



دار البلد لحلول الاعمال  
DAR ALBALAD FOR BUSINESS SOLUTIONS

# Supplementary Prospectus

Dar AlBalad for Business Solutions Company

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## Dar AlBalad for Business Solutions Company

### SUPPLEMENTARY PROSPECTUS

This Supplementary Prospectus (“**Supplementary Prospectus**”) is a supplement to, and must be read in conjunction with the Red Herring Prospectus dated 11/07/1447H (corresponding to 31/12/2025G) (the “**Red Herring Prospectus**”) issued by Dar AlBalad for Business Solutions Company (the “**Company**” or the “**Issuer**”) in connection with the offering of twenty-one million (21,000,000) Ordinary Shares, representing 30% of the Company’s issued share capital (the “**Offering**”).

#### Financial Advisor. Lead Manager and Underwriter



#### Joint Bookrunners



#### Important Notice:

This Supplementary Prospectus includes information for the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations (“**OSCOs**”) issued by the Capital Market Authority (the “**Authority**” or “**CMA**”) and the application for listing securities in accordance with the Listing Rules of the Saudi Stock Exchange. The Directors, whose names appear on page (iv) of the Red Herring Prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this Supplementary Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The Authority and the Saudi Exchange (the “**Exchange**”) do not take any responsibility for the contents of this Supplementary Prospectus, do not make any representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Supplementary Prospectus.

For purposes of the Offering, (i) this Supplementary Prospectus is an unofficial English translation of the official Arabic Supplementary Prospectus and is provided for information purposes only and (ii) the Arabic Supplementary Prospectus published on the CMA’s website (www.cma.org.sa) remains the only official, legally binding version and shall prevail in the event of any conflict between the two versions.

This Supplementary Prospectus is dated 10/11/1447H (corresponding to 27/04/2026G).

## ADVISORS

### Financial Advisor, Lead Manager and Underwriter

#### AlJazira Capital

King Fahad Branch Road, Al Rahmaniya  
P.O. Box 20438 Riyadh 11455  
Kingdom of Saudi Arabia  
Tel: +966 (11) 225 6000  
Fax: +966 (11) 225 6182  
Website: www.aljaziracapital.com.sa  
Email: IPO@aljaziracapital.com.sa



### Legal Advisor to the Issuer

#### Baker McKenzie Law Firm

Laysen Valley, Tower 9, Level 2  
King Fahad Rd, Umm Al Hamam Al Gharbi  
P.O. Box 69103  
Riyadh 11547  
Kingdom of Saudi Arabia  
Tel: +966 11 265 8900  
Fax: + 966 11 265 8999  
Website: www.bakermckenzie.com  
Email: legaladvisors@bakermckenzie.com



### Joint Bookrunners

#### AlJazira Capital

King Fahad Branch Road, Al Rahmaniya  
P.O. Box 20438 Riyadh 11455  
Kingdom of Saudi Arabia  
Tel: +966 (11) 225 6000  
Fax: +966 (11) 225 6182  
Website: www.aljaziracapital.com.sa  
Email: IPO@aljaziracapital.com.sa



#### Emirates NBD Capital KSA

Signature Center, 2nd Floor  
Prince Turki Bin Abdulaziz Al Awwal Road,  
Hittin District, P.O. Box 341777  
Riyadh 11333  
Kingdom of Saudi Arabia  
Tel: +966 (11) 299 3900  
Fax: +966 (11) 299 3955  
Website: www.EmiratesNBD.com  
Email: ProjectBasmahIPO@EmiratesNBD.com



## Financial Due Diligence Advisor

### Ernst & Young Professional Services (Professional LLC)

Financial Boulevard 3126, Al Aqeeq District 6717,  
Riyadh 13519  
KAFD Building 1.11-B, 8th Floor, South Tower,  
P.O. Box 2732  
Riyadh 11461  
Kingdom of Saudi Arabia  
Tel: +966 11 215 9898  
Fax: +966 11 273 4730  
Website: ey.com/mena  
Email: ey.com/parthenon



## Market Study Consultant

### Euromonitor International Limited Company

60-61 Britton Street  
London EC1M 5UX  
United Kingdom  
Tel: +44 20 7251 8024  
Fax: +44 20 7608 3149  
Website: www.euromonitor.com  
Email: info@Euromonitor.com



## Auditor for the Issuer for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the Six-Month Period Ended 30 June 2025G

### Talal Abu-Ghazaleh & Co. (Certified Public Accountants)

Al Olaya District, Al Olaya Street  
Riyadh, Saudi Arabia  
Zip Code: 11423  
P.O. Box 9767  
Phone: +966 (11) 4642936  
Fax: +966 (11) 4659915  
Website: www.tagi.sa  
Email: tagco.riyadh@tagi.com



## Receiving Entities

### AlJazira Capital

King Fahad Branch Road, Al Rahmanyah  
P.O. Box 20438 Riyadh 11455  
Kingdom of Saudi Arabia  
Tel: +966 (11) 225 6000  
Fax: +966 (11) 225 6182  
Email: contactus@aljaziracapital.com.sa  
Website: www.aljaziracapital.com.sa



### Alawwal Invest Company (SAB Invest)

General Olaya Street  
P.O. Box 1467 Riyadh 11431  
Saudi Arabia  
Tel: 8001242442  
Fax: +966 (12) 216 9102  
Email: customercare@sabinvest.com  
Website: www.sabinvest.com



### Al Rajhi Capital

Head Office, King Fahd Road, Al Murooj District  
P.O. Box 5561  
Riyadh 11432  
Kingdom of Saudi Arabia  
Tel: +966 92 000 5856  
Fax: +966 (11) 460 0625  
Email: investmentbankingteam@alrajhi-capital.com  
Website: www.alrajhi-capital.com



### BSF Capital

King Fahad Road 8092  
4th Floor, Legend Tower  
P.O. Box 23454 Riyadh 12313-3735  
Kingdom of Saudi Arabia  
Tel: +966 (11) 282 6666  
Fax: +966 (11) 282 6723  
Email: sfc-supportcenter@bsfcapital.sa  
Website: www.bsfcapital.sa



### Alinma Capital

Al Anoud Tower 2, King Fahad Road  
Kingdom of Saudi Arabia  
P.O. Box 55560 Riyadh 11544  
Tel: +966 (11) 218 5999  
Fax: +966 (11) 218 5970  
Email: Info@alinmacapital.com  
Website: www.alinmacapital.com



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### Riyad Capital

2414 - Al Shuhada District, Unit No. 69  
P.O. Box 13241 Riyadh 7279  
Kingdom of Saudi Arabia  
Tel: +966 (11) 486 5649  
Fax: +966 (11) 486 5908  
Email: ask@riyadcapital.com  
Website: www.riyadcapital.com



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### Alistithmar for Financial Securities and Brokerage

King Fahad Branch Road  
P.O. Box 6888 Riyadh 11452  
Kingdom of Saudi Arabia  
Tel: +966 (11) 254 7666  
Fax: +966 (11) 489 6253  
Email: WebEcare@icap.com.sa  
Website: www.icap.com.sa



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### Albilad Investment Company

King Fahad Road, Al Olaya, Riyadh – 12313 – 3701  
Kingdom of Saudi Arabia  
Tel: 800116002  
Fax: +966 (11) 2906299  
Email: investmentbanking@albilad-capital.com  
Website: www.albilad-capital.com



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### ANB Capital

King Faisal Street  
ANB Capital Building  
P.O. Box 220009 Riyadh 11311  
Kingdom of Saudi Arabia  
Tel: +966 (11) 406 2500  
Fax: +966 (11) 406 2548  
Email: Investment.Banking@anbcapital.com.sa  
Website: www.anbcapital.com.sa



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### SNB Capital

King Saud Street, Al-Murabba District - Building No. 7347  
P.O. Box 2575, Riyadh 12624  
Kingdom of Saudi Arabia  
Tel: +966 920000232  
International Call Center: +966 (11) 406 0052  
Email: IPOService@alahlicapital.com  
Website: www.alahlicapital.com



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### Derayah Financial

Riyadh - Al-Takhassusi Street - Prestige Center - Third Floor  
Kingdom of Saudi Arabia  
Tel: +966 (11) 299 8000  
Fax: +966 (11) 419 5498  
Email: support@derayah.com  
Website: www.derayah.com



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#### Yaqeen Capital

ANB Capital Building  
Al Worood District - Al Olaya Road - Riyadh  
P.O. Box 884 Riyadh 11421  
Kingdom of Saudi Arabia  
Tel: +966 800 429 8888  
Fax: +966 (11) 205 4827  
Email: addingvalue@yaqeen.sa  
Website: www.yaqeen.sa



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#### Alkhabeer Capital

Madinah Road, Jeddah  
P.O. Box 128289 Jeddah 21362  
Kingdom of Saudi Arabia  
Tel: +966 (12) 612 9345  
Fax: +966 (12) 685 6663  
Email: info@alkhabeer.com  
Website: www.alkhabeer.com



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#### Sahm Capital

King Abdullah Financial District - Tower 305  
Riyadh 13519  
Kingdom of Saudi Arabia  
Tel: +966 (11) 414 5260  
Email: info@sahmcapital.com  
Website: www.sahmcapital.com



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#### GIB Capital

Building B1, Granada Business &  
Residential Park, Eastern Ring Road  
P.O. Box 89589, Riyadh 11692  
Kingdom of Saudi Arabia  
Tel: +966 800 124 0121  
Fax: +966 11 834 834 8400  
Email: customercare@gibcapital.com  
Website: www.gibcapital.com



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#### Musharaka Capital

Al Khobar – Prince Turki Bin Abdulaziz Street – Adeer Tower –  
13th Floor  
P.O. Box 712, Al Khobar 31952, Kingdom of Saudi Arabia  
Tel: +966 920006811  
Fax: +966 13 881 8412  
Email: receiving-entity@musharaka.sa  
Website: www.musharaka.sa



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**EFG Hermes Saudi Arabia**

3rd Floor, North Tower, Sky Towers  
King Fahd Road, Olaya, Riyadh  
P.O. Box 300189, Riyadh 11372  
Kingdom of Saudi Arabia  
Tel: +966 (11) 2938048  
Fax: +966 (11) 2938032  
Email: ksareipo@efg-hermes.com  
Website: www.efghermesksa.com



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**Awaed Capital**

Al Urubah Road, 2163, Al Mathar Al Shamali District 12334  
Office Houses, Riyadh  
Kingdom of Saudi Arabia  
Tel: 8001111870  
Email: ipo\_awaed@awaed.co  
Website: www.awaed.capital



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**Dinar Investment**

4539 Northern Ring Branch, 6880 Al Wadi District  
Riyadh 13313  
Kingdom of Saudi Arabia  
Tel: 920006151  
Website: www.dinar.sa  
Email: DTC@dinar.sa



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**Note:**

All the above-mentioned Advisors and Independent Auditor have given and have not withdrawn their written consent, until the date hereof, to the publication of their names, logos and statements attributed to them in the context in which they appear in this Supplementary Prospectus. Moreover, they do not themselves nor does any of their employees working with the team on providing services to the Company, nor any of their relatives have any shareholding or interest of any kind in the Company as at the date of this Supplementary Prospectus, which may affect their independence.

## 1. THE COMPANY

Dar AlBalad for Business Solutions Company is a closed joint-stock company registered in the commercial register under unified national no. 7002303746 dated 17/05/1422H (corresponding to 07/08/2001G). As listed in the commercial register, the head office of the Company is located in Riyadh. The current share capital of the Company is seventy million Saudi Riyals (SAR 70,000,000), fully paid up and divided into seventy million (70,000,000) Ordinary Shares with a fully paid-up nominal value of one Saudi Riyal (SAR 1) per share.

## 2. DIRECTORS' DECLARATIONS

The Directors whose names appear on pages (iv) of the Red Herring Prospectus hereby acknowledge and confirm the following:

- save as disclosed in this Supplementary Prospectus, no significant change in material matters disclosed in the Red Herring Prospectus or additional significant matters have arisen; and
- this Supplementary Prospectus was presented to the CMA and issued on 10/11/1447H (corresponding to 27/04/2026G) and it supplements the Red Herring Prospectus issued by the Company dated 11/07/1447H (corresponding to 31/12/2025G) and published on the CMA's website on 04/11/1447H (corresponding to 21/04/2026G).

## 3. NOTICES

The Company, the Selling Shareholder and the Financial Advisor draw the attention of the recipients of this Supplementary Prospectus to the importance of considering and abiding by all of the terms and restrictions relating to the Offering set forth in the Red Herring Prospectus.

This Supplementary Prospectus should be read in conjunction with the Red Herring Prospectus and prior to making an investment decision, each recipient of this Supplementary Prospectus is responsible for obtaining independent professional advice (in the case of investors in the Kingdom, from a CMA licensed financial advisor) in relation to the Offering. Each recipient of this Supplementary Prospectus must rely on its own examination of the Company and the appropriateness of both the investment opportunity and the information herein with regard to the recipient's individual objectives, financial situation and needs, including the merits and risks involved in investing in the Offer Shares.

It should also be noted that Participating Parties who submitted applications to subscribe to the Offer Shares prior to the publication of this Supplementary Prospectus may cancel or amend their application to subscribe to said shares before the end of the Offering Period, in accordance with Article 29(d) of the Rules on the Offer of Securities and Continuing Obligations.

Defined terms used in this Supplementary Prospectus shall have the same meaning ascribed to them in Red Herring Prospectus. Such terms are defined in Section 1 ("**Definitions and Abbreviations**") of the Red Herring Prospectus. This Supplementary Prospectus may not be distributed and the Offer Shares may not be sold to any person other than the Participating Parties and/or Individual Investors described in the Red Herring Prospectus.

The Supplementary Prospectus has been published in both Arabic and English languages, with the English version being an unofficial translation. In the event of any conflict between the two versions, the Arabic version shall prevail, being the only approved version by the CMA and is legally binding.

## 4. REASONS FOR THE ISSUANCE OF THIS SUPPLEMENTARY PROSPECTUS

In accordance with Article 29 of the OSCOs, an issuer must submit a supplementary prospectus to the CMA if at any time after the prospectus has been published, and prior to the completion of the Offering, an issuer becomes aware that:

- 1- there has been a significant change in material matters contained in the prospectus,
- 2- Or significant matters have become known which would have been required to be included in the prospectus.

Therefore, the Company has made some modifications to the Red Herring Company Prospectus, as shown in section "5" entitled "Amendments to Certain Information in the Red Herring Prospectus".

## 5. AMENDMENTS TO CERTAIN INFORMATION IN THE RED HERRING PROSPECTUS

**5.1 A Receiving entity, Dinar Investment Company, was added to the Receiving Entities section in the introductory part, and Section (17.3) 'Subscription by Individual Subscribers' of the Red Herring Prospectus, have been amended to read as follows:"**

### Receiving Entities

#### AlJazira Capital

King Fahad Branch Road, Al Rahmaniyah  
P.O. Box 20438 Riyadh 11455  
Kingdom of Saudi Arabia  
Tel: +966 (11) 225 6000  
Fax: +966 (11) 225 6182  
Email: [contactus@aljaziracapital.com.sa](mailto:contactus@aljaziracapital.com.sa)  
Website: [www.aljaziracapital.com.sa](http://www.aljaziracapital.com.sa)



#### Alawwal Invest Company (SAB Invest)

General Olaya Street  
P.O. Box 1467 Riyadh 11431  
Saudi Arabia  
Tel: 8001242442  
Fax: +966 (12) 216 9102  
Email: [customer-care@sabinvest.com](mailto:customer-care@sabinvest.com)  
Website: [www.sabinvest.com](http://www.sabinvest.com)



#### Al Rajhi Capital

Head Office, King Fahd Road, Al Murooj District  
P.O. Box 5561  
Riyadh 11432  
Kingdom of Saudi Arabia  
Tel: +966 92 000 5856  
Fax: +966 (11) 460 0625  
Email: [investmentbankingteam@alrajhi-capital.com](mailto:investmentbankingteam@alrajhi-capital.com)  
Website: [www.alrajhi-capital.com](http://www.alrajhi-capital.com)



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**BSF Capital**

King Fahad Road 8092  
4th Floor, Legend Tower  
P.O. Box 23454 Riyadh 12313-3735  
Kingdom of Saudi Arabia  
Tel: +966 (11) 282 6666  
Fax: +966 (11) 282 6723  
Email: sfc-supportcenter@bsfcapital.sa  
Website: www.bsfcapital.sa



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**Alinma Capital**

Al Anoud Tower 2, King Fahad Road  
Kingdom of Saudi Arabia  
P.O. Box 55560 Riyadh 11544  
Tel: +966 (11) 218 5999  
Fax: +966 (11) 218 5970  
Email: Info@alinmacapital.com  
Website: www.alinmacapital.com



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**Riyad Capital**

2414 - Al Shuhada District, Unit No. 69  
P.O. Box 13241 Riyadh 7279  
Kingdom of Saudi Arabia  
Tel: +966 (11) 486 5649  
Fax: +966 (11) 486 5908  
Email: ask@riyadcapital.com  
Website: www.riyadcapital.com



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**Alistithmar for Financial Securities and Brokerage**

King Fahad Branch Road  
P.O. Box 6888 Riyadh 11452  
Kingdom of Saudi Arabia  
Tel: +966 (11) 254 7666  
Fax: +966 (11) 489 6253  
Email: WebEcare@icap.com.sa  
Website: www.icap.com.sa



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**AlBilad Investment Company**

King Fahad Road, Al Olaya, Riyadh – 12313 – 3701  
Kingdom of Saudi Arabia  
Tel: 800116002  
Fax: +966 (11) 2906299  
Email: investmentbanking@albilad-capital.com  
Website: www.albilad-capital.com



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**ANB Capital**

King Faisal Street  
ANB Capital Building  
P.O. Box 220009 Riyadh 11311  
Kingdom of Saudi Arabia  
Tel: +966 (11) 406 2500  
Fax: +966 (11) 406 2548  
Email: Investment.Banking@anbcapital.com.sa  
Website: www.anbcapital.com.sa

anbcapital

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**SNB Capital**

King Saud Street, Al-Murabba District - Building No. 7347  
P.O. Box 2575, Riyadh 12624  
Kingdom of Saudi Arabia  
Tel: +966 920000232  
International Call Center: +966 (11) 406 0052  
Email: IPOService@alahlicapital.com  
Website: www.alahlicapital.com

كابيتال SNB

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**Derayah Financial**

Riyadh - Al-Takhassusi Street - Prestige Center - Third Floor  
Kingdom of Saudi Arabia  
Tel: +966 (11) 299 8000  
Fax: +966 (11) 419 5498  
Email: support@derayah.com  
Website: www.derayah.com

دراية  
derayah

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**Yaqeen Capital**

ANB Capital Building  
Al Worood District - Al Olaya Road - Riyadh  
P.O. Box 884 Riyadh 11421  
Kingdom of Saudi Arabia  
Tel: +966 800 429 8888  
Fax: +966 (11) 205 4827  
Email: addingvalue@yaqeen.sa  
Website: www.yaqeen.sa

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Yaqeen

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**Alkhabeer Capital**

Madinah Road, Jeddah  
P.O. Box 128289 Jeddah 21362  
Kingdom of Saudi Arabia  
Tel: +966 (12) 612 9345  
Fax: +966 (12) 685 6663  
Email: info@alkhabeer.com  
Website: www.alkhabeer.com

الخبير المالية  
Alkhabeer Capital

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**Sahm Capital**

King Abdullah Financial District - Tower 305  
Riyadh 13519  
Kingdom of Saudi Arabia  
Tel: +966 (11) 414 5260  
Email: info@sahmcapital.com  
Website: www.sahmcapital.com

Sahm

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#### **GIB Capital**

Building B1, Granada Business &  
Residential Park, Eastern Ring Road  
P.O. Box 89589, Riyadh 11692  
Kingdom of Saudi Arabia  
Tel: +966 800 124 0121  
Fax: +966 11 834 834 8400  
Email: [customercare@gibcapital.com](mailto:customercare@gibcapital.com)  
Website: [www.gibcapital.com](http://www.gibcapital.com)



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#### **Musharaka Capital**

Al Khobar – Prince Turki Bin Abdulaziz Street – Adeer Tower –  
13th Floor  
P.O. Box 712, Al Khobar 31952, Kingdom of Saudi Arabia  
Tel: +966 920006811  
Fax: +966 13 881 8412  
Email: [receiving-entity@musharaka.sa](mailto:receiving-entity@musharaka.sa)  
Website: [www.musharaka.sa](http://www.musharaka.sa)



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#### **EFG Hermes Saudi Arabia**

3rd Floor, North Tower, Sky Towers  
King Fahd Road, Olaya, Riyadh  
P.O. Box 300189, Riyadh 11372  
Kingdom of Saudi Arabia  
Tel: +966 (11) 2938048  
Fax: +966 (11) 2938032  
Email: [ksareipo@efg-hermes.com](mailto:ksareipo@efg-hermes.com)  
Website: [www.efghermesksa.com](http://www.efghermesksa.com)



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#### **Awaed Capital**

Al Urubah Road, 2163, Al Mathar Al Shamali District 12334  
Office Houses, Riyadh  
Kingdom of Saudi Arabia  
Tel: 8001111870  
Email: [ipo\\_awaed@awaed.co](mailto:ipo_awaed@awaed.co)  
Website: [www.awaed.capital](http://www.awaed.capital)



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#### **Dinar Investment**

4539 Northern Ring Branch, 6880 Al Wadi District  
Riyadh 13313  
Kingdom of Saudi Arabia  
Tel: 920006151  
Website: [www.dinar.sa](http://www.dinar.sa)  
Email: [DTC@dinar.sa](mailto:DTC@dinar.sa)



## **5.2 Certain paragraphs in Section (19) "Financial Statements and Auditor's Report" in the Red Herring Prospectus have been amended to include the word "consolidated" in the context of the financial statements for the financial year ended 31 December 2025 to be as follows (before and after the amendment):**

Before the amendment:

This Section contains the Company's Special Purpose Audited Financial Statements for the Financial Year Ended 31 December 2022G, and the Audited Financial Statements for the Financial Years Ended 31 December 2023G and 31 December 2024G, the Condensed Consolidated Interim Financial Statements for the Six-Month Period Ended 30 June 2025G, the condensed interim consolidated financial statements for the nine-month period ended 30 September 2025G, the audited financial statements for the Financial Year Ended 31 December 2025G, prepared by the Company in accordance with IFRS-KSA and other standards and pronouncements as endorsed by SOCPA. The financial statements for the Financial Years Ended 31 December 2022G, 31 December 2023G and 31 December 2024G were audited and the Condensed Consolidated Interim Financial Statements for the Six-Month Period Ended 30 June 2025G were reviewed by Talal Abu-Ghazaleh & Co. (Certified Public Accountants) in accordance with International Standards on Auditing (ISA) as endorsed in the KSA.

Additionally, the Company's and Material Subsidiary's unaudited pro-forma financial statements for the Financial Years Ended 31 December 2022G, 31 December 2023G, and 31 December 2024G were prepared by Talal Abu-Ghazaleh & Co. (Certified Public Accountants), in accordance with IFRS-KSA and other standards and pronouncements that are endorsed by SOCPA.

After the amendment:

This Section contains the Company's Special Purpose Audited Financial Statements for the Financial Year Ended 31 December 2022G, and the Audited Financial Statements for the Financial Years Ended 31 December 2023G and 31 December 2024G, the Condensed Consolidated Interim Financial Statements for the Six-Month Period Ended 30 June 2025G, the condensed interim consolidated financial statements for the nine-month period ended 30 September 2025G, the consolidated financial statements for the Financial Year Ended 31 December 2025G, prepared by the Company in accordance with IFRS-KSA and other standards and pronouncements as endorsed by SOCPA. The financial statements for the Financial Years Ended 31 December 2022G, 31 December 2023G and 31 December 2024G were audited and the Condensed Consolidated Interim Financial Statements for the Six-Month Period Ended 30 June 2025G were reviewed by Talal Abu-Ghazaleh & Co. (Certified Public Accountants) in accordance with International Standards on Auditing (ISA) as endorsed in the KSA.

Additionally, the Company's and Material Subsidiary's unaudited pro-forma financial statements for the Financial Years Ended 31 December 2022G, 31 December 2023G, and 31 December 2024G were prepared by Talal Abu-Ghazaleh & Co. (Certified Public Accountants), in accordance with IFRS-KSA and other standards and pronouncements that are endorsed by SOCPA.

## **5.3 The documents attached to Section (19) "Financial Statements and Auditors' Reports." in the Red Herring Prospectus have been amended as follows:**

- 1- Attaching the consolidated financial statements for the financial year ended 31 December 2025 (Arabic version), given that the Arabic Red Herring Prospectus dated 11/07/1447H (corresponding to 31/12/2025G) included the non-consolidated financial statements for the financial year ended 31 December 2025.
- 2- Attaching the consolidated financial statements for the financial year ended 31 December 2025 (English version), given that the English Red Herring Prospectus dated 11/07/1447H (corresponding to 31/12/2025G) included the consolidated financial statements for the financial year ended 31 December 2025 containing an error in the net profit line item within the cash flow statement for the comparative year 2024, which has now been corrected and the corrected version attached.

**Dar Al Balad for Business Solutions Company  
A Closed Joint Stock Company  
Kingdom of Saudi Arabia  
Consolidated Financial Statements  
For the Year Ended 31 December 2025  
And Independent Auditor's Report**

**Dar Al Balad for Business Solutions Company**  
**A Closed Joint Stock Company**  
**Kingdom of Saudi Arabia**

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شركة طلال أبوغزالة وشركاه محاسبون قانونيون  
**Talal Abu-Ghazaleh & Co.** Certified Public Accountants  
 Professional Register No. 1010424464 مسجل شركة مهنية رقم ١٠١٠٤٢٤٤٦٤



### Independent Auditor's Report

**To the Shareholders**  
**Dar Al Balad for Business Solutions Company**  
**A Closed Joint Stock Company**  
**Kingdom of Saudi Arabia**

#### Opinion:

We have audited the consolidated financial statements of **Dar Al Balad for Business Solutions Company – A Closed Joint Stock Company (the 'Company')** and its subsidiary (the “Group”) which comprise the consolidated statement of financial position as of 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the years then ended, and the accompanying notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the Kingdom of Saudi Arabia and other pronouncements and standards endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

#### Basis for Opinion:

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

#### Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements 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, we do not provide a separate opinion on these matters. For each matter described below, the context includes a description of how our audit addressed the matter.

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شارع العليا العام - بجوار وزارة الداخلية  
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 فاكس : +٩٦٦ ١١ ٤٦٥ ٩٩١٥  
 ص.ب.٩٧٦٧ الرياض ١١٤٢٣ - المملكة العربية السعودية

**Independent Auditor's Report on the Consolidated Financial Statements to the Shareholders of Dar Al Balad for Business Solutions Company - A Closed Joint Stock Company for the year ended 31 December 2025 (continued):**

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p><b>Revenue Recognition</b></p> <p>The Group's revenue is primarily derived from information systems services and technical support for communications and information technology software programs. The Group recognized revenue amounting to SR.315.3 million during the year ended December 31, 2025 (2024: SR. 243.3 million).</p> <p>The Group recognizes revenue upon rendering services to customers, applying the five-step model in accordance with IFRS 15 and the applicable pricing terms.</p> <p>The Group focuses on revenue as a key performance measure, which may create pressure to misstate revenue.</p> <p>Based on the factors noted above, and the materiality of the amounts involved, we considered revenue recognition as a key audit matter.</p> <p>Please refer to Notes 4 and 21 of the accompanying consolidated financial statements for the accounting policy and other related information on revenue recognition.</p>	<p><b>We performed the following procedures:</b></p> <ul style="list-style-type: none"> <li>- Reviewed the Group's revenue recognition policy to ensure compliance with the requirements of International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia.</li> <li>- Discussed the general policies and procedures and evaluated the Group's internal controls over revenue recognition.</li> <li>- Examined a sample of contracts to verify that revenue was recognized in accordance with the terms of contracts with customers and the Group's revenue recognition policies.</li> <li>- Performed detailed testing and examined invoices on a sample basis to ensure revenue was accurately recorded at the correct price.</li> <li>- Tested revenue transactions before and after year-end to ensure revenue was recognized in the correct accounting period.</li> <li>- Assessed the adequacy of the relevant disclosures included in the accompanying consolidated financial statements.</li> </ul>

**Emphasis of Matter:**

As disclosed in Note (1), the following occurred during the year ended December 31, 2025:

- Acquisition of a subsidiary; accordingly, the comparative figures do not include the assets, liabilities, and results of operations of the subsidiary.
- Conversion of the Company's legal entity from a limited liability company to a closed joint stock company based on the partners' resolution dated March 2, 2025, and the statutory procedures have been completed.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRS as adopted in the Kingdom of Saudi Arabia and other pronouncements and Standards endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and Companies' Regulation and Company's By-law and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (board of directors) are responsible for overseeing the Group's financial reporting process.

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**Independent Auditor's Report on the Consolidated Financial Statements to the Shareholders of Dar Al Balad for Business Solutions Company - A Closed Joint Stock Company for the year ended 31 December 2025 (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 skepticism throughout the audit. We also:

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

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**Independent Auditor's Report on the Consolidated Financial Statements to the Shareholders of Dar Al Balad for Business Solutions Company - A Closed Joint Stock Company for the year ended 31 December 2025 (continued):**

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

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

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.

For Talal Abu-Ghazaleh & Co.



Waleed A. Bamarouf  
Certified Public Accountant  
License No. 408

11 Shawwal 1447H.  
30 March 2025G.



**Dar Al Balad for Business Solutions Company**  
**A Closed Joint Stock Company**  
**Kingdom of Saudi Arabia**  
**Consolidated statement of financial position**  
**As of 31 December 2025**

Exhibit A

	Note	2025 SR.	2024 SR.
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	(6)	28,479,727	24,018,509
Accounts receivable and unbilled revenues	(7)	122,683,946	70,849,713
Inventory		2,523,061	--
Other debit balances	(8)	13,398,020	8,750,637
Due from related parties	(9)	6,057,084	647,514
Investment portfolios at fair value through profit or loss	(10)	14,402,601	12,941,172
<b>Total Current Assets</b>		<b>187,544,439</b>	<b>117,207,545</b>
<b>Non-Current Assets</b>			
Property, plant and equipment, net	(11)	5,124,579	389,565
Right-of-use assets	(12)	593,394	263,774
Investments in equity instruments at fair value through profit or loss	(13)	12,107,236	12,000,000
<b>Total Non-Current Assets</b>		<b>17,825,209</b>	<b>12,653,339</b>
<b>Total Assets</b>		<b>205,369,648</b>	<b>129,860,884</b>
<b>Liabilities and Equity</b>			
<b>Current Liabilities</b>			
Accounts payable	(15)	1,870,755	974,899
Other credit balances	(16)	16,747,094	11,037,385
Lease liabilities – current portion	(12)	99,271	137,346
Zakat provision	(17)	4,626,027	2,919,985
<b>Total Current Liabilities</b>		<b>23,343,147</b>	<b>15,069,615</b>
<b>Non-Current Liabilities</b>			
Lease liabilities – non-current portion	(12)	481,963	103,000
Long term employees' benefits obligations	(18)	10,714,663	10,015,102
<b>Total Non-Current Liabilities</b>		<b>11,196,626</b>	<b>10,118,102</b>
<b>Total Liabilities</b>		<b>34,539,773</b>	<b>25,187,717</b>
<b>Equity</b>			
Capital	(19)	70,000,000	50,000,000
Additional capital contributions		21,839,626	10,000,000
Statutory reserve	(20)	--	4,260,797
Retained earnings		78,990,249	40,412,370
<b>Total Equity – Exhibit C</b>		<b>170,829,875</b>	<b>104,673,167</b>
<b>Total Liabilities and Equity</b>		<b>205,369,648</b>	<b>129,860,884</b>

The Accompanying Notes from (1) to (34) Constitute an Integral Part of  
 These Consolidated Financial Statements

**Dar Al Balad for Business Solutions Company**  
**A Closed Joint Stock Company**  
**Kingdom of Saudi Arabia**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 31 December 2025**

Exhibit B

	<u>Note</u>	<u>2025</u>	<u>2024</u>
		SR.	SR.
Revenue	(21)	315,347,221	243,325,288
Cost of revenue	(22)	<u>(252,273,729)</u>	<u>(197,641,332)</u>
<b>Gross Profit</b>		<b>63,073,492</b>	<b>45,683,956</b>
Selling and distribution expenses	(23)	<b>(1,690,078)</b>	--
General and administrative expenses	(24)	<u><b>(10,610,702)</b></u>	<u>(6,071,729)</u>
<b>Operating profit</b>		<b>50,772,712</b>	<b>39,612,227</b>
Other income		<b>1,685,421</b>	<b>394,675</b>
Gains from revaluation of investments in equity instruments at fair value through profit or loss	(13)	<b>107,236</b>	--
Investment income	(25)	<b>3,241,953</b>	<b>3,472,007</b>
Financial charges	(26)	<u><b>(725,968)</b></u>	<u>(1,011,314)</u>
Income before estimated Zakat		<b>55,081,354</b>	<b>42,467,595</b>
Estimated Zakat	(17/a)	<u><b>(4,539,101)</b></u>	<u>(2,859,621)</u>
<b>Profit for the year – Exhibit C</b>		<u><b>50,542,253</b></u>	<u><b>39,607,974</b></u>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified subsequently to profit and loss:</i>			
Gain from re-measurement of employees benefits obligation	(18)	<u><b>2,774,829</b></u>	<u>2,646,878</u>
<b>Total other comprehensive income for the year</b>		<u><b>2,774,829</b></u>	<u>2,646,878</u>
<b>Total comprehensive income for the year</b>		<u><b>53,317,082</b></u>	<u>42,254,852</u>
<b>Basic and diluted Earnings per Share from Net Profit</b>	(27)	<u><b>0.72</b></u>	<u>0.57</u>

**The Accompanying Notes from (1) to (34) Constitute an Integral Part of  
 These Consolidated Financial Statements**

**Dar Al Balad for Business Solutions Company**  
**A Closed Joint Stock Company**  
**Kingdom of Saudi Arabia**  
**Consolidated Statement of Changes in Equity**  
**For the Year Ended 31 December 2025**

**Exhibit C**

	Capital		Additional capital contribution		Statutory reserve		Retained earnings		Total	
	SR.	SR.	SR.	SR.	SR.	SR.	SR.	SR.	SR.	SR.
Equity as of 01 January 2024	1,000,000	--	--	300,000	56,118,315	57,418,315				
Dividends paid*	--	--	--	--	(5,000,000)	(5,000,000)				
Profit for the year 2024	--	--	--	--	39,607,974	39,607,974				
Other comprehensive income	--	--	--	--	2,646,878	2,646,878				
Total comprehensive income – Exhibit B	--	--	--	--	42,254,852	42,254,852				
Transferred to statutory reserve	--	--	--	3,960,797	(3,960,797)	--				
Increase in share capital	49,000,000	--	--	--	(49,000,000)	--				
Additional contributions to capital	--	10,000,000	--	--	--	10,000,000				
Equity as of 31 December 2024 – Exhibit A	50,000,000	10,000,000	4,260,797	40,412,370	104,673,167					
Dividends paid*	--	--	--	--	(9,000,000)	(9,000,000)				
Profit for the year 2025	--	--	--	--	50,542,253	50,542,253				
Other comprehensive income	--	--	--	--	2,774,829	2,774,829				
Total comprehensive income – Exhibit B	--	--	--	--	53,317,082	53,317,082				
Transfer of statutory reserve to retained earnings	--	--	(4,260,797)	4,260,797	--	--				
Increase in share Capital – Note (19)	20,000,000	(10,000,000)	--	--	(10,000,000)	--				
Acquisition of GCS Solutions Company – Note (1)	--	21,839,626	--	--	--	--				
Equity as at 31 December 2025 – Exhibit A	70,000,000	21,839,626	78,990,249	170,829,875						

\* On November 20, 2025, the Ordinary General Assembly resolved to distribute dividends for the year ended 31 December 2024, to shareholders amounting to SR. 9,000,000, based on the recommendation of the Board of Directors at its meeting held on 10 November 2025 (2024: SR.5,000,000).

The Accompanying Notes from (1) to (34) Constitute an Integral Part of  
 These Consolidated Financial Statements

**Dar Al Balad for Business Solutions Company**  
**A Closed Joint Stock Company**  
**Kingdom of Saudi Arabia**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended 31 December 2025**

Exhibit D

	2025	2024
	SR.	SR.
<b>Cash Flow from Operating Activities</b>		
Profit for the year	50,542,253	39,607,974
<b>Adjustments for non-cash income and expenses:</b>		
Deprecation of property, plant and equipment	1,159,250	120,236
(Gain) from revaluation of investment in equity instrument at fair value through profit or loss	(107,236)	--
Provision for employee benefits allocated to expenses	3,306,827	3,253,651
Unrealized (gain) from investment at fair value	(2,440,916)	(2,378,740)
Realized (gains) from investments at fair value	(354,379)	(1,093,267)
Depreciation of right-of-use assets	98,208	216,894
Provision for impairment of receivables allocated to expenses	789,607	306,025
Provision for Zakat allocated to expenses	4,539,101	2,859,621
Financing interest	565,423	468,884
	<u>58,098,138</u>	<u>43,361,278</u>
<b>Changes in Operating Assets and Liabilities</b>		
Accounts receivable and unbilled revenue	(46,151,258)	(26,095,939)
Other debit balances	(4,647,383)	(3,146,698)
Inventory	(2,523,061)	--
Due from related parties	(5,409,570)	2,447,058
Due to related parties	--	(173,648)
Accounts payables	895,856	(1,809,533)
Other credit balances	5,709,709	4,286,487
<b>Cash Flow from Operations</b>	<u>5,972,431</u>	<u>18,869,005</u>
Employee benefits obligations-paid	(1,248,203)	(1,613,083)
Provision for Zakat-paid	(3,332,417)	(2,059,455)
<b>Net cash from operating activities</b>	<u>1,391,811</u>	<u>15,196,467</u>
<b>Cash Flow from Investing Activities</b>		
Net changes to investments at fair value through income or loss	1,461,429	6,600,522
Addition to property, plant and equipment	(189,533)	(119,568)
<b>Net cash from investing activities</b>	<u>1,271,896</u>	<u>6,480,954</u>
<b>Cash Flow from Financing Activities</b>		
Dividends distribution – paid	(9,000,000)	(5,000,000)
Short-term loans – paid	--	(9,427,047)
Additional paid in capital	--	10,000,000
Operating leases – paid	(101,992)	(216,200)
<b>Net cash (used in) financing activities</b>	<u>(9,101,992)</u>	<u>(4,643,247)</u>
Net (decrease) / increase in cash and cash equivalents	(6,438,285)	17,034,174
Cash acquired	10,899,503	--
Cash and cash equivalents, beginning of the year	24,018,509	6,984,335
<b>Cash and Cash Equivalents, End of The Year – Exhibit A</b>	<u>28,479,727</u>	<u>24,018,509</u>
<b>Supplementary Information on Non-Cash Activities:</b>		
Transfer of additional paid-in-capital to share capital	10,000,000	--
Capital increase from retained earnings	20,000,000	49,000,000
Transfer of statutory reserve to retained earnings	4,260,797	--
Investment at fair value through profit or loss	--	12,000,000

The Accompanying Notes from (1) to (34) Constitute an Integral Part of  
 These Consolidated Financial Statements

**Dar Al Balad for Business Solutions Company**  
**A Closed Joint Stock Company**  
**Kingdom of Saudi Arabia**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended 31 December 2025**

**I- Formation and Nature of Business:**

**Dar Al Balad for Business Solutions Company – A Closed Joint Stock Company** (hereinafter referred to as the "Company") was established under the Unified National Number 7002303746 and Commercial Registration No. 1010168374 issued in Riyadh, dated 09/11/1442H valid until 09/11/1540H, to practice the company's activity in the operation and maintenance of buildings, installation and extension of computer networks and wired and wireless communications, maintenance and operation of electrical, electronic and computer facilities, installation and maintenance of machinery and equipment, and computer telephony operations.

The financial statements include the assets, liabilities, and results of operations of the company and the following branches:

Branch name	Commercial registration No.	Registration Date	Issued in
Dar Al Balad for Communications & IT	7002475247	14/3/1435H	Jeddah
Durar Al Balad Contracting Company	7002303761	12/1/1434H	Riyadh
Dayerat Al Balad Trading Company	7002999923	18/3/1427H	Riyadh

Based on the partners' resolution dated March 2, 2025, the legal entity of the company was converted from a limited liability company to a closed joint stock company, and the statutory procedures have been completed.

**Acquisition of a Subsidiary**

The Company acquired 100% of the shares of GSC Solutions (formerly: Specialty Chemicals Company) from Dar Al Balad Commercial Company (the parent company), at its book value amounting to SR.21,839,626 as of 31 December 2024. The Company recorded this amount as additional paid-in capital, as stated in the share transfer agreement signed between the parties on 01 January 2025. The transfer of shares was completed with the Ministry of Commerce on 13 January 2025, and the Company obtained 100% ownership of its capital amounting to SR.500,000. The net assets acquired were accounted for at book value in accordance with the opinion of the Accounting Standards Committee of the Saudi Organization for Certified Public Accountants (SOCPA) dated 18 December 2014, regarding the accounting treatment for business combinations under common control. The acquisition was accounted for on January 1, 2025, and the acquisition consideration was as follows:

	2025
	SR.
Total Current Assets	21,774,130
Total Non-Current Assets	6,157,042
Total Current Liabilities	(4,792,769)
Total Non-Current Liabilities	(1,298,777)
<b>Acquisition consideration at book value in the form of additional paid-in capital</b>	<b>21,839,626</b>

The accompanying consolidated financial statements include GSC Solutions (formerly: Global Specialty Chemicals Company), which is controlled by the Company and in which the Company holds controlling equity interests. The details of this company are as follows:

	2025	
	Capital	Ownership percentage
	SR.	%
GSC Solutions Company	500,000	100%

**Dar Al Balad for Business Solutions Company**  
**A Closed Joint Stock Company**  
**Kingdom of Saudi Arabia**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended 31 December 2025**

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**Application for Listing on the Financial Market:**

The Company's Extraordinary General Assembly approved on April 18, 2025, to file an application with the Capital Market Authority to register and offer its shares on the main Saudi stock market ("Tadawul") and to offer 21 million ordinary shares representing 30% of the Company's share capital, and authorized the Board of Directors with full authority to complete the offering and listing process. The Company's management prepared the registration and offering file and submitted it to the Capital Market Authority and relevant authorities. On Rajab 11, 1447H, corresponding to December 31, 2025, the Capital Market Authority issued its approval based on the application of Dar Al Balad Business Solutions Company to register its shares and offer 21 million shares for public subscription, representing 30% of the Company's total shares. The Authority's approval of the application is effective for a period of six months from the date of the Authority's Board resolution, and the approval shall be void if the offering and listing of the Company's shares is not completed within this period. The financial statements represent the assets, liabilities, and results of operations of the above-mentioned commercial registrations only.

**The Head Office is located at the following address:**

Riyadh – Al Olaya District  
P.O. Box 285121  
Postal Code 11323  
Kingdom of Saudi Arabia

**2- Basis of Preparation**

**Statement of compliance with International Financial Reporting Standards:**

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee issued by the International Accounting Standards Board (IASB) adopted in the Kingdom of Saudi Arabia, and other standards and issuances issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (hereinafter collectively referred to as "IFRS adopted in the Kingdom of Saudi Arabia").

**Basics of presentation and measurement:**

These consolidated financial statements were prepared on the historical cost basis and using the accrual basis, except for employee benefits obligations, which were measured at the present value of future obligations, and investments measured at fair value through profit or loss.

**Functional and Presentation Currency and Foreign Currency Translation:**

The financial statements are presented in Saudi Riyal, which is the Group's functional currency. Transactions in foreign currencies are initially recorded at the spot rates of the functional currency at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the spot rates of the functional currency at the date of the financial statements. Differences arising from the settlement or translation of monetary items are recognized in profit or loss.

**Basis of Consolidation:**

These consolidated financial statements include the assets, liabilities, and results of operations of the subsidiaries indicated above.

Control is achieved when the Company 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 Company controls an investee only if the Group has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

**Dar Al Balad for Business Solutions Company**  
**A Closed Joint Stock Company**  
**Kingdom of Saudi Arabia**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended 31 December 2025**

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When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether it controls an investee, including:

- The size of the Company's voting rights relative to the size and dispersion of voting rights held by other shareholders;
- Potential voting rights held by the Company or other shareholders;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances indicating that the Company has, or does not have, the current ability to direct the relevant activities at the time decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date control is transferred to the Company until the date control ceases.

Total comprehensive income is attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All assets and liabilities, equity, income, expenses, and cash flows relating to transactions between entities within the Group are eliminated in full upon consolidation.

**Fair Value Measurement:**

Fair value is the price 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 of an asset or liability is measured assuming that market participants will benefit when pricing the assets and liabilities and will act in their best economic interests.

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

The Company uses evaluation methods appropriate to circumstances, for which sufficient data are available to measure fair value, along with increasing use of observable inputs and reducing use of non-observable inputs.

All assets and liabilities measured at fair value or disclosed in financial statements are classified under the below fair value hierarchy levels and based on the lowest level inputs that are significant to measuring fair value as a whole:

- Level 1: Quoted prices in an active market for similar assets or liabilities.
- Level 2: Evaluation methods from which the lowest level inputs that are significant to measuring fair value, are observable whether directly or indirectly.
- Level 3: Evaluation methods for which the lowest level inputs that are significant to measuring fair value, non-observable.

For the purpose of fair value disclosures, the Company identified categories of assets and liabilities based on the nature, characteristics and risks of those assets or liabilities and the above fair value hierarchy levels.

**3- Use of Accounting Estimates, Judgments and Assumptions:**

Preparation of these financial statements in accordance with IFRSs requires using estimates, judgments and assumptions that may affect amounts of assets, liabilities and disclosures of contingent assets and liabilities at the financial position date, as well as amounts of income and expenses recorded during the related period. Although these estimates are based on best information available to the Management on events and activities, the final results may differ from these estimates.

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Estimates and assumptions are reviewed on an ongoing basis and the effect of changes in accounting estimates is disclosed in the period in which they occur and the affected future periods. The following are the key assumptions and main sources of estimation uncertainty at financial position date, which have a significant impact that may lead to material future adjustments.

**Employee Benefits Obligations:**

End of service benefits are classified as a defined benefit plan. This program is considered unfunded, The liability recognized in the statement of financial position relating to the defined benefit end-of-service benefit program is the present value of the defined benefit obligation at the end of the reporting period. The defined liability is calculated annually by an independent actuary using the projected unit credit method. Any actuarial gains and losses arising from actuarial assumptions are charged to the statement of other comprehensive income in the period in which they arise. Past service costs, current service costs and net interest are recognized immediately in the income statement.

**Estimated Useful Lives of Property, Plant and Equipment:**

The cost of intangible assets, property, plant and equipment is depreciated on a systematic basis over the estimated useful lives of these assets. Management reviews the useful lives and depreciation method annually to ensure they reflect the expected benefits to be obtained. The useful lives have been determined based on the following factors:

- Expected use of the asset
- Expected physical deterioration depending on operational and environmental factors
- Legal restrictions and similar limitations on asset use

Management has not determined a residual value for these assets due to immateriality.

**Impairment of Accounts Receivable:**

The Group assesses whether there are any indications of a measurable impairment in the estimated future cash flows. Accordingly, an impairment provision is recorded based on the "expected credit loss" model. This requires making reasonable judgments regarding several factors including the age and quality of receivables, guarantees provided, and customers' credit ratings. Additionally, the impact of changes in economic indicators and data on the expected credit loss model is taken into consideration.

**Estimated Zakat:**

Zakat fees on ordinary activities are the sum of total Zakat. The calculation of Zakat on the Group necessarily includes a degree of estimation in respect of certain items that cannot be determined definitively until a decision is reached with the Zakat, Tax and Customs Authority (ZATCA) or according to the relevant legal decisions. The final settlement of some of these items may result in profits, losses or cash flows.

**Provisions:**

Provisions are recognized when the Group has a liability (legal or constructive) arising from a past event and there is a possibility that costs to settle the obligation will arise which can be reliably measured. When the Company expects to receive compensation for some or all of the provision- for example, under an insurance contract - compensation is recognized as an independent asset but only in the event that the compensation is virtually certain. Expenses relating to the provision are presented in the statement of profit or loss, net of any compensation.

**Fair Value Measurement:**

Fair value represents 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 under current market conditions, whether that price is directly observable or determined by using another valuation technique.

Fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability occurs either:

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

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their best economic interest.

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**Unbilled Revenue:**

The use of the percentage-of-completion method for recognizing contract revenue requires additional estimates of revenues, costs, profits, and amounts to be recognized in each accounting period. These estimates may be revised throughout the contract term and are reviewed regularly based on customer change orders.

**4- Material Accounting Policy Information:**

The material accounting policies applied by the Group in the preparation of these financial statements are consistently applied as follows:

**Current and Non-Current Classification of Assets and Liabilities:**

The company presents its assets and liabilities in the statement of financial position as "current / non-current". Assets shall be deemed current:

- When it is expected to be realized in, or is intended for sale or consumption in, the normal operating cycle;
- When it is expected to be realized within twelve months after the reporting period, or
- When it is cash and cash equivalents, unless it is restricted from being exchanged or used to settle any liabilities for at least twelve months after the reporting period.

All other assets shall be classified as non-current.

Liabilities shall be deemed current when they mature within twelve months after the reporting period.

The Company classifies all other liabilities as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities.

**Property, Plant and Equipment:**

Items of property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment in value, if any.

Depreciation is calculated on these assets, except land, on a straight line basis so as to allocate the cost of the assets less their residual values over their estimated useful lives using the following annual depreciation rates:

Asset	Depreciation Rate
Building	5%
Tools and equipment	25%
Machinery and equipment	25%
Furniture and fixtures	10%
Office equipment	25%
Vehicles	25%

Sold or disposed assets are derecognized along with their accumulated depreciation on the date of their sale or disposal. Gains or losses on sale or disposal are recognized in profit or loss.

The Company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

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.

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**Right-of-Use Assets and Lease Liabilities:**

The Company has recognized assets and liabilities for its operating leases of various contract types. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to achieve a constant periodic interest rate on the remaining lease liability balance. The right-of-use asset is depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis.

The initial measurement of lease-related assets and liabilities is based on present value.

The right-of-use asset is measured at cost, which includes:

- The initial measurement amount of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs and restoration costs

The lease liability includes the present value of the following lease payments:

- Fixed payments (including substantially fixed payments) less any lease incentives payable
- Variable lease payments based on an index or rate
- Amounts expected to be paid under residual value guarantees
- The exercise price of purchase options if reasonably certain to be exercised, and termination penalties if the lease term reflects option exercise

Lease payments are discounted using the incremental borrowing rate, representing the rate the lessee would pay to borrow funds for a similar asset under similar terms. Payments for short-term leases (12 months or less) and low-value asset leases are recognized as straight-line expenses in the income statement.

Lease terms are renegotiated individually with varied conditions. Lease agreements impose no covenants, and leased assets are not used as loan collateral.

**Related Parties:**

Related parties are identified by the Company in accordance with the definition in International Accounting Standard 24 "Related Party Disclosures". A related party transaction is a transfer of resources, services or obligation between the Company and a related party regardless of whether a price is charged. Terms and conditions of these transactions are approved by the Company's management.

**Revenue Recognition:**

Under IFRS 15 "Revenue from Contracts with Customers", revenue is measured based on the amount specified in the customer contract, excluding amounts collected on behalf of third parties. The Group recognizes revenue when control of goods is transferred or services are performed for customers. The principles of IFRS 15 are applied using the following five steps:

**Step 1: Identify the contract** - Applicable when:

- The contract is approved and committed to by all parties
- Each party's rights are identified
- Payment terms are defined
- The contract has commercial substance
- The contract is collectible

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**Step 2: Identify performance obligations** - By determining all goods/services agreed in the contract and whether each represents a separate performance obligation. A good/service is distinct and separate from other obligations if:

- The customer can benefit from it separately or with other readily available resources
- It is separately identifiable from other goods/services in the contract

**Step 3: Determine transaction price** - The amount the Group expects in exchange for providing agreed goods/services to customers.

**Step 4: Allocate transaction price** - To each performance obligation based on stand-alone selling prices of services provided to the customer.

**Step 5: Recognize revenue** - When the customer obtains control of goods or services.

Revenue is recognized when performance obligations under customer contracts are satisfied. This occurs when obligations are fulfilled and control is transferred to the customer, typically upon delivery of goods or performance of services. Control may transfer at a point in time or over time. For obligations satisfied over time, the Group measures progress using input or output methods that best reflect work completed.

**Expenses:**

The expenses incurred by the Group consist of cost of sales, general and administrative expenses, and selling and distribution expenses. Expenses arising from the Company's efforts related to revenue generation are classified under a separate line item called "Cost of Revenue." Expenses related to administration and not associated with sales are classified as general and administrative expenses. Expenses resulting from selling and distribution functions are classified as selling and distribution expenses. Shared expenses, where applicable, are allocated between general and administrative expenses and cost of sales on a consistent basis. The accrual basis of accounting is applied in recognizing general and administrative expenses within the financial period.

**Zakat Provision:**

Zakat shall be separately calculated and recognized in the statement of income for each financial period in accordance with regulations of the Zakat, Tax and Customs Authority (ZATCA). Zakat shall be settled upon receipt of the final Zakat assessment. Differences between zakat provision and final assessment made by the Zakat, Tax and Customs Authority are charged to the income statement at the time of receipt of the final Zakat assessment.

**Value-Added Tax (VAT):**

Value Added Tax deposits represent 15% of the total sales value (output tax), and 15% of the total value of purchases and paid expenses (input tax) is deducted. The difference between these amounts is then transferred (paid) to the Zakat, Tax and Customs Authority.

**Borrowing Costs:**

The Group recognizes all borrowing costs as an expense in the statement of comprehensive income in the period in which they are incurred.

**Provisions and Contingent Items:**

Provisions are recognized when the Group has a present (legal or constructive) obligation arising from past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the Group expects that a provision will be reimbursed in whole or in part, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The related expenses of any provision are presented net of the recognized reimbursement in the income statement. Where the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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Provisions are not recognized for future operating losses. Also, contingent assets and liabilities are not recognized.

**Bank Facilities and Loans:**

Loans and bank facilities are initially recognized at fair value (represented by the proceeds received) net of transaction costs incurred, if any. Subsequent to initial recognition, these long-term loans are measured at amortized cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in profit or loss over the loan period using the effective interest method. Loans are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

**Dividends Payable to Shareholders:**

Dividends distributed to the Company's shareholders are recognized as a liability when such dividends are declared in accordance with the Companies Law in the Kingdom of Saudi Arabia. Dividends are declared upon approval by the shareholders, or by authorization from the shareholders to the Board of Directors to distribute interim dividends to the Company's shareholders on a semi-annual or quarterly basis pursuant to a resolution of the Ordinary General Assembly, which is renewed annually. This is done in proportion to the Company's financial position and cash flows. The corresponding amount is deducted directly from shareholders' equity.

**Cash and Cash Equivalents:**

Cash and cash equivalents represent cash on hand, bank balances, demand deposits, and highly liquid investments with original maturities of three months or less.

**Trade Receivables and Other Receivables:**

Most sales are made under standard credit terms and are non-interest bearing. If credit is extended beyond normal terms, trade receivables are measured at amortized cost using the effective interest rate method. At each reporting date, the carrying amount of trade and other receivables is reviewed to determine whether there is objective evidence that the amounts are not recoverable. If such evidence exists, an impairment loss is recognized immediately in profit or loss.

**Trade Payables and Other Payables:**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business under normal credit terms and are non-interest bearing. Liabilities that bear interest are subsequently measured at amortized cost using the effective interest rate method.

**Financial instruments at fair value through profit or loss:**

Financial assets at fair value through profit or loss include financial assets at cost for trading, financial assets designated at fair value through profit or loss upon initial recognition, and financial assets that are mandatorily measured at fair value. Financial assets are classified as "held for trading" if they are acquired for the purpose of selling or repurchasing in the near future. Financial assets at fair value through profit or loss are recorded in the statement of financial position at fair value, and net changes in fair value are recognized in the statement of profit or loss. Financial assets at fair value through profit or loss consist of short-term investments in a discretionary portfolio managed by the Company, acquired primarily for the purpose of selling and repurchasing in the near term.

For securities traded on organized financial markets, fair value is determined by reference to quoted market bid prices at the close of business on the reporting date.

For securities that are not traded on the financial markets, a reasonable estimate is made by management for its fair value.

**Financial Instruments:**

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

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**Financial Assets:**

Financial assets include:

- Cash
- A contractual right to receive a financial asset from another entity (receivables)
- A contractual right to exchange financial instruments with another entity under favorable conditions of entity.
- A non-derivative contract where the entity is or may be required to receive a variable number of entity's own equity instruments.

**Classification and Initial Recognition:**

An entity classifies its financial assets in the following measurement categories:

- Financial assets that are subsequently measured at fair value (either through statement of income (FVSI) or other comprehensive income (FVTOC))
- Financial assets measured at amortized cost.

Classification is based on the business model used in the entity for managing financial assets and contractual terms of cash flows.

For assets measured at fair value, gains or losses are recognized either in the statement of income or other comprehensive income. For investment in debt instruments, it depends on the business model of this investment. For investment in equity instruments, it depends on whether the entity has made an irrevocable choice at the time of initial recognition of equity instruments at FVTOCI. The entity reclassifies debt instruments only when its business model changes to manage those assets.

At initial recognition, an entity measures its financial assets (not classified as fair value through statement of income) at fair value plus transaction costs directly attributable to the acquisition of financial assets. In the case of financial assets classified as at FVSI, transaction costs are recognized in the statement of income.

**Subsequent Measurement of Financial Assets:**

**Equity Instruments:**

- All equity investments are to be measured at fair value and if the entity's management decides to present fair value gains or losses on equity investments within other comprehensive income, then gains (losses) on fair values cannot be reclassified subsequently in the statement of income. Dividend from the investment are recognized as income when the entity's right to receive payments is established.
- Impairment losses and reversal of impairment losses on equity investments measured at FVTOCI are not treated separately from other changes in fair value.
- Changes in the fair value of financial assets at (FVTPL) are recognized in other income in the statement of income as appropriate.

**Debt Instruments:**

Subsequent measurement for debt instruments is based on the entity's business model for asset management and cash flow characteristics of assets. There are three measurement categories and the entity classifies debt instruments by:

- **Amortized cost:**  
Financial assets held for contractual cash flows represent the original investment and related interest thereon and are measured at amortized cost. Gains or losses on debt instruments at amortized cost that are not part of a hedging relationship are recognized in profit or loss when it is derecognized or impaired.  
Interest income from financial assets is recognized using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):**  
Financial assets held for contractual cash flows and for sale, where cash flows represent the investment asset and interest thereon and are measured at FVOCI.

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Changes in fair value are recognized through other comprehensive income except for the recognition of gains or losses relating to impairment, interest income and foreign exchange gains / losses in the statement of income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is transferred from equity to income statement, recognized as other gains or losses and interest income from financial assets and treated as financial interest using the effective interest rate method.

- **Fair value through statement of income (FVSI):**  
Assets that do not meet amortized cost or FVOCI are measured at fair value through statement of income. Gains or losses arising from subsequent measurement of investment in debt instruments are recognized at fair value through statement of income that is not part of a hedging relationship within the statement of income. They are recognized as net gains or losses in the period in which they arise. Interest income from these financial assets is recognized as financial interest.

**Effective Interest Method:**

The effective interest method is a method for calculating the amortized cost of a debt instrument and allocating interest revenue over the relevant period. The effective interest rate is the rate that discounts future cash payments received through the life expectancy of the debt instrument or, if appropriate, in the shorter period to carrying amount at initial recognition.

**Impairment:**

- The entity assesses expected future credit losses for financial assets at amortized cost and FVOCI. The impairment methodology applied depends on whether there is a significant increase in credit risk.
- For trade receivables only, the entity applies the “simplified approach” permitted by IFRS 9, which requires the recognition of lifetime expected losses in initial recognition of receivables.

**Financial Liabilities:**

Financial liabilities include:

- A contractual obligation to deliver cash or another financial asset to another entity.
- A contractual obligation to exchange financial instruments with another entity under conditions that are potentially unfavorable to the entity.
- A non-derivative contract where the entity is obliged to provide a variable number of entity's own equity instruments.

**Initial Recognition:**

Financial liabilities are recognized initially at fair value. The financial liabilities of the entity include trade payables, other payables and long-term loans from the government at a lower market rate.

**Subsequent Measurement:**

The entity classifies all financial liabilities after initial recognition at amortized cost.

**Offsetting Financial Instruments:**

Financial assets and liabilities shall be offset and the net amount presented in the statement of financial position only when there is a current enforceable right to settle the amounts recognized and when there is an intention to settle on a net basis or to liquidate assets and settle liabilities simultaneously.

**Disposal of Financial Assets and Liabilities:**

- An entity derecognizes a financial asset only when the contractual rights to cash flows from the asset expire or when it transfers the financial asset and all the risks and rewards of ownership thereof to another party. If an entity neither transfers nor retains all risks and rewards of ownership and continues to control the asset, the entity recognizes its share held in the asset and the liability for the amounts it may pay. If an entity retains substantially all risks and rewards of ownership of the financial asset, the entity continues to recognize the financial asset and recognize the associated liability.

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- On derecognition of a financial asset measured at amortized cost, the difference between the carrying amount of the asset and the amount of the consideration received and receivable is recognized in the statement of income. In addition, upon derecognition of an investment in a debt instrument classified as FVOCI, the cumulative gain or loss previously recognized in the revaluation reserve is reclassified to profit or loss. Upon derecognition of an investment in equity instruments that the Company has chosen to recognize initially by measuring at (FVOCI), the cumulative gain or loss recognized in the investment revaluation reserve is not classified as profit or loss, but are converted to retained earnings.
- Financial liabilities are derecognized only when the liabilities are discharged, canceled, expired or invalidated. The difference between the carrying amounts of the financial liabilities and the amounts paid and required, including any non-monetary assets transferred or liabilities recognized in the statement of income, is recognized.

**Post-Employment Benefits:**

**Defined Contribution Plan:**

The Group contributes to the retirement and social insurance provisions for its employees in accordance with Saudi Labor Law. The Company recognizes its share of fixed contributions to the General Organization for Social Insurance (GOSI) each month as expenses. The Group has no legal or constructive obligation to pay any additional contributions beyond these, and its sole obligation is to pay the contributions when they become due.

**End-of-Service Benefits Provision:**

These benefits represent the employees' end-of-service award program. The amounts payable are calculated under Saudi Labor Law to compensate employees for their accumulated periods of service. The Group's net obligations regarding these unfunded defined benefit plans ("the obligations") are calculated by estimating the future benefits employees will earn in return for their service in the current and prior periods, then discounting these benefits to determine their present value, along with any unrecognized past service costs.

The discount rate used is the market yield on government bonds at the financial statements date that have maturity dates approximating the terms of the Company's obligations. The cost of providing benefits under these unfunded defined benefit plans is determined using the projected unit credit method to calculate the present value of the Company's obligations.

The obligations under these unfunded defined benefit plans consist of the present value of the obligations adjusted for any unrecognized past service costs and any unrecognized actuarial gains/losses. Currently, there are no past service costs.

There are no unrecognized remeasurement gains or losses, as all remeasurement gains or losses have been recorded as income or expenses in the other comprehensive income statement during the period in which they arose.

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**5- Adoption of New and Amended International Financial Reporting Standards:**

New and amended International Financial Reporting Standards that become effective 01 January 2025:

Standard or interpretation	Description	Effective for periods beginning on or after the following date
International Accounting Standard IAS (21)	Lack of Exchangeability	1 January 2025

**New and Amended International Financial Reporting Standards that are Not Yet Effective:**

The following are the standards, interpretations, and amendments issued but not yet effective as of the date of issuance of the financial statements. The Group intends to apply these standards, where applicable, when they become effective.

Standard or interpretation	Description	Effective for periods beginning on or after the following date
Amendments to IFRS (9) and IFRS (7)	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to: IFRS (1) IFRS (7) IFRS (9) IFRS (10) and IAS (7)	Annual Improvements to IFRS Standards	1 January 2026
IFRS (18)	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS (19)	Disclosures for Subsidiaries without Public Accountability	1 January 2027
Amendment to IAS 21	Translation to Hyperinflationary Presentation Currency	January 1, 2027
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 application / Effective date deferred indefinitely
International Financial Reporting Standard (S1) International Financial Reporting Standard (S2)	General Requirements for Disclosure of Sustainability-related Financial Information and Climate-related Disclosures	1 January 2025 (Application depends on regulatory adoption)

The standards, interpretations, and amendments effective from January 1, 2026 have no material impact on the Group's financial statements. As for the other standards, interpretations, and amendments mentioned above, the Group is currently evaluating their impact on the financial statements upon application.

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**6- Cash and Cash Equivalent:**

The details of this item are as follows:

	2025	2024
	SR.	SR.
Current accounts with local banks in Saudi Riyal	9,230,064	402,024
Current accounts with local banks in Foreign currencies	200,598	9,153,287
Cash held in investment portfolios	19,049,129	14,463,198
<b>Total - Exhibit A</b>	<b>28,479,727</b>	<b>24,018,509</b>

**7- Accounts Receivable, Net:**

a) The details of this item are as follows:

	2025	2024
	SR.	SR.
Trade accounts receivable	75,260,530	51,600,389
Unbilled revenue – Note (7/b)	54,040,220	24,483,555
Provision for impairment of receivables – Note (7/c)	(6,616,804)	(5,234,231)
<b>Total – Exhibit A</b>	<b>122,683,946</b>	<b>70,849,713</b>

b) Unbilled revenue:

The movements in this item are as follows:

	2025	2024
	SR.	SR.
Balance at the beginning of the year	24,483,555	17,009,036
Addition from acquisition	3,003,414	--
Additions during the year	52,603,516	137,298,337
Invoices issued	(26,050,265)	(129,823,818)
<b>Balance at end of the year – Note (7/a)</b>	<b>54,040,220</b>	<b>24,483,555</b>

a) The movement in the provision for impairment of receivables is as follows:

	2025	2024
	SR.	SR.
Balance at beginning of the year	5,234,231	4,928,206
Additions from acquisition	592,966	--
Charged during the year – Note (24)	789,607	306,025
<b>Balance at end of the year – Note (7/a) – Exhibit A</b>	<b>6,616,804</b>	<b>5,234,231</b>

b) The analysis of accounts receivable based on the Group's provision matrix as of 31 December:

	Total	0-90 days	91-180 days	181-270 days	271-360 days	Over 1 Year
	SR.	SR.	SR.	SR.	SR.	SR.
2025	129,300,750	106,144,191	11,018,612	7,768,511	3,280,637	1,088,799
2024	76,083,944	61,897,804	9,054,832	1,903,777	655,695	2,571,836

**8- Other Debit Balances:**

The details of this item are as follows:

	2025	2024
	SR.	SR.
Prepaid expenses	3,765,352	4,588,715
Margin on letters of guarantee – Note (31)	363,463	--
Employee advance	357,992	489,389
Advances to suppliers	1,001,264	--
Value added tax (VAT)	7,909,949	3,672,533
<b>Total – Exhibit A</b>	<b>13,398,020</b>	<b>8,750,637</b>

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9- **Related Parties:**

a) **Due from related parties-short term:**

The company deals in its ordinary course of business with related parties which include entities related to the shareholders. Transaction with related parties occurred at prices and payment terms estimated and approved by the Group's management. The movements in these accounts are summarized below:

	Nature of relationship		Movement during the year		2025		2024	
	Debit	Credit	SR.	SR.	SR.	SR.	SR.	SR.
Dar Al-Balad Commercial Company	9,431,431	3,396,978		6,054,453		20,000		
Diesel Equipment Company	136,739	136,709		1,819		1,789		
Dar Al-Balad for Contracting and Operations	--	20,000		--		20,000		
Dar Chemicals Company	--	169,967		--		169,967		
Direct Energy Company	394,825	394,555		812		540		
Global Chemical Industries Company	--	39,094		--		39,094		
Global Manufacturing Industries Company	110,440	433,709		--		323,309		
Dar Al-Arab Industrial Consulting Office	881,012	953,825		--		72,815		
<b>Total – Exhibit A</b>	<b>6,057,084</b>			<b>6,057,084</b>		<b>647,514</b>		

b) **Significant transactions with related parties are as follows:**

Related Party	Nature of Relationship	Transaction Type	Transaction amount		Transaction Amount	
			2025	2024	2025	2024
			SR.	SR.	SR.	SR.
Dar Al-Balad Commercial Company	Shareholder	Short-Term Loan Financing Provided to owner	3,200,000	38,800,000	38,800,000	38,800,000
		Collection of Short-Term Loans	--	(38,200,000)	(38,200,000)	--
		Services and Consulting Provided by owner	(105,800)	(2,380,251)	(2,380,251)	--
		Services and Consulting Provided to owner	--	--	199,859	--
		Payments for Services and Consulting	3,589,476	1,111,982	1,111,982	--
		Receipts for Services and Consulting	--	--	(125,622)	--
		Transfer to Investments in Companies' Capital	6,059,800	(12,000,000)	(12,000,000)	--
		Initial offering expenses (shareholders)	109,022	--	--	--
		Expenses paid on behalf	--	--	--	--
Diesel Equipment Company	Affiliated Company	Services and Consulting Provided to the party	136,537	137,190	137,190	--
		Services and Consulting Provided by the party	--	(105)	(105)	--
		Receipts for Services and Consulting	(136,537)	(148,535)	(148,535)	--
		Expenses paid on behalf	30	--	--	--

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Dar Al-Balad for Contracting and Operations	Affiliated Company	Services and Consulting Provided to the party	(1,656,000)	2,233,896
		Repayment of Short-Term Loans	--	41,333,450
		Short-Term Loan Financing Received from Payments for Services and Consulting	--	(42,854,174)
		Receipts for Services and Consulting	(1,658,166)	41,937
		Services and Consulting Provided by the party	46,000	(261,388)
		Expenses paid on behalf	28,166	(300,073)
			--	--
Dar Chem Group Company	Affiliated Company	Services and Consulting Provided to Receipts for Services and Consulting	--	20,700
			--	(175,641)
Dar Chemicals Company	Affiliated Company	Receipts for Services and Consulting	--	(150,000)
Direct Energy Company	Affiliated Company	Services and Consulting Provided to Receipts for Services and Consulting	394,555	292,917
		Expenses paid on behalf	(394,555)	(336,154)
			272	--
Global Manufacturing Industries Company	Affiliated Company	Services and Consulting Provided to Receipts for Services and Consulting	110,400	730,979
			(433,709)	(1,353,328)
Global Chemical Industries Company	Affiliated Company	Services and Consulting Provided to Receipts for Services and Consulting	--	65,504
			--	(26,410)
Global Thermal Chemicals Company	Affiliated Company	Services and Consulting Provided to Receipts for Services and Consulting	--	50,066
			--	(159,166)
Rafia Chemicals Company	Affiliated Company	Receipts for Services and Consulting	--	(554,347)
		Consulting Services and Administrative Expenses	--	17
Global Specialty Chemicals Company	Subsidiary Company	Short-Term Loan Financing Received from Services and Consulting Provided to	--	(17,500,000)
		Repayment of Short-Term Loans to	--	253,056
		Receipts for Services and Consulting	--	17,500,000
			--	(253,116)

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Dar Al-Arab Industrial Consulting Office	Affiliated Company	Services and Consulting Provided by Payments for Services and Consulting	(131,605)	(309,140)
		Receipts for Services and Consulting	878,212	452,785
		Services and Consulting Provided to	(811,221)	(145,955)
		Expenses paid on behalf	--	20,443
			8,200	--
Najm Investment Company	Shareholder	Services and Consulting Provided to	--	50,715
		Receipts for Services and Consulting	--	(50,715)
		Collection of Short-Term Loans	--	(3,050,790)
		Short-Term Loan Financing Provided to	--	3,000,000
Fala Agricultural Company	Affiliated Company	Consulting Services and Administrative Expenses	--	7,674
		Receipts for Services and Consulting	--	(7,735)
Saudi Tunisian Electricity and Gas Company	Affiliated Company	Services and Consulting Provided to	424,447	431,793
		Collection of Short-Term Loans	--	(1,000,000)
		Receipts for Services and Consulting	(424,587)	(716,516)
		Short-Term Loan Financing Provided to	--	1,000,000
		Expenses paid on behalf	140	--
Key Executives	Senior Management	Salaries and Benefits	1,080,000	865,000
Board of directors	Members	Long-Term Employee Benefits Obligations	1,607,207	1,427,233
		Remuneration	557,000	--

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**10- Investment Portfolios at Fair Value Through Profit or Loss:**

The details of this item are as follows:

	2025	2024
	SR.	SR.
Balance at beginning of the year	12,941,172	4,610,695
Additions from acquisition	342,627	--
Purchases during the year	6,900,802	28,307,962
Sales during the year	(8,577,294)	(22,822,787)
<b>Total</b>	<b>11,607,307</b>	<b>10,095,870</b>
Gains on sale of shares	354,378	495,562
<b>Total portfolio before revaluation</b>	<b>11,961,685</b>	<b>10,591,432</b>
Cash dividends received	--	(29,000)
Unrealized gains from revelation – Note (25)	2,440,916	2,378,740
<b>Total – Exhibit A</b>	<b>14,402,601</b>	<b>12,941,172</b>

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11- **Property, Plant and Equipment, Net:**

a) The details of cost and accumulated depreciation for the year 31 December 2025 are as follows:

Cost	Buildings*	Machinery & Tools	Plant & Equipment	Furniture and fixtures	Office equipment	Vehicles	Total
SR.	SR.	SR.	SR.	SR.	SR.	SR.	SR.
Balance at 1/01/2025	--	--	--	354,882	724,028	278,750	1,357,660
Additions form acquisition	5,605,738	496,868	4,224,375	128,873	48,452	325,848	10,830,154
Additions during the year	--	--	--	4,340	185,193	--	189,533
<b>Balance at 31/12/2025</b>	<b>5,605,738</b>	<b>496,868</b>	<b>4,224,375</b>	<b>488,095</b>	<b>957,673</b>	<b>604,598</b>	<b>12,377,347</b>
<b>Less: Accumulated Depreciation</b>							
Balance at 1/01/2025	--	--	--	130,274	603,419	234,402	968,095
Additions form acquisition	1,288,598	468,826	2,990,711	55,391	41,429	280,468	5,125,423
Depreciation for the year – Note (24)	311,559	13,091	667,678	43,217	70,180	53,525	1,159,250
<b>Balance at 31/12/2025</b>	<b>1,600,157</b>	<b>481,917</b>	<b>3,658,389</b>	<b>228,882</b>	<b>715,028</b>	<b>568,395</b>	<b>7,252,768</b>
<b>Property, plant and equipment, net - 31/12/2025 – Exhibit A</b>	<b>4,005,581</b>	<b>14,951</b>	<b>565,986</b>	<b>259,213</b>	<b>242,645</b>	<b>36,203</b>	<b>5,124,579</b>

\* The buildings mentioned above are constructed on land leased from the Industrial Cities Authority at a nominal rate for a period of 20 years.

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b) The details of cost and accumulated depreciation for the year 31 December 2024 are as follows:

	Vehicles		Office equipment		Furniture and fixtures		Total	
	SR.		SR.		SR.		SR.	
<b>Cost</b>								
Balance at 1/01/2024	278,750		670,378		288,964		1,238,092	
Additions during the year	--		53,650		65,918		119,568	
<b>Balance at 31/12/2024</b>	<b>278,750</b>		<b>724,028</b>		<b>354,882</b>		<b>1,357,660</b>	
<b>Less: Accumulated Depreciation</b>								
Balance at 1/01/2024	198,798		569,233		79,828		847,859	
Deprecation for the year	35,604		34,186		50,446		120,236	
<b>Balance at 31/12/2024</b>	<b>234,402</b>		<b>603,419</b>		<b>130,274</b>		<b>968,095</b>	
<b>Property, plant and equipment, net - 31/12/2024 – Exhibit A</b>	<b>44,348</b>		<b>120,609</b>		<b>224,608</b>		<b>389,565</b>	

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**12- Right-of-Use Assets / Lease Liabilities:**

This item represents the application of International Financial Reporting Standard (IFRS) 16. The Group has adopted a single recognition and measurement principle for all lease contracts in which it is the lessee, with the exception of short-term leases and leases of low-value assets. The Group has recognized lease liabilities, representing the obligation to make lease payments, and corresponding right-of-use assets, which represent the right to use the underlying assets subject to the contracts.

	2025	2024
	SR.	SR.
Balance at beginning of year	957,638	670,538
Addition resulting from acquisition	563,032	--
Disposal during the year	(175,605)	--
Additions during the year	122,645	287,100
<b>Total</b>	<b>1,467,710</b>	<b>957,638</b>
<b>Accumulated amortization</b>		
Balance at beginning of the year	(693,864)	(476,970)
Addition from acquisition	(110,721)	--
Disposal during the year	28,477	--
Amortization charge for the year – Note (24)	(98,208)	(216,894)
<b>Total</b>	<b>(874,316)</b>	<b>(693,864)</b>
<b>Right-of-use assets – Exhibit A</b>	<b>593,394</b>	<b>263,774</b>
<b>Lease Liabilities:</b>		
Balance at beginning of year	240,346	163,766
Addition resulting from acquisition	442,350	--
Additions during the year	122,645	287,100
<b>Less / add:</b>		
Payments made during the year	(101,992)	(216,200)
Disposal during the year	(148,483)	--
Interest on lease liabilities – Note (26)	26,368	5,680
<b>Total</b>	<b>581,234</b>	<b>240,346</b>
<b>Current portion of lease liabilities – Exhibit A</b>	<b>99,271</b>	<b>137,346</b>
<b>Non-Current portion of lease liabilities – Exhibit A</b>	<b>481,963</b>	<b>103,000</b>

\* The leased assets consist of the lease of the company's premises for an amount of SR.40,000 per year for a period of three years, the lease of the Jeddah office for an amount of SR.63,000 for a period of two years, and the lease of the factory site land plot for an amount of SR.39,992 per year for a period of twenty years.

**13- Investments in Equity Instruments at Fair Value Through Profit or Loss:**

During 2024, the Company invested in Durar Real Estate Company (a limited liability company), acquiring an 8.89% capital stake for SR.8,890 along with an additional capital investment of SR.11,991,110. The investee company's activities include: electrical wiring installation, computer and communication network installation, land and real estate trading and subdivision, off-plan sales activities, and general construction of non-residential buildings (such as schools, hospitals, hotels, etc.). These investments were valued at book value as it did not differ from fair value, which was prepared by an external party in 2024. In the current year, a valuation was obtained from an external valuator, Ahmed Zaki Al-Kulaibi Management Consulting Company, resulting in revaluation gains of SR.107,236.

Investment	Percentage	Balance at beginning of the year	Revaluation	Balance at end of the year
			SR.	SR.
Durar Real Estate Company	8.89%	12,000,000	107,236	12,107,236
<b>Total – Exhibit A</b>		<b>12,000,000</b>	<b>107,236</b>	<b>12,107,236</b>

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**14- Bank Facilities:**

Dar Al Balad Business Solutions Company has a Shariah-compliant credit facility agreement with the Saudi Investment Bank amounting to SR.10,000,000 (2024: SR.8,000,000) for the purpose of financing the purchase and sale of goods and issuing various guarantees. The key guarantees associated with the agreement include the provision of a performance and financial guarantee (Kafala Ghorm wa Adaa) by: the Kafala Program for financing small and medium enterprises, major shareholders, and the issuing company. The utilized facility amounts are repaid in a lump sum after six months with interest based on the Saudi Central Bank (SAMA) rate plus 1% annually.

**15- Accounts Payable:**

Accounts payable, amounting to SR.1,870,755 as of 31 December 2025, include the balance of two suppliers amounting to SR.1,678,149, which constitutes 90% of total accounts payable. (2024: Accounts payable, amounting to SR.974,899 included the balance of a single supplier amounting to SR.812,751, which constituted 83% of total accounts payable).

**16- Other Credit Balances:**

The details of this item are as follows:

	2025	2024
	SR.	SR.
VAT liabilities	11,322,143	7,934,122
Withholding tax provision	47,323	12,813
Board of directors' remuneration	470,000	--
Accrued salaries, wages and bonuses	3,152,335	309,221
Accrued expenses	944,310	2,251,113
Accrued social insurance	670,574	483,160
Customer advance payments	140,409	46,956
<b>Total – Exhibit A</b>	<b>16,747,094</b>	<b>11,037,385</b>

**17- Estimated Zakat Provision:**

The movement in the estimated Zakat provision in as follows:

	2025	2024
	SR.	SR.
Balance at the beginning of the year	2,919,985	2,119,819
Additions from acquisition	499,358	--
Provision for Zakat charged during the year	4,539,101	2,859,621
Provision paid during the year	(3,332,417)	(2,059,455)
<b>Balance at the end of the year – Exhibit A</b>	<b>4,626,027</b>	<b>2,919,985</b>

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- The Company has submitted its zakat returns and financial statements to the Zakat, Tax and Customs Authority up to the end of the year 2024 and has obtained a valid zakat certificate valid until April 30, 2026.
- During the year 2025, the Authority issued a zakat assessment for the year 2023, and the zakat assessment was finalized with no zakat obligations arising for the Company.

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- The Company has submitted its zakat returns and financial statements to the Zakat, Tax and Customs Authority up to the end of the year 2024 and has obtained a valid zakat certificate valid until April 30, 2026.
- During the year 2024, the Authority issued a zakat assessment for the year 2020, resulting in a zakat obligation of SAR 10,488 for the Company. The amount was paid, and the zakat assessment was finalized.

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**18- Employee Benefit Obligations:**

- a) The Group has an end-of-service scheme for its employees (the "members"). The scheme entitles the members to a lump sum payment related to length of service and salary at the time of retirement, resignation or death. The scheme is un-funded in that no fund is currently accumulated (whether from contribution by the employer and/or employees) towards the discharge of Company's obligation under the scheme. This scheme are being ruled by the Labor Law in the Kingdom of Saudi Arabia. The obligation recognized in the statement of financial position related to end of service indemnity represents the present value of the defined benefit obligations at the end of the reporting period. Defined benefit obligations are being calculated annually by independent actuary using the projected unit credit method. Past cost service, current cost service, interest are recognized in the income statement. Actuarial gains or losses are recognized in the comprehensive income.
- b) The amounts recognized in the statement of financial position and the statement of comprehensive income are summarized in the below schedule:

	2025	2024
	SR.	SR.
Liability in financial position – Exhibit A	10,714,663	10,015,102
Services cost recognized in of profit or loss	3,306,827	3,253,651
c) Movement in employee benefits obligation:		
	2025	2024
	SR.	SR.
Balance at the beginning of the year	10,015,102	10,558,208
Additions from acquisition	876,711	--
Service cost charged	3,306,827	3,253,651
Interest expense – Note (26)	539,055	463,204
Payments during the year	(1,248,203)	(1,613,083)
Actuarial (gains) – Exhibit B	(2,774,829)	(2,646,878)
<b>Balance at end of the year – Exhibit A</b>	<b>10,714,663</b>	<b>10,015,102</b>
d) Key actuarial assumptions:		
	2025	2024
	SR.	SR.
Discount rate	5.18%	5.25%
Salaries increase rate	3%	1.50%
e) Actuarial assumption sensitivity analysis:		
	2025	2024
	SR.	SR.
Discount rate +1%	10,283,363	9,548,986
Discount rate -1%	11,191,355	10,529,272
Increase rate +1%	11,248,056	10,594,559
Salary increase rate -1%	10,224,802	9,482,038

**19- Capital:**

During the year, the share capital was increased from SR.50 million to SR.70 million as follows:

	2025	2024
	SR.	SR.
Share capital at beginning of year	50,000,000	1,000,000
Transferred from additional paid-in-capital	10,000,000	--
Transferred from retained earnings	10,000,000	49,000,000
<b>Share capital at end of period – Exhibit A</b>	<b>70,000,000</b>	<b>50,000,000</b>

The Company's share capital amounted to SR.70 million, divided into 70 million cash shares of equal value. The value of each share was SR.1. All shares are ordinary shares issued for cash consideration.

	Number of Share	Share Value	Paid-up Value
		SR.	SR.
Dar Al Balad Commercial Company	67,200,000	1	67,200,000
Najem Al-Olaya Trading Company	1,400,000	1	1,400,000
Najem Commercial Investment Company	1,400,000	1	1,400,000
<b>Share Capital – Exhibit A</b>	<b>70,000,000</b>		<b>70,000,000</b>

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The Extraordinary General Assembly of the Company approved, on 18/4/2025, the request to list the Company's shares on the financial market "Tadawul" and to offer 30% of the Company's capital.

The Ordinary General Assembly also approved the Employee Share Program and the allocation of 1.5% of the Company's shares as treasury shares for this program.

**20- Statutory Reserve:**

In accordance with the Company's Articles of Association, 10% of the annual net income is appropriated to form the statutory reserve. The Company may discontinue this appropriation when the reserve reaches 30% of the share capital. Pursuant to the shareholders' resolution dated 12 February 2025, the amount has been transferred to retained earnings.

**21- Revenue:**

The Group's revenue represents the rendering of information systems services and technical support for communications and information technology software programs.

a) The details of this item are as follows:

	2025	2024
	SR.	SR.
Managed IT services	149,326,133	123,513,722
IT consulting services	104,934,894	87,446,016
Managed business services	40,206,328	32,346,024
Industrial maintenance services	10,679,300	--
Industrial chemical purification services	6,426,771	--
Industrial supply	3,773,795	--
IoT (Internet of things) services	--	19,526
<b>Total – Exhibit B</b>	<b>315,347,221</b>	<b>243,325,288</b>

b) Revenue is recognized either over time or at a point in time:

	2025	2024
	SR.	SR.
Industrial maintenance services (over time)	311,573,426	243,325,288
Sale of material/spare part (point-in-time)	3,773,795	--
<b>Total – Exhibit B</b>	<b>315,347,221</b>	<b>243,325,288</b>

**22- Cost of Revenue:**

a) The details of this item are as follows:

	2025	2024
	SR.	SR.
Cost of managed information technology services	123,778,748	99,238,340
Cost of information technology consulting services	86,309,104	68,917,280
Cost of managed business services	31,933,229	24,778,660
Cost of industrial maintenance services	7,185,973	--
Cost of industrial supply	2,206,345	--
Cost of industrial chemical purification services	860,330	--
Cost of IoT (Internet of things) services	--	14,930
Other	--	4,692,122
<b>Total – Exhibit B</b>	<b>252,273,729</b>	<b>197,641,332</b>

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b) **Details of Cost:**

The details of this item are as follows:

	2025	2024
	SR.	SR.
Inventory at beginning of the year	3,668,132	--
Purchases – Note (22/c)	8,178,192	--
Inventory at end of the year	(2,592,305)	--
Cost of sales	9,254,019	--
Salaries, wages and related cost	202,617,505	162,485,175
Outsourced labor costs	10,945,389	8,726,587
Medical insurance	8,674,545	6,658,038
Social insurance	6,567,918	5,454,451
Government fees	5,018,262	2,259,928
Employee benefits obligation – note (18)	3,230,522	3,253,651
Consultancy and system support services	1,364,238	5,033,333
Travel and tickets	1,278,331	1,134,379
Supervision and maintenance costs	710,740	--
Customers and other duties	287,889	--
Leave accruals	91,481	319,970
Others	2,232,890	2,315,820
<b>Total</b>	<b>252,273,729</b>	<b>197,641,332</b>

c) **Purchases:**

The details of this item are as follows:

	2025	2024
	SR.	SR.
Local purchases	131,847	5,000
Foreign purchases (imports)	5,795,179	12,610,306
Out-of-scope purchases	2,251,166	1,154,054
<b>Total – Note (22/b)</b>	<b>8,178,192</b>	<b>13,769,360</b>

23- **Selling and Distribution Expenses:**

The details of this item are as follows:

	2025
	SR.
Salaries, wages and benefits	1,052,563
End of services benefits obligation – Note (18)	76,305
Commissions and bonuses	129,610
Material loading, transport and insurance	66,800
Iqama/Residency fees	45,198
Travel tickets	17,742
Other	301,860
<b>Total – Exhibit B</b>	<b>1,690,078</b>

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**24- General and Administrative Expenses:**

The details of this item are as follows:

	2025	2024
	SR.	SR.
Salaries and wages and benefits	4,532,097	3,970,349
Deprecation of property, plant and equipment – Note (11)	1,159,250	120,236
Expected credit loss expenses – Note (7/c)	789,607	306,025
Board of directors' remuneration	557,000	--
Employee Bonuses	500,000	--
Legal and Professional Fees	468,000	237,750
Withholding Tax and Value Added Tax	462,828	205,028
Telephone, Internet and Postage	299,942	106,230
Government Fees and Subscriptions	224,040	112,493
Hotel Accommodation	214,277	201,738
Administrative and Financial Services	194,052	--
Travel and Transportation	134,822	80,960
Depreciation of Right-of-Use Asset – Note (12)	98,208	216,894
Entertainment and Hotel Expenses	91,611	76,276
Bank Charges	28,814	20,018
Advertising and Marketing	--	52,250
Maintenance and Repairs	15,850	22,586
Rentals	11,073	--
Electricity and Repairs	109	4,383
Others	829,122	338,510
<b>Total – Exhibit B</b>	<b>10,610,702</b>	<b>6,071,729</b>

**25- Investment Income:**

This amount represents fair value gains from investment portfolios recognized through profit or loss:

	2025	2024
	SR.	SR.
Unrealized gain from revaluation of investment portfolios – Note (10)	2,440,916	2,378,740
Dividends received from Bank Al Bilad Capital Fund	446,659	597,704
Realized gains from sale of shares in investment portfolios – Note (10)	354,378	495,563
<b>Total – Exhibit B</b>	<b>3,241,953</b>	<b>3,472,007</b>

**26- Finance Expenses:**

The details of this item are as follows:

	2025	2024
	SR.	SR.
Interest on employees benefits obligation – Note (18)	539,055	463,204
Bank charges and letters of guarantee	160,545	542,430
Lease interest – Note (12)	26,368	5,680
<b>Total – Exhibit B</b>	<b>725,968</b>	<b>1,011,314</b>

**27- Basic and Diluted Earnings Per Share:**

Earnings per share is calculated by dividing the net profit by the weighted average number of outstanding shares, amounting to 70,000,000 shares for all periods presented in accordance with IAS 33 as the increase in capital did not result in a corresponding increase in resources during the year. The basic earnings per share is the same as diluted earnings per share, as the Group has no dilutive instruments.

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**28- Financial Risk Management:**

**Overview**

The Group is exposed to the following risks arising from the use of financial instruments:

- Capital Management Risk.
- Cash with banks
- Interest rate risk
- Credit Risk.
- Liquidity Risk.
- Market Risk (including currency risk and commission rate risk).

This note shows information on the Group's exposure to the above risks, the Group's objectives, policies and procedures regarding measuring and managing risks, and managing the Group's capital. Additional quantitative disclosures have been included in these financial statements.

**Risk Management:**

The Board of Directors bears the full responsibility for developing and supervising Group's risk management frameworks. Group's risk management policies have been developed to identify and analyze the risks encountered by the Group. Appropriate risk limits and controls have been developed in addition to the compliance thereof. Risk management policies and rules are reviewed regularly to reflect changes in market conditions and the Group's activities.

**Capital Management Risk:**

The Company aims at, in managing capital, maintaining the Group's ability to continue as an operating entity, achieving returns to partners and benefits to other stakeholders and maintaining an optimal capital structure that reduces the cost of capital.

**Credit Risk in Bank Balances:**

Credit risk arising from bank balances is considered limited, as the Group maintains its relationships only with banks that have high credit ratings assigned by international credit rating agencies. Since the bank balances are held with reputable banks within the Kingdom that have strong credit standing, management does not anticipate any defaults in fulfilling their financial obligations.

The Group's maximum exposure to credit risk is represented by the carrying amount of these financial instruments, as disclosed in the relevant notes.

**Credit Risk:**

Credit risk is the risk that one party to a financial instrument will fail to meet its financial obligations, causing a loss to the Group. The Group is exposed to credit risk through the book value of its assets, which includes balances with banks and other receivables and due from related parties.

**Liquidity Risk:**

Liquidity risk is the risk that the Group may encounter difficulties in meeting obligations associated with its financial liabilities as they fall due. Liquidity requirements are monitored on a regular basis, and management ensures that sufficient funds are available to meet obligations as they become due.

The Group's policy is to ensure that it always maintains sufficient cash and available credit facilities to meet its expected liquidity requirements. To achieve this objective, the company seeks to maintain adequate cash balances or committed credit lines to meet expected operational needs.

The Group's current financial liabilities primarily comprise the current portion of bank facilities, trade payables, accrued expenses, and other liabilities. These obligations are expected to be settled within 12 months from the reporting date, and the Group anticipates having sufficient funds to meet these obligations.

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The following table summarizes the maturity profile of the Group's financial obligations based on contractual payments:

Year / description	Carrying amount	Less than one year	From 1 year to 5 years	More than 5 years
<b>31 December 2025</b>	<b>SR.</b>	<b>SR.</b>	<b>SR.</b>	<b>SR.</b>
Accounts payable and other credit balances	18,617,849	18,617,849	--	--
Lease liabilities	581,234	99,271	481,963	--
<b>Total</b>	<b>19,199,083</b>	<b>18,717,120</b>	<b>481,963</b>	<b>--</b>
<b>31 December 2024</b>	<b>SR.</b>	<b>SR.</b>	<b>SR.</b>	<b>SR.</b>
Accounts payable and other credit balance	12,012,284	12,012,284	--	--
Lease liabilities	240,346	137,346	103,000	--
<b>Total</b>	<b>12,252,630</b>	<b>12,149,630</b>	<b>103,000</b>	<b>--</b>

**Market Risk:**

Market risk represents the risk arising from changes in market prices, such as foreign exchange rates and commission rates, which may affect the Group's income. The objective of market risk management is to manage and monitor market risk exposures within acceptable limits while optimizing returns.

**Foreign Currency Risk:**

The Group is exposed to foreign exchange risk arising from exposure to various currencies, particularly due to fluctuations in exchange rates against the Saudi Riyal. Foreign currency risk primarily arises from commercial transactions. The Group's policy requires management to regularly review foreign currency exposure. For monetary assets and liabilities denominated in foreign currencies, the Group ensures that the net exposure to the related risks remains within acceptable levels.

**Commission Rate Risk:**

Commission rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market commission rates. The Group's exposure to changes in market commission rates relates mainly to floating-rate borrowings. However, the Group does not have any long-term borrowings, and therefore it is not exposed to long-term commission rate risk.

**29- Financial assets and Financial Liabilities:**

	2025	2024
	SR.	SR.
<b>Financial assets at Fair Value</b>		
Investment portfolios at fair value through profit or loss (FVTPL)	14,402,601	12,941,172
Investment in equity instruments at fair value through profit or loss (FVTPL)	12,107,236	12,000,000
<b>Total</b>	<b>26,509,837</b>	<b>24,941,172</b>
<b>Financial Assets at Amortized Cost (net of Impairment)</b>		
Cash and cash equivalents	28,479,727	24,018,509
Accounts receivable	68,643,726	46,672,183
Other debit balances	357,992	489,389
Due from related parties	6,057,084	647,514
<b>Total</b>	<b>103,438,529</b>	<b>71,827,595</b>
<b>Financial Liabilities at Amortized Cost</b>		
Accounts payable	1,870,755	974,899
Other credit balances	3,622,335	309,221
<b>Total</b>	<b>5,493,090</b>	<b>1,284,120</b>

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**Fair Value Measurement – 2025:**

	Level 1	Level 2	Level 3
	SR.	SR.	SR.
Investment portfolios at (FVTPL)	14,402,601	--	--
Equity instruments at (FVTPL)	--	--	12,107,236
<b>Total</b>	<b>14,402,601</b>	<b>--</b>	<b>12,107,236</b>

**Fair Value Measurement – 2024:**

	Level 1	Level 2	Level 3
	SR.	SR.	SR.
Investment portfolios at (FVTPL)	12,941,172	--	--
Equity instruments at (FVTPL)	--	--	12,000,000
<b>Total</b>	<b>12,941,172</b>	<b>--</b>	<b>12,000,000</b>

**30- Dividends Distribution:**

On 20 November 2025, the Ordinary General Assembly resolved to distribute dividends for the year ended 31 December 2024, to shareholders amounting to SR.9,000,000, based on the recommendation of the Board of Directors made on 10 November 2025 (2024: SR.5,000,000).

**31- Contingent Liabilities:**

The Group has contingent liabilities relating to letters of guarantee issued for the Group amounting to SR. 5,098,927 as of 31 December 2025, and the bank has withheld cash collateral against the letters of guarantee amounting to SR.363,463 (2024: SR.5,142,196, with no cash collateral withheld against letters of guarantee).

**32- Subsequent Events:**

On 29 January 2026, the General Assembly resolved to cancel the dividend distribution decision for the year 2024 amounting to SR.9,000,000, based on the recommendation of the Group's financial advisor, with the condition that the distributed dividends be recovered from shareholders within 15 days from the date of the resolution. On the same day, shareholders returned the distributed dividends of SR.9,000,000 to the Group's account.

**33- Approval of Financial Statements for Issuance:**

These consolidated financial statements were approved for issuance by the Group's Board of Directors on 11 Shawwal 1447H. Corresponding to 30 March 2026G.

**34- General:**

The figures in the consolidated financial statements are rounded to the nearest Saudi Riyal.



دار البلد لحلول الاعمال  
DAR ALBALAD FOR BUSINESS SOLUTIONS

## **Prospectus of Dar AlBalad for Business Solutions Company**

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