimate costs to complete the contracts based on work to be performed beyond the reporting period. This involves objective evaluation of project progress against the schedule, evaluation of work to be performed and the associated costs to fully deliver the contract to the customer. This estimate will impact contract revenue and costs, contract assets, contract liabilities and accrued project costs. The measurement of contract revenue is affected by a variety of uncertainties (including cost estimation) that depend on the outcome of future events. The estimates often need to be revised as events occur and uncertainties are resolved. Therefore, the amount of contract revenue recognised may increase or decrease from period to period.

For one of the contracts under 'platforms for third parties' revenue stream, where the Group acts as an agent, there are two performance obligations: a) completion of the platform and b) operation of the platform. The transaction price of both elements comprises solely of variable consideration and at the completion of the platform performance obligation management has judged that revenue cannot be recognised as there is significant estimation uncertainty due to management not being able to reliably estimate the variable consideration in relation to this performance obligation. As such management has exercised judgment in recognising revenue for the platform once the variable consideration constraints are resolved, and this is judged to be during the operational phase. The basis for this allocation is the lack of historical data to support a different allocation and the actual billing terms of the contract where revenues are generated from actual usage of the platform.

4.2 Employees' defined benefits liabilities

Employees' defined benefits liabilities represent obligations that will be settled in the future and require assumptions to project obligations. IFRS require management to make further assumptions regarding variables such as discount rates, rate of compensation increase, mortality rates, employment turnover and future healthcare costs. The Group's management use an independent actuary for performing this calculation. Changes in key assumptions can have a significant impact on the projected benefit obligation and/or periodic employees' benefits costs incurred.

4.3 Determining the lease term of contracts with renewal and terminations options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination clauses. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in the circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the contract.

4.4 Incremental borrowing rate for lease agreements

The Group cannot readily determine the interest rate implicit in the lease agreement, therefore, it uses its Incremental Borrowing Rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available, such as for subsidiaries that do not enter into financing transactions or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

5. New standards and amendments issued but not yet effective

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 July 2024 and earlier application is permitted; however, the Group has not early adopted them in preparing these Financial Statements.

Standard / interpretation	Description	Effective from periods beginning on or after
Amendment to IAS 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 – Amendments to IFRS 10 and IAS 28	(Available for optional adoption / effective date deferred indefinitely)
IFRS 18, 'Presentation and Disclosure in Financial Statements'	The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: • the structure of the statement of profit or loss; • required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and • enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	Reporting periods beginning on or after 1 January 2027
IFRS 19 - Reducing subsidiaries` disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027
Other standards		
IFRS S1, 'General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement from SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024 subject to endorsement from SOCPA

The Group is currently assessing the impact of these amendment on the Group's consolidated financial statements.

6. Property and equipment

	Computers and equipments SR	Furniture and fixtures SR	Leasehold improvements SR	Vehicle SR	Total SR
Cost:					
At 1 July 2023	**1,315,694**	**908,898**	**6,194,754**	**55,200**	**8,474,546**
Additions during the year	**706,292**	**49,383**	**-**	**-**	**755,675**
Disposals during the year	**(4,782)**	**-**	**-**	**-**	**(4,782)**
At 30 June 2024	**2,017,204**	**958,281**	**6,194,754**	**55,200**	**9,225,439**
Accumulated depreciation:					
At 1 July 2023	**589,166**	**131,703**	**682,352**	**2,722**	**1,405,943**
Depreciation charge for the year	**346,351**	**135,060**	**622,890**	**11,070**	**1,115,371**
Disposal during the year	**(2,003)**	**-**	**-**	**-**	**(2,003)**
At 30 June 2024	**933,514**	**266,763**	**1,305,242**	**13,792**	**2,519,311**
Net book value:					
At 30 June 2024	**1,083,690**	**691,518**	**4,889,512**	**41,408**	**6,706,128**

	Computers and equipments SR	Furniture and fixtures SR	Leasehold improvements SR	Vehicle SR	Total SR
Cost:					
At 1 July 2022	835,331	715,512	5,975,769	-	7,526,612
Additions during the year	515,759	193,386	329,419	55,200	1,093,764
Disposals during the year	(35,396)	-	(110,434)	-	(145,830)
At 30 June 2023	1,315,694	908,898	6,194,754	55,200	8,474,546
Accumulated depreciation:					
At 1 July 2022	328,676	12,881	75,311	-	416,868
Depreciation charge for the year	263,853	118,822	608,421	2,722	993,818
Disposal during the year	(3,363)	-	(1,380)	-	(4,743)
At 30 June 2023	589,166	131,703	682,352	2,722	1,405,943
Net book value:					
At 30 June 2023	726,528	777,195	5,512,402	52,478	7,068,603

7. Right-of-use-assets

The Group has leases in respect of the business offices. Rental contracts are typically made for a fixed period of 8-10 years and considered an extension option where the Group's management is reasonably certain to exercise.
Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

For short-term leases (a lease term of 12 months or less) and low value assets, the Group has opted to recognise a lease expense on a straight-line basis as permitted under IFRS 16. Expenses relating to short-term leases and low value assets amounting to SR 329,612 (2023: SR 212,287).

The movement in right-of-use assets during the year is as follows:

	For the year ended 30 June	
	2024	2023
	SR	SR
At the beginning of the year	**8,354,568**	9,577,188
Depreciation charge for the year	**(1,466,794)**	(1,222,620)
Additions during the year*	**14,650,395**	**-**
At the end of the year	**21,538,169**	8,354,568

* During the year, the Group entered into a 10-year lease agreement for a business office.

8. Intangible assets

The movement in intangible assets during the year is as follows:

	Software SR	**Work in progress* SR**	**Total SR**
Cost:			
At 1 July 2023	**935,672**	**806,988**	**1,742,660**
Additions during the year	**-**	**1,983,537**	**1,983,537**
At 30 June 2024	**935,672**	**2,790,525**	**3,726,197**
Accumulated amortisation:			
At 1 July 2023	**935,672**	-	**935,672**
At 30 June 2024	**935,672**	-	**935,672**
Net book value:			
At 30 June 2024	-	**2,790,525**	**2,790,525**

	Software SR	Work in progress SR	Total SR
Cost:			
At 1 July 2022	935,672	471,854	1,407,526
Additions during the year	-	335,134	335,134
At 30 June 2023	935,672	806,988	1,742,660
Accumulated amortisation:			
At 1 July 2022	935,672	-	935,672
At 30 June 2023	935,672	-	935,672
Net book value:			
At 30 June 2023	-	806,988	806,988

*Work in progress as at 30 June 2024 and 2023, primarily represents online platforms from which the Group expects to receive future economic benefits and is currently under progress and no amortisation is charged.

- Work in progress includes SR 31,631 of cost capitalised during the year 2024 (30 June 2023: nil). Borrowing cost capitalised during the year amounting to SR 21,246 (30 June 2023: nil). Average interest rate on borrowing as at 30 June 2024 is 8.13% per annum.

9. Investment in an associate

		Percentage of ownership	
Name		**30 June 2024**	30 June 2023
National Real Estate Platform Company	Saudi Arabia	**32.68%**	32.68%

National Real Estate Platform Company is a limited liability company. The Company is engaged in real estate activities, consultancy, advisory services, computer programming, data processing and web related activities. The movement of investment in an associate during the year is as follows:

9. Investment in an associate (continued)

	For the year ended 30 June **2024** SR	2023 SR
At the beginning of the year	**2,316,164**	789,258
Addition during the year *	**1,102,000**	**-**
Disposal during the year	-	(252,528)
Share of profit from investment in an associate	**2,019,933**	1,779,434
At the end of the year	**5,438,097**	2,316,164

During the year ended 30 June 2023, the Group sold 2.77% stake, that had a carrying value of SR 252,528. This has resulted in a gain of SR 5,295,473 (note 30). The Group still hold significant influence over the investee Company.

* This amount represents a transfer from "due from related party" for which the settlement of this balance is neither planned nor likely to occur in the foreseeable future.

Summarised financial information in respect of the Group's associate is set out below and represents amounts shown in the associate's audited financial statements.

Statement of financial position	**30 June 2024 SR**	30 June 2023 SR
Current assets	**154,113,625**	44,903,377
Non-current assets	**4,161,526**	2,485,843
Current liabilities	**(141,353,750)**	(34,208,986)
Non-current liabilities	**(2,078,952)**	(5,620,732)
Equity	**14,842,449**	7,559,502
Less: Additions made by Azm Group	**(1,102,000)**	-
Equity attributable to equity holders of the Company	**13,740,449**	7,559,502
Less: profit belong to other shareholders resulting from disposals	**(472,097)**	(472,097)
Adjusted equity	**13,268,352**	7,087,405
Group's share in percentage	**32.68%**	32.68%
Group's share in SR	**4,336,097**	2,316,164
Add: Addition during the year	**1,102,000**	-
Carrying amount of investment in an associate	5,438,097	2,316,164

Statement of comprehensive income	For the year ended 30 June **2024** SR	2023 SR
Revenue for the year	**29,893,917**	16,844,768
Gross profit for the year	**11,187,857**	9,507,166
Profit before zakat for the year	**6,514,399**	4,413,462
Zakat for the year	**333,452**	199,156
Profit for the year	**6,180,947**	4,214,306
Total comprehensive income for the year	**6,180,947**	4,214,306

10. Investment in finance lease

During the year 2022, the Group entered into an agreement with Real Estate Projects Fund Company, whereby the Group leased the three-floor building for a period of 8 years. The Group became a lessee and therefore had to record a right of use asset and lease liability under IFRS 16. However, during the same month, the Company sub-leased floors 2 and 3 to two different tenants. Floor 2 was sub-leased for 2 years, while floor 3 was sub-leased for a period of 8 years. The sublease of floor 2 was categorised as an operating lease while floor 3 was categorised as a finance lease. As a result, the Group recognised 'net investment in lease' for the sub-lease. The movement is as follows:

	For the year ended 30 June	
	2024	2023
	SR	SR
At the beginning of the year	**4,529,280**	5,201,280
Payment received during the year	**(672,000)**	(672,000)
At the end of the year	**3,857,280**	4,529,280
Current	**(672,000)**	(672,000)
Non-current	**3,185,280**	3,857,280

11. Financial assets at fair value through other comprehensive income

		Percentage of ownership			
Unquoted equity investments	**Country of incorporation**	**30 June 2024**	30 June 2023	**30 June 2024 SR**	30 June 2023 SR
SITECH Inc.	Cayman Islands	**3.28%**	3.28%	**916,822**	1,250,207
US and Global Tech opportunities Holding Company	Bahrain	**0.74%**	0.74%	**520,674**	520,674
				1,437,496	1,770,881

The movement in the financial assets at fair value through other comprehensive income during the year is as follows:

	For the year ended 30 June	
	2024	2023
	SR	SR
At the beginning of the year	**1,770,881**	1,883,524
Change in fair value	**(333,385)**	135,082
Disposal during the year	-	(247,725)
At the end of the year	**1,437,496**	1,770,881

The significant unobservable inputs used for valuation of financial assets at fair value through other comprehensive income is as follows:

Unquoted equity investments	**Valuation technique**	**Significant unobservable inputs**	**Description of valuation technique**
SITECH Inc.	Market method	Comparable entities Discount factors (minority and liquidity)	This approach establishes weighted average equity value by computing EV/Revenue and EV/EBITDA of the Company using multiples of revenue and EBITDA of comparable entities and adjusting for minority stake and liquidity. The market approach is a general way of determining the value of a business, business ownership interest, security, or intangible asset by using one or more methods that compare the subject to similar businesses, business ownership interests, securities, or intangible assets that have been sold. The management applied revenue and EBITDA multiples of 2.1X and 14.71X, respectively, along with a 10% discount factor to account for minority interests and liquidity considerations.

There were no significant inter-relationships between unobservable inputs that materially affect fair values. A 10% change in the above unobservable inputs will not result in a significant change to the fair value.

12. Financial assets held at amortised cost

The financial assets held at amortised cost is as follows:

	30 June 2024 SR	30 June 2023 SR
Investment in Sukuk- quoted (note 12.1)	**26,127,687**	24,995,169
Investment in Sukuk- unquoted (note 12.1)	**5,057,301**	-
Financial assets held at amortised cost	**31,184,988**	24,995,169

12.1 During the year ended 30 June 2023, the Group invested an amount of SR 25 million in Corporate Sukuk carrying a profit rate in a range of 4.4% to 4.8% per annum with various maturity dates ending in 2028. During the current year, the Group has further invested an amount of SR 5.7 million in Corporate Sukuk and unquoted sukuk carrying a profit rate in a range of 4.8% to 8.4% per annum with maturity dates ending 2028.

13. Financial assets at fair value through profit or loss

The movement of investment at FVPL during the year is as follows:

	For the year ended 30 June	
	2024 SR	2023 SR
At the beginning of the year	**25,019,473**	17,000,000
Additions during the year *	**40,000,000**	27,000,000
Disposals during the year **	**(40,142,349)**	(19,769,472)
Change in fair value	**1,124,875**	788,945
At the end of the year	**26,001,999**	25,019,473

* During the year, the Group invested an amount of SR 40 million in a Mutual Fund through a brokerage company of a local bank in Saudi Arabia. The intention of the Group is to take advantage of the upside movement in price, efficiently manage the short-term excess liquidity and record any gain or loss in the fair value to profit or loss account.

** During the year, the Group sold financial assets at fair value through profit or loss amounting to SR 40 million (30 June 2023: SR 20 million). The realised gain during the current year amounted to SR 265,540 (30 June 2023: SR 230,528).

14. Related party transactions and balances

Related parties comprise of shareholders, key management personnel, directors and businesses which are controlled directly or indirectly or influenced by the partners, directors or key management personnel. In the normal course of business, the Group has various transactions with its related parties. Transactions are entered into with the related parties on terms and conditions approved by either the Group’s management or its Board of Directors.

Related party	**Nature of relationship**
Saudi AZM Holding Company	Shareholder
Itmam Consultancy Company	Affiliate
AZM Financial Technology Company	Affiliate
Azm Digital Company for Communication and Information Technology	Affiliate
Business Innovation Mine Company	Affiliate
Azm Development Private Limited	Affiliate
Future Communications for Telecommunication and Information Technology	Affiliate
National Real Estate Platform Company	Associate

- Affiliate is an entity that has common shareholding and/or common management with the Group or entities that are significantly influenced or controlled by affiliates.

14. Related party transactions and balances (continued)

Related party	Nature of significant transactions	For the year ended 30 June 2024 SR	2023 SR
AZM Financial Technology Company	Revenue/income from affiliate	**2,581,930**	4,560,698
	Expenses paid/incurred by affiliate on behalf of the Company*	**14,846,523**	28,464,194
	Expenses paid/incurred by the Company on behalf of affiliate	**2,087,862**	1,439,403
Itmam Consultancy Company	Revenue from affiliate	**-**	15,894,693
	Expenses paid/incurred by affiliate on behalf of the Company	**-**	264,563
Azm Digital Company for Communications and Information Technology	Revenue from affiliate	**414,347**	-
	Expenses paid/incurred by affiliate on behalf of the Company	**16,030,764**	-
	Expenses paid/incurred by the Company on behalf of Affiliate	**151,307**	-
Azm Development Private Limited	Expenses paid/incurred by affiliate on behalf of the Company	**375,930**	-
National Real Estate Platform Company	Expenses paid/incurred by the Company on behalf of associate	**1,155,186**	-
	Transfer to investment (note 9)	**1,102,000**	-
Business Innovation Mine Company	Revenue from affiliate	**-**	454,193
	Expenses paid/incurred by affiliate on behalf of the Company	**-**	236,370
Future Communications for Telecommunication and Information Technology	Revenue from affiliate	**73,469**	66,367
	Expenses paid/incurred by the Company on behalf of affiliate	**415,698**	-

*This amount includes billing issued by an affiliate where it acts as a subcontractor to the Group.

Transactions with related parties are conducted on terms that would be available to third parties in the normal course of business.

Related parties' balances for the year ended were as follows:

	30 June 2024 SR	30 June 2023 SR
Due from related parties:		
National Real Estate Platform Company	**127,034**	1,102,000
Saudi AZM Holding Company	**-**	35,210
	127,034	1,137,210
Due to related parties:		
AZM Financial Technology Company	**2,342,697**	8,483,674
Azm Digital Company for Communications and Information Technology	**1,813,485**	53,906
	4,156,182	8,537,580

14. Related party transactions and balances (continued)

Compensation to key management and Board of Directors' personnel

Key management personnel of the Group comprise of key members of the management having authority and responsibility for planning, directing and controlling the activities of the Group.

Key management personnel compensation comprised the following:

	For the year ended 30 June	
	2024	2023
	SR	SR
Short-term employee benefits*	**3,042,528**	2,436,944
End of service benefits	**338,763**	218,499
Board of Directors' remuneration	**221,000**	215,000

*Short term employee benefits include share-based payment expenses amounting to SR 334,708 (30 June 2023: SR 148,000).

15. Revenue, contract assets and liabilities

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

	30 June 2024	30 June 2023
	SR	SR
Revenue	**217,638,378**	170,829,037
Billing issued during the year	**(168,318,668)**	(174,566,390)
Contract liabilities, comprising advance contract billings	**33,856,094**	24,691,027
Contract assets, gross	**83,175,804**	20,953,674
Contract assets		
Contract assets, gross	**83,175,804**	20,953,674
Less: provision for expected credit loss	**(481,745)**	(415,071)
Contract assets, net	**82,694,059**	20,538,603

The movement in the provision for expected credit losses of contract assets during the year is as follow:

	For the year ended 30 June	
	2024	2023
	SR	SR
At the beginning of the year	**415,071**	106,325
Provision charged for expected credit losses	**66,674**	308,746
At the end of the year	**481,745**	415,071

15. Revenue, contract assets and liabilities (continued)

Below is the disaggregation of the Group's revenue from contracts with customers:

	For the year ended 30 June	
	2024	2023
	SR	SR
Major product / Service line		
Enterprise services	**116,121,637**	90,160,482
Proprietary technologies	**58,942,518**	40,642,972
Advisory	**24,607,203**	24,515,351
Platforms for third parties	**17,967,020**	15,510,232
	217,638,378	170,829,037
Type of customers		
Government customers	**119,306,994**	95,538,136
Semi-government customers	**18,606,723**	29,012,605
Private customers	**79,724,661**	46,278,296
	217,638,378	170,829,037

	For the year ended 30 June	
	2024	2023
	SR	SR
Timing of revenue recognition		
Goods or services transferred to customers:		
- over time	**208,173,436**	170,160,216
- point in time	**9,464,942**	668,821
	217,638,378	170,829,037
Kingdom of Saudi Arabia	**217,638,378**	170,829,037

Refer to note 39 for details of adjustment to the comparative information

16. Trade receivables

	30 June 2024	30 June 2023
	SR	SR
Trade receivables	**36,940,856**	25,586,326
Less: provision for expected credit losses	**(2,518,198)**	(1,666,625)
	34,422,658	23,919,701

Trade receivables comprise of interest free net receivables due from customers with no credit rating. Unimpaired trade receivable is expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and vast majority are, therefore, unsecured.

The movement in the provision for expected credit losses of trade receivables during the year is as follows:

	For the year ended 30 June	
	2024	2023
	SR	SR
At the beginning of the year	**1,666,625**	1,198,336
Provision charged for expected credit losses	**851,573**	468,289
At the end of the year	**2,518,198**	1,666,625

16. Trade receivables (continued)

The following table details the risk profile of accounts receivable based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss pattern for different customer segments, the provision for expected credit losses based on past due status is not further distinguished between the Group's different customer types.

30 June 2024	**Current SR**	**1- 90 days SR**	**91-180 days SR**	**180-270 days SR**	**271-365 days SR**	**More than 365 days SR**	**Total SR**
Gross carrying amount	**12,959,180**	**17,057,298**	**1,391,696**	**1,429,376**	**3,065,233**	**1,038,073**	**36,940,856**
Expected credit loss	**73,802**	**198,158**	**91,614**	**212,848**	**1,225,249**	**716,527**	**2,518,198**

30 June 2023	Current SR	1- 90 days SR	91-180 days SR	180-270 days SR	271-365 days SR	More than 365 days SR	Total SR
Gross carrying amount	17,077,715	4,508,134	945,849	2,492,350	381,976	180,302	25,586,326
Expected credit loss	252,484	218,396	81,454	623,087	310,902	180,302	1,666,625

17. Prepayments and other current assets

	30 June 2024 SR	30 June 2023 SR
Margin against bank guarantees	**10,451,309**	8,527,276
Prepaid expenses	**812,801**	914,470
Advances against investment	**900,000**	900,000
Employee's loans and advances	**898,079**	267,139
Others	**449,890**	198,480
	13,512,079	10,807,365

18. Cash and cash equivalents

	30 June 2024 SR	30 June 2023 SR
Cash at banks	**11,957,376**	27,595,279

19. Share capital

The share capital of the Group amounted to SR 30 million (30 June 2023: SR 30 million) divided into authorised and fully paid 60 million shares (30 June 2023: 60 million shares) of SR 0.5 each share (30 June 2023: SR 0.5 each share).

During the year ended 30 June 2023, the shareholders approved the change of the nominal value of shares. The nominal value was amended from SR 10 to SR 0.5, resulting in a share split and an increase in the number of shares from 3 million shares to 60 million shares in the Extraordinary General Assembly Meeting held on 29 Duh Al-Qi'dah 1444H (corresponding to 18 June 2023).

20. Treasury stock

During the year, the Group completed the purchase of 755,318 shares based on the approval from Extraordinary General Assembly Dated 24 Ramadan 1445H (corresponding to 3 April 2024) of its own shares with an amount of SR 12 million to be allocated to the Employees' Long-term Incentives Program and high performing employee.

The Program intends to attract, motivate and retain employees responsible for the achievement of the Group's goals and strategy. The Program provides a share-based payment plan for eligible employees participating in the Program by granting them shares in the Company to be distributed over a vesting period of 3-5 years, based on percentages in the grant letter. The Group accounts for the share-based payment Program as an equity-settled plan. The shares issued under this Program are based on the average share price during the eligibility month.

The movement in treasury stock during the year is as follows:

	For the year ended 30 June	
	2024	2023
	SR	SR
Opening balance	**7,243,981**	-
Treasury shares purchased during the year	**12,006,309**	11,133,250
Treasury shares distributed during the year	**(2,640,958)**	(3,889,269)
	16,609,332	7,243,981

The expense recognised for employee long-term incentives program during the year is shown in the following table:

	For the year ended 30 June	
	2024	2023
	SR	SR
Expense arising from equity-settled share-based payment transactions	**646,834**	495,250

21. Statutory reserve

The General Assembly in its extraordinary meeting held on 24 Ramadan 1445H (corresponding to 3 April 2024) approved to transfer the statutory reserve balance of SR 5.9 million to retained earnings.

22. Employees' defined benefits liabilities

The movement in provision for employee defined benefits liabilities for the year ended is as follows:

	For the year ended 30 June	
	2024	2023
	SR	SR
Balance at the beginning of the year	**5,081,100**	3,662,919
Amount recognised in profit or loss		
Current service cost	**2,328,962**	2,662,614
Interest expense (note 29)	**236,328**	134,817
	2,565,290	2,797,431
Amount recognised in other comprehensive income		
Remeasurement gain on employees' defined benefit liabilities	**(907,631)**	(282,460)
	(907,631)	(282,460)
Benefits paid during the year	**(1,235,391)**	(957,891)
Transferred to related parties, net	**(475,028)**	(138,899)
Balance at the end of the year	**5,028,340**	5,081,100

22. Employees' defined benefits liabilities (continued)

Significant actuarial assumptions

The Group carried out an employee benefits actuarial valuation, using the projected unit credit method, of its liability as at 30 June 2024 and 2023 arising from the end of service benefits to qualifying in-service employees.

The following are the principal actuarial assumptions:

	30 June 2024	30 June 2023
Key actuarial assumptions		
Discount rate used	**5.20%**	4.80%
Salary growth rate	**7.00%**	5.50%
Mortality rate	**0.06%**	0.06%

Sensitivity analysis
Reasonably possible changes as to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation. The following is a sensitivity analysis for the salary inflation and discount rate assumptions that were performed at the previous and current valuation date:

	30 June 2024		30 June 2023	
	Base	**1% increase SR**	Base	1% increase SR
Discount rate	**5.20%**	**4,634,727**	4.80%	4,575,462
Salary growth rate	**7.00%**	**(5,473,749)**	5.50%	(5,381,293)

Risks associated with defined benefit plans

(a) 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.

(b) 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.

(c) Maturity analysis

The maturity analysis of undiscounted post-employment benefits is as follows:

	Less than a year	**Between 1 - 2 years**	**Between 2 - 5 years**	**Over 5 years**	**Total**
30 June 2024	**633,693**	**416,092**	**1,215,316**	**6,296,034**	**8,561,135**
30 June 2023	572,534	446,582	1,229,281	5,713,608	7,962,005

23. Long and short-term loans

The Group has entered into agreements to obtain long and short-term loans from a local banks in the Kingdom of Saudi Arabia with an outstanding amount of SR 11.18 million as at 30 June 2024 (30 June 2023: SR 8.25 million) at variable interest rates. This loan is secured by the personal guarantees of the shareholder and promissory notes.

23. Long and short-term loans (continued)

The movement in long and short-terms loans for the year ended is as follows:

	For the year ended 30 June	
	2024	2023
	SR	SR
At the beginning of the year	**8,245,000**	2,012,606
Addition during the year	**5,000,000**	8,245,000
Payments during the year	**(2,428,570)**	(2,012,606)
Interest charged during the year	**362,935**	-
At the end of the year	**11,179,365**	8,245,000
Current liabilities	**(11,179,365)**	(4,639,555)
Non-current liabilities	**-**	3,605,445

The loans contain certain covenants which are monitored on a monthly basis by the management. In case of potential breach, appropriate actions are taken by management to ensure compliance. During 2024 and 2023, there has not been any non-compliance observed for any of the covenants.

24. Lease liabilities

The movement in lease liabilities is as follows:

	For the year ended 30 June	
	2024	2023
	SR	SR
At the beginning of the year	**11,587,836**	13,118,508
Additions during the year	**14,650,395**	-
Payments during the year	**(3,200,500)**	(2,251,800)
Interest on lease liabilities (note 29)	**1,063,118**	721,128
At the end of the year	**24,100,849**	11,587,836
Current portion	**(4,326,400)**	(2,251,800)
Non-current portion	**19,774,449**	9,336,036

The aggregate maturities of lease liabilities are as follows:

	30 June 2024 SR	30 June 2023 SR
Within one year	**4,326,400**	2,251,800
Two to five years	**17,710,924**	9,277,416
More than five years	**10,685,308**	4,773,816
Total undiscounted lease commitments	**32,722,632**	16,303,032

	30 June 2024 SR	30 June 2023 SR
Future minimum lease payment	**32,722,632**	16,303,032
Less: un-amortised finance charges	**(8,621,783)**	(4,715,196)
Present value of minimum lease payment	**24,100,849**	11,587,836
Less: current-portion of lease payment	**(4,326,400)**	(2,251,800)
Non-current portion	**19,774,449**	9,336,036

25. Accruals and other liabilities

	30 June 2024 SR	30 June 2023 SR
Accrued expenses	**41,944,136**	18,576,538
VAT Payable	**1,903,400**	5,236,721
Lease rentals received in advance	**808,483**	1,071,145
Retention payable	**-**	433,295
Security deposit	**115,355**	115,355
Withholding tax payable	**74,478**	80,544
Others	**4,871**	183,231
	44,850,723	25,696,829
Non-current portion	**(692,238)**	(923,838)
Current portion	**44,158,485**	24,772,991

26. Zakat and income tax

	30 June 2024 SR	30 June 2023 SR
Zakat payable	**3,984,506**	2,290,694
Income tax payable	**436,213**	196,008
	4,420,719	2,486,702

Charge for the year

Zakat and income tax charge for the year consists of the following:

	For the year ended 30 June	
	2024 SR	2023 SR
Zakat charged during the year	**2,623,303**	1,439,601
Income tax charged during the year	**436,213**	196,008
	3,059,516	1,635,609

The major components of the zakat base are as follow:

	30 June 2023 SR	30 June 2023 SR
Equity	**63,516,560**	51,820,439
Opening provisions and other adjustments	**17,967,003**	28,240,262
Book value of long-term assets	**(57,246,514)**	(59,943,379)
	24,237,049	20,117,322
Adjusted profit for the year	**43,317,917**	31,554,351
Zakat base	**67,554,966**	51,671,673

26. Zakat and income tax (continued)

The differences between the financial and the zakat results are mainly due to provisions which are not allowed in the calculation of zakat income.

The movement in provision for zakat and income tax during the year is as follows:

	For the year ended 30 June	
	2024	2023
	SR	SR
At the beginning of the year	**2,486,702**	1,581,198
Charge during the year	**3,059,516**	1,635,609
Paid during the year	**(1,125,499)**	(730,105)
At the end of the year	**4,420,719**	2,486,702

Status of zakat and income tax assessments
The Group filed its zakat and income tax return to the Zakat, Tax and Customs Authority ("ZATCA") up to the financial year ended 30 June 2023 and is still awaiting final zakat assessments.

27. Cost of revenue

	For the year ended 30 June	
	2024	2023
	SR	SR
Salaries, wages and related costs	**94,211,295**	94,944,729
Consulting services	**31,365,013**	21,025,642
IT expenses	**7,838,454**	2,081,175
Event operating costs	**7,188,121**	-
Travel, transport and vacations	**4,105,620**	3,945,080
Staff medical Insurance	**3,690,099**	3,902,453
Employees' defined benefits cost	**1,718,701**	1,989,851
Others	**9,698,858**	4,466,225
	159,816,161	132,355,155

28. General and administrative expenses

	For the year ended 30 June	
	2024	2023
	SR	SR
Salaries, wages and related costs	**12,943,489**	11,681,397
Professional fees	**4,280,247**	1,613,384
Right-of-use assets depreciation	**1,466,794**	707,020
Depreciation of property and equipment (note 6)	**1,115,371**	993,818
Social insurance	**1,038,466**	1,178,519
Insurance	**922,440**	591,042
Subscription expenses	**774,636**	185,959
Board of directors' and committees' remuneration	**714,500**	421,000
Employees' defined benefits cost	**610,262**	684,006
Tax expense	**577,965**	311,790
Rent expenses	**329,612**	212,287
Training expenses	**278,938**	274,499
IT expenses	**232,521**	429,368
Others	**2,875,006**	1,063,242
	28,160,247	20,347,331

29. Finance cost, net

	For the year ended 30 June	
	2024	2023
	SR	SR
Interest on lease liabilities	**1,063,118**	721,128
Income from sub lease asset	**(262,663)**	(291,536)
Finance charges on loans and bank guarantees	**499,196**	600,305
Interest on employees' defined benefits liabilities	**236,328**	134,817
	1,535,979	1,164,714

30. Other income, net

	For the year ended 30 June	
	2024	2023
	SR	SR
Gain on disposal of investment in associates (note 9)	**-**	5,295,473
Rental income	**1,848,547**	1,333,813
Finance income on assets held at amortised cost	**1,669,794**	-
Change in fair value of investment at FVPL (note 13)	**1,124,875**	788,945
Realised gain on the sale of investment at FVPL (note 13)	**265,540**	230,528
Dividends income	**159,761**	-
Loss on disposal of property and equipment	**(267)**	-
Others	**(7,166)**	14,131
	5,061,084	7,662,890

31. Earnings per share

Basic earnings per share is calculated by dividing the income attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing the profit for the year by the adjusted weighted average number of ordinary shares outstanding during the year, to assume conversion of all dilutive potential shares into ordinary shares.

	30 June 2024	30 June 2023
	SR	SR
Profit attributable to equity holders of the Company	**27,948,450**	23,081,725
Weighted average number of ordinary shares	**59,832,924**	59,501,500
Basic and diluted, income per share	**0.47**	0.39

32. Financial assets and financial liabilities

Set out below is a summary of financial assets, other than cash and cash equivalents, held by the Group as at 30 June 2024 and 2023:

	30 June 2024 SR	30 June 2023 SR
Financial assets at amortised cost		
Financial assets at amortised cost	**31,184,988**	24,995,169
Trade receivables	**34,422,658**	23,919,701
Contract assets	**82,694,059**	20,538,603
Due from related parties	**127,034**	1,137,210
Other current assets	**11,349,388**	8,794,415
Financial assets measured at fair value		
Financial assets at fair value through other comprehensive income	**1,437,496**	1,770,881
Financial assets at fair value through profit or loss	**26,001,999**	25,019,473
Total financial assets	**187,217,622**	106,175,452
Total current	**(154,595,138)**	(79,409,402)
Total non-current	**32,622,484**	26,766,050

Set out below is a summary of financial liabilities held by the Group as at 30 June 2024 and 2023:

	30 June 2024 SR	30 June 2023 SR
Financial liabilities at amortised cost		
Long-term loans	**-**	3,605,445
Current portion of long-term loan	**6,094,626**	4,639,555
Shor-term loan	**5,084,739**	-
Trade payables	**22,528,586**	3,251,888
Due to related parties	**4,156,182**	8,537,580
Total financial liabilities	**37,864,133**	20,034,468
Total current	**(37,864,133)**	(16,429,023)
Total non-current	-	3,605,445

The fair values of the financial assets and liabilities of the Group at the reporting date are not materially different from their carrying values as at 30 June 2024 and 2023.

33. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's financial assets as at 30 June 2024 and 2023.

	Total	**Quoted prices in active markets (Level 1)**	**Significant unobservable inputs (Level 3)**
	SR	**SR**	**SR**
As at 30 June 2024			
Financial assets measured at fair value			
Financial assets at fair value through other comprehensive income	**1,437,496**	**-**	**1,437,496**
Financial assets at fair value through profit or loss	**26,001,999**	**26,001,999**	**-**
As at 30 June 2023			
Financial assets measured at fair value			
Financial assets at fair value through other comprehensive income	1,770,881	-	1,770,881
Financial assets at fair value through profit or loss	25,019,473	25,019,473	-

There were no transfers between levels during the years ended 30 June 2024 and 2023.

The fair values of the financial assets and liabilities measured at amortised cost of the Group at the reporting date are not materially different from their carrying values as at 30 June 2024 and 30 June 2023.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, 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.

34. Financial risk management objectives and policies

Introduction
The Group's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Group's continuing profitability. The Group is exposed to market risk (which includes interest rate risk, currency risk and price risk), liquidity risk, credit risk and investment holding period risk arising from the financial instruments it holds.

Financial risk factors
The Group's financial assets include cash and cash equivalents, trade receivables, contract assets, due from related parties, investment at FVOCI and FVPL and financial assets at amortised cost that result directly from its operations. The Group's financial liabilities comprise of borrowings, contract liabilities, due to related parties, trade payables.

The Group is exposed to market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

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

34. Financial risk management objectives and policies (continued)

Risk management framework

The Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse 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's 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.

Risk management structure
A cohesive organisational structure is established within the Group in order to identify, assess, monitor and control risks.

Board of Directors
The apex of risk governance is the centralised oversight of the Board of Directors providing direction and the necessary approvals of strategies and policies in order to achieve defined corporate goals.

Senior management
Senior management is responsible for the day to day operations towards achieving the strategic goals within the Group's pre-defined risk appetite.

Risk mitigation
The risks faced by the Group and the way these risks are mitigated by management are summarised below:

(i) Market risk

Market risk is the risk that changes in market prices, such as currency rates and interest rates that will affect the Group profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's transactions are principally in Saudi Riyals and US Dollars. The Group's exposure to foreign currency changes for US dollars is not material due to the fact that the Saudi Riyals is pegged with US dollars, and the Group does not have any material assets or liabilities in US dollars as at 30 June 2024.

(b) Interest rate risk
Interest rate risk is the risk that either fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises from its borrowings. Borrowings issued at variable rates expose the Group to change in cash flow due to change in interest rates. The Group manages its interest rate risk by having a mix of variable and fixed rate borrowings in order to hedge certain interest rate exposures.

Interest rate sensitivity
The following table demonstrates a reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amount shown below. The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	100 bp increase	**100 bp decrease**
	SR	**SR**
30 June 2024		
Variable-rate instruments	**571,870**	**(571,870)**

	Profit or loss	
	100 bp increase	100 bp decrease
	SR	SR
30 June 2023		
Variable-rate instruments	500,146	(500,146)

34. Financial risk management objectives and policies (continued)

(i) Market risk (continued)

(c) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company financial assets and liabilities are not exposed to price risk.

(ii) Credit risk

Credit risk refers to the risk that a party to a financial instrument will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, for whom the credit risk is assessed to be low. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties. The Group maintains bank accounts with high credit rated financial institutions.

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

	30 June 2024 SR	30 June 2023 SR
Financial assets		
Contract assets	**82,694,059**	20,538,603
Trade receivables	**34,422,658**	23,919,701
Financial assets at amortised cost	**31,184,988**	24,995,169
Margin against bank guarantees	**10,451,309**	8,527,276
Due from related parties	**127,034**	1,137,210
Cash at banks	**11,957,376**	27,595,279
	170,837,424	106,713,238

Trade receivable and contract assets
The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and sector in which customers operate.

Loss rates are based on actual historic credit loss experience. These rates reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and the Group view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast gross domestic product growth. The Group provides for trade receivables and contract assets by applying the simplified approach to assess the expected credit losses. The Group’s usual credit terms are 90 days, however, outstanding amounts above 90 days are not considered impaired by default as the Group's customers are government, semi-government and private companies with sound financial health and no history of default.

Credit concentration
Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic political or other conditions.

No significant concentrations of credit risk were identified by the management as at the reporting date.

34 Financial risk management objectives and policies (continued)

(ii) Credit risk (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivable as at 30 June:

30 June 2024	**Gross carrying amount SR**	**Expected credit loss SR**
Not due	**12,959,180**	**73,802**
Past due 1-90 days	**17,057,298**	**198,158**
Past due 91-180 days	**1,391,696**	**91,615**
Past due 181-270 days	**1,429,376**	**212,848**
Past due 271 – 365 days	**3,065,233**	**1,225,249**
More than 365 days	**1,038,073**	**716,526**
	36,940,856	**2,518,198**

30 June 2023	Gross carrying amount SR	Expected credit loss SR
Not due	17,077,715	252,484
Past due 1-90 days	4,508,134	218,396
Past due 91-180 days	945,849	81,454
Past due 181-270 days	2,492,350	623,087
Past due 271 – 365 days	381,976	310,902
More than 365 days	180,302	180,302
	25,586,326	1,666,625

Credit risk on cash at banks is limited as the cash balances are held with banks having a credit rating of A3 and above. Other financial assets such as financial assets held at amortised cost, Margin against bank guarantees and due from related parties have a low credit risk and the impact of applying ECL is immaterial.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation.

Management believes that the Group is not exposed to significant risks in relation to liquidity and maintains different lines of credit.

The table below summarises the maturity profile of the Group financial liabilities based on contractual undiscounted payments:

30 June 2024	**Carrying amount SR**	**Contractual cashflow SR**	**Within one year SR**	**Above one year SR**
Current portion of long-term loan	**6,094,626**	**6,156,429**	**6,156,429**	-
Short-term loan	**5,084,739**	**5,203,373**	**5,203,373**	-
Trade payables	**22,528,586**	**22,528,586**	**22,528,586**	-
Lease liabilities	**24,100,849**	**32,722,632**	**4,326,400**	**28,396,232**
Due to related parties	**4,156,182**	**4,156,182**	**4,156,182**	-
Total	**61,964,982**	**70,767,202**	**42,370,970**	**28,396,232**

34. Financial risk management objectives and policies (continued)

(iii) Liquidity risk (continued)

30 June 2023	Carrying amount SR	Contractual cashflow SR	Within one year SR	Above one year SR
Long-term loan	8,245,000	8,585,000	4,878,393	3,706,607
Trade payables	3,251,888	3,251,888	3,251,888	-
Lease liabilities	11,587,836	16,303,032	2,251,800	14,051,232
Due to related parties	8,537,580	8,537,580	8,537,580	-
Total	31,622,304	36,677,500	18,919,661	17,757,839

35. Capital management

Capital is equity attributable to the shareholders of the Group. The Group objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

The management policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Group manages its capital structure and makes adjustments to it, in light of change in economic conditions. The management monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity. The management also monitors the level of dividends to the shareholders.

There were no changes in the Group’s’ approach to capital management during the year. The Group is not subject to externally imposed capital requirements. The Group’s gearing ratio at the end of the reporting period was as follows:

	30 June 2024 SR	30 June 2023 SR
Long-term liabilities	**25,495,027**	18,946,419
Total equity	**91,547,030**	69,281,322
Gearing ratio	**0.28**	0.27

36. Contingencies

The Group has contingencies for the following bank guarantees:

	30 June 2024 SR	30 June 2023 SR
Letter of guarantees	**40,573,435**	25,732,387

37. Segment information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (“CODM”) and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The CODM has been identified as the Board of Directors of the Group through the executive management, which includes Chief Executive Officer and Chief Financial Officer.

With respect to the allocation of resources and assessment of performance of the Group, the CODM considers the entire business as one function. The major products/service lines offered by the Group are disclosed under note 15. Furthermore, the Group’s operations are conducted in the Kingdom of Saudi Arabia.

38. Subsequent event

In the opinion of management, there have been no significant subsequent events since 30 June 2024 that would have a material impact on the financial position or financial performance of the Group as reflected in these consolidated financial statements.

39. Adjustments to comparative figures

During the year, the Group identified that certain line items in the consolidated financial statements were not in accordance with IAS 1 "Presentation of Financial Statements" and IAS 7 "Statement of Cash Flows". The Group has also re-evaluated the accounting treatment of a contract under IFRS 15 "Revenue from Contracts with Customers". This resulted in adjustments to certain line items in the comparative information relating to the year ended 30 June 2023.:

39.1 Impact of adjustments on the statement of comprehensive income for the year ended 30 June 2023

Adjustment 1
In accordance with IFRS 15, when the Group performs agency-related activities under a contract, the Group only recognises net commission income. During the current year, the Group has re-evaluated its arrangement with clients and concluded that in one of the contracts, the Group is acting as an agent. As a result, revenue and cost of revenue were overstated by SR 19,540,130 million for the year ended 30 June 2023. Accordingly, the management has corrected such amounts in the consolidated statement of comprehensive income.

Adjustment 2
As per IAS 1 paragraph 82, expected credit losses determined in accordance with section 5.5 of IFRS 9 "expected credit losses" should be presented on the face of the consolidated statement of comprehensive income. However, the expected credit losses for the year ended 30 June 2023 amounting to SR 777,035 were presented as part of selling and distribution expenses. Accordingly, the management has adjusted this amount in the consolidated statement of comprehensive income.

	As issued	Adjustment 1	Adjustment 2	Adjusted
	SR	SR	SR	SR
Revenue	190,369,167	(19,540,130)	-	170,829,037
Cost of revenue	(151,895,285)	19,540,130	-	(132,355,155)
Gross profit	**38,473,882**	**-**	**-**	**38,473,882**
General and administrative expenses	(20,347,331)	-	-	(20,347,331)
Selling and distribution expenses	(801,183)	-	777,035	(24,148)
Expected credit losses	-	-	(777,035)	(777,035)
Operating profit	**17,325,368**	**-**	**-**	**17,325,368**

39.2 Impact of adjustments on the statement of cash flows for the year ended 30 June 2023

Adjustment 1
In accordance with IAS 7, share based payment expenses and disbursement of treasury shares amounting to SR 495,250 and SR 3,713,972 respectively, should be disclosed under operating activities. In addition, purchase of treasury shares amounting to SR 11,133,250 should be disclosed under financing activities. Such amounts were disclosed on a net basis under financing activities in the statement of cash flows for the year ended 30 June 2023. Management has corrected the comparative amounts during the current year.

Adjustment 2
In prior year, purchase and proceeds from disposals of financial assets at fair value through profit or loss were grossed-up with both realised and unrealised gain in the consolidated statement of cash flows, resulting in overstating those accounts by SR 1,019,473. Management has corrected the comparative amounts during the current year.

Adjustment 3
In accordance with IAS 7, principal and interest elements of lease payments and proceeds from finance lease should be disclosed separately in the consolidated statement of cash flows under financing and investing activities, however, in prior year, lease payments were netted with the proceeds from finance lease and prepayments and other assets amounting to SR 672,000 and SR 255,774 respectively. Management has corrected comparative amounts during the current year.

Adjustment 4
In accordance with IAS 7, rental income received from short-term leases should be disclosed in the consolidated statement of cash flows under investing activities, however, in prior year, rental income amounting to SR 1,333,813 was disclosed under operating activities as part of profit before zakat and income tax. Management has corrected comparative amounts during the current year.

39. Adjustments to comparative figures (continued)

39.2 Impact of adjustments on the statement of cash flows for the year ended 30 June 2023 (continued)

	As issued	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	Adjusted
	SR	SR	SR	SR	SR	SR
Operating activities						
Profit before zakat and income tax	25,602,978	-	-	-	-	25,602,978
Adjustments to reconcile profit before zakat and income tax to net cash flows:						
Share based payment expenses	-	495,250	-	-	-	495,250
Rental income	-	-	-	-	(1,333,813)	(1,333,813)
	24,559,927	**495,250**	**-**	**-**	**(1,333,813)**	**23,721,364**
Changes in operating assets and liabilities						
Prepayments and other current assets	1,607,870	-	-	(255,774)	-	1,352,096
Due from/to related parties, net	8,677,283	1,055,647	-	-	-	9,732,930
Accruals and other current liabilities	11,691,034	2,658,325	-	-	-	14,349,359
Net cash flows generated from operating activities	**30,618,633**	**4,209,222**	**-**	**(255,774)**	**(1,333,813)**	**33,238,268**
Investing activities						
Purchase of financial assets at fair value through profit or loss	(28,019,473)	-	1,019,473	-	-	(27,000,000)
Proceeds from disposal of financial assets at fair value through profit or loss	20,788,945	-	(1,019,473)	-	-	19,769,472
Proceed from investment in finance lease	-	-	-	672,000	-	672,000
Rental income received	-	-	-	-	1,333,813	1,333,813
Net cash flows used in investing activities	**(27,717,782)**	**-**	**-**	**672,000**	**1,333,813**	**(25,711,969)**
Financing activities						
Purchase of treasury shares	(6,924,028)	(4,209,222)	-	-	-	(11,133,250)
Principal element of lease payments	(1,835,574)	-	-	304,902	-	(1,530,672)
Interest element of lease payment	-	-	-	(721,128)	-	(721,128)
Net cash flows used in financing activities	**(2,527,208)**	**(4,209,222)**	**-**	**(416,226)**	**-**	**(7,152,656)**
Net change in cash and cash equivalents	**373,643**	**-**	**-**	**-**	**-**	**373,643**
Cash and cash equivalents at the beginning of the year	27,221,636	-	-	-	-	27,221,636
Cash and cash equivalents at the end of the year	**27,595,279**	**-**	**-**	**-**	**-**	**27,595,279**

There was no impact on the consolidated statement of financial position as at 30 June 2023 and the consolidated statement of changes in equity for the year ended 30 June 2023 as a result of the above adjustments.

40. Approval of the consolidated financial statements

The consolidated financial statements have been approved by the Board of Directors, on 25 Safar 1446H (corresponding to 29 August 2024).