



**ROUTE MOBILE COMMUNICATION SERVICES CO W.L.L.
KUWAIT**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2024**



ROUTE MOBILE COMMUNICATION SERVICES CO W.L.L.
KUWAIT

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INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024

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30 January 2025

To the Partners of Route Mobile Communication Services Co W.L.L.

Independent Auditors' Report

Report on the Audit of financial Statements

Opinion

We have audited the financial statements of **Route Mobile Communication Services Co W.L.L.** (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Parent Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Company's financial statements in the State of Kuwait, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted for use by the State of Kuwait, 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 financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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



**Kuwaiti Accountant
Auditing Office**

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شارع أحمد الجابر - برج شرق - الدور الثاني
ص.ب: ٢٦٨٨٨ - الصفاة ١٣١٢٩ الكويت
فاكس: ٢٢٤٠٣٢٠٥ - تلفون: ٢٢٤٤٩٤٥٤ - ٢٢٤١٥٨٢٢
عضو في اتحاد المحاسبين - المجموعة المالية العالمية
لشركات المحاسبة والمستشارين الماليين

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 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.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the company and stocktaking was carried out in accordance with recognized practice. We further report that we obtained the information and explanations that we required for the purpose of our audit, the financial statements incorporate the information that is required by the Companies' Law No. 1 of year 2016 and related executive regulations and the company's memorandum of association. To the best of our knowledge and belief, no violations of the companies' Law No. 1 of year 2016 and related executive regulations or of the company's memorandum of association have occurred during the financial for the year that might have had a material effect on the Company's business or its financial position.

ADEL M. AL SANEA

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**Kuwaiti Accountant Auditing
CERTIFIED PUBLIC ACCOUNTANTS**

ROUTE MOBILE COMMUNICATION SERVICES CO W.L.L.

Statement of financial position as at 31 December 2024

(All amounts are in Kuwaiti Dinars)



	Note	2024	2023
Assets:			
Property and equipment	4	2,008	2,435
Right-of-use assets	5	87,043	99,627
Non-current assets		89,051	102,062
Trade and other receivables	6	285,952	966,921
Due from related parties		38,216	-
Bank balances and cash	7	988,569	517,446
Current assets		1,312,737	1,484,367
Total assets		1,401,788	1,586,429
Equity:			
Share capital	8	150,000	150,000
Statutory reserve	9	75,000	73,894
Retained earnings		643,963	463,767
Total equity		868,963	687,661
Liabilities			
Provision for staff indemnity		12,263	8,656
Non-current liabilities		12,263	8,656
Trade and other payables	11	520,562	841,096
Due to related parties	12	-	49,016
Current liabilities		520,562	890,112
Total liabilities		532,825	898,768
Total equity & liabilities		1,401,788	1,586,429

The accompanying notes form an integral part of these financial statements.

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ROUTE MOBILE COMMUNICATION SERVICES CO W.L.L.**Statement of comprehensive income for the year ended 31 December 2024**

(All amounts are in Kuwaiti Dinars)



	Note	2024	2023
Sales		2,585,241	2,762,828
Cost of sales		(2,167,478)	(2,118,782)
Gross profit		417,763	644,046
Other income	13	156,921	9,807
Interest income		15,305	-
General & administrative expenses	14	(113,407)	(113,742)
Depreciation and amortisation		(13,230)	(19,516)
Provision for staff indemnity		(3,790)	(5,298)
Profit for the year		459,562	515,297

The accompanying notes form an integral part of these financial statements.





ROUTE MOBILE COMMUNICATION SERVICES CO W.L.L.
Statement of changes in equity for the year ended 31 December 2024
(All amounts are in Kuwaiti Dinars)

	Share Capital	Statutory reserve	Retained Earnings	Total
As at 1 January 2024	150,000	73,894	463,767	687,661
Profit for the year	-	-	459,562	459,562
Transfer to reserve		1,106	(1,106)	-
Dividend	-	-	(278,260)	(278,260)
At 31 December 2024	150,000	75,000	643,963	868,963

As at 1 January 2023	150,000	22,364	201,274	373,638
Profit for the year	-	-	515,297	515,297
Transfer to reserve		51,530	(51,530)	-
Dividend	-	-	(201,274)	(201,274)
At 31 December 2023	150,000	73,894	463,767	687,661

The accompanying notes form an integral part of these financial statements.

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ROUTE MOBILE COMMUNICATION SERVICES CO W.L.L.

Statement of cash flows for the year ended 31 December 2024

(All amounts are in Kuwait Dinars)



	2024	2023
Cash flows from operating activities		
Profit for the year	459,562	515,297
<i>Adjustments for:</i>		
Depreciation and amortisation	13,230	19,516
Provision for staff indemnity	3,790	5,298
	476,582	540,111
<i>Working capital changes:</i>		
Trade and other receivables	680,969	(624,627)
Trade and other payables	(320,534)	545,069
Due to related parties	(49,016)	(22,553)
Due from related parties	(38,216)	-
End of service indemnity paid	(183)	-
<i>Net cash flows from operating activities</i>	749,602	438,000
Cash flows from investing activities:		
Purchase of property and equipment	(219)	(1,225)
<i>Net cash flows used in investing activities</i>	(219)	(1,225)
Cash flows from financing activities:		
Dividends	(278,260)	(201,274)
<i>Net cash flows used in financing activities</i>	(278,260)	(201,274)
Net change in cash and cash equivalents	471,123	235,501
Cash and cash equivalents at beginning of the year	517,446	281,945
Cash and cash equivalents at end of the year	988,569	517,446

The accompanying notes form an integral part of these financial statements.

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1 Incorporation and activities

Route Mobile Communication Services Co W.L.L., “the Company” is a partnership with limited liability duly authenticated at the Ministry of Justice, Real Estate Registration and Authentication Department under Articles of Association No. 2407 on 02 September 2021 and amendment No. 560 on 19 December 2021. The name of the Company was changed on 1 August 2022 from Interteleco International for Modern Communication Services Co.

The registered office of the Company is located at 34 Wafra Downtown, Floor 4, Office No 7, Block 5, Ahmed Al Jaber Street, Kuwait, P.O. Box 443, Safat 15300, State of Kuwait.

2 Principal activities of the Company

The Company is primarily engaged in providing SMS services.

The financial statements of the Company for the year ended 31 December 2024 were authorised for issue by the members on 30 January. 2025.

3 Significant Accounting policies

3.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been presented in Kuwaiti Dinars, which is the functional currency of the Company.

The financial statements are prepared under the historical cost convention modified to include the measurement at fair value of investments carried at fair value through income statement.

3.2 Application of new and revised International Financial Reporting Standards (IFRSs)

a) New standards, interpretations and amendments effective from 1 January 2024

New and amended IFRSs that have been applied in the current year.

The Company has applied amendments to IFRSs that are mandatorily effective for an annual accounting period that begins on or after 1 January 2024.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenant are complied with at the end of the reporting period, and introduce a definition of “settlement” to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The adoption of this standard had no impact on the Company’s financial statements.

Amendments to IAS 1 Presentation of Financial Statements— Classification of Liabilities with covenant

The amendments to IAS 1 clarify that classification of liabilities depends only on the covenants that an entity is required to comply with on or before the reporting date of the classification of a liability as current or noncurrent. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The adoption of this standard had no impact on the Company's financial statements.

IAS 16 Amendments - Leases

The amendments to IFRS 16 requires a seller-lessee to measure the right-of-use asset arising from a sale and leaseback transaction at the proportion of the previous carrying amount of the asset that relates to the right of use the seller-lessee retains. Accordingly, in a sale and leaseback transaction the seller-lessee recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The initial measurement of the lease liability that arises from a sale and leaseback transaction is a consequence of how the seller-lessee measures the right-of-use asset and the gain or loss recognised at the date of the transaction. The new requirements do not prevent a seller-lessee from recognising in any gain or loss relating to the partial or full termination of a lease.

The adoption of this standard had no impact on the Company's financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities, cash flows and exposure to the liquidity risk.

The adoption of this standard had no impact on the Company's financial statements.

b) Standards and amendments issued but not yet effective.

The following amended standards, which apply to future financial periods beginning after the reporting date, were not applied early in the preparation of these financial statements.

Standard or Interpretation

IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments

Amendments to IAS 21 - lack of exchangeability

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 19 – Reducing Subsidiary Disclosures

Additional disclosures will be made in the financial statements when these Standards become effective.

3.3 Summary of Significant Accounting policies

a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

b) Property and equipment

Property and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, levies, duties and any directly attributable cost of bringing the asset to its working condition. The cost of property and equipment is depreciated using the straight-line method over their expected useful lives.

c) Inventories

Inventories are valued at the lower of cost or net realisable value after providing allowances for any obsolete or slow moving items. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis

Net realizable value is the estimated selling price in the ordinary course of business less the costs of completion and selling expenses.

d) Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the balance sheet date. Gains and losses arising are included in the statement of income

e) Employees' end of service indemnity

Employees' end of service indemnity payable to employees under the Kuwaiti Labor Law and employment contracts is calculated and accrued over the period of employment.

f) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, which it is probable, will result in an outflow of economic benefits that can be reasonably estimated.

g) Bank balances and cash

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, balances with bank and deposits with the banks, within a maturity date of three months or less.



h) Trade receivables

Trade receivables are stated at original invoice amount less provision for debtors. An estimate for doubtful debts is made when collection of the full amount is no longer probable and bad debts are written off when there is no possibility of recovery at all.

i) Trade payables

Trade payables are stated at their nominal value.

j) Contingencies

Contingent liabilities are not recognized but disclosed in the financial statement except when the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefit is probable.

ROUTE MOBILE COMMUNICATION SERVICES CO W.L.L.

Notes to the Financial Statements – 31 December 2024



4 Property and equipment

	Plant and equipment KD	Furniture KD	Office equipment KD	Vehicles KD	Total KD
Cost:					
At 1 January 2023	2,069	13,948	2,883	4,306	23,206
Additions	-	-	1,225	-	1,225
At 31 December 2023	2,069	13,948	4,108	4,306	24,431
Additions	-	-	219	-	219
At 31 December 2024	2,069	13,948	4,327	4,306	24,650
Depreciation:					
At 1 January 2023	320	7,555	2,883	4,306	15,064
Charge for the period	296	6,393	243	-	6,932
At 31 December 2023	616	13,948	3,126	4,306	21,996
Charge for the year	296	-	350	-	646
At 31 December 2024	912	13,948	3,476	4,306	22,642
Net book value:					
At December 31, 2024	1,157	-	851	-	2,008
At December 31, 2023	1,453	-	982	-	2,435

5 Right-of-use assets

	2024	2023
	KD	KD
Opening balance	99,627	112,211
Amortisation for the year	(12,584)	(12,584)
	<u>87,043</u>	<u>99,627</u>

6 Trade and other receivables

	2024	2023
	KD	KD
Accounts receivable	112,515	763,187
Prepayments	172,427	195,777
Other debit balances	1,010	7,957
	<u>285,952</u>	<u>966,921</u>

Trade receivables are non-interest bearing and are generally on 45-90 day terms.

7 Bank balances and cash

	2024	2023
	KD	KD
Cash at banks	422,213	214,026
Short term deposits	566,356	303,420
	<u>988,569</u>	<u>517,446</u>

8 Share capital

The share capital of the Company consists of 100 shares of KD 1,500 each. Details of percentage holding of members in the Company are as follows:

Members	Number of shares	KD
Hussain Ali Faleh Al Shehri Al Rashidi	51	76,500
Route SMS Solutions FZE	49	73,500
	<u>100</u>	<u>150,000</u>

9 Statutory reserve

In accordance with the Companies Law No. 1 of 2016, as amended, and its Executive Regulations and the Company's Articles of Association, as amended, 10% of net profit for the year is transferred to statutory reserve until the reserve totals 50% of the paid up share capital.

Distribution of this reserve is limited to the amount required to enable payment of a dividend of 5% of paid up share capital to be made in years when retained earnings are not sufficient for the payment of a dividend of that amount.



10 Voluntary reserve

In accordance with the Company's Articles of Association, as amended, 10% of profit for the year is to be transferred to voluntary reserve. Transfer to voluntary reserve is made in accordance with the members' resolution. The members have resolved not to make any transfer to voluntary reserve this year.

11 Trade and other payables

	2024	2023
	KD	KD
Trade payables	320,153	675,241
Advances from customers	146,317	134,582
Accrued expenses	8,336	3,061
Others	45,756	28,212
	<u>520,562</u>	<u>841,096</u>

12 Related party disclosures

The Company has entered into various transactions with related parties i.e. partners, key management personnel and other related parties, in the normal course of its business. Prices and terms of payment are approved by the Company's management. Significant related party transactions and balances are as follows:

Balances included in statement of financial position:

	2024	2023
	KD	KD
Due to related parties		
Route SMS Solutions FZE	-	49,016
Due from related parties		
Route Mobile Inc	3,950	-
Route Mobile LLC	27,673	-
Route Mobile UK Limited	6,593	-
	<u>38,216</u>	<u>-</u>

13 Other income

	2024	2023
	KD	KD
Technical and support services	147,645	-
Forex gain	9,045	9,807
Other income	231	-
	<u>156,921</u>	<u>9,807</u>

14 General and administrative expenses

	2024	2023
	KD	KD
Salaries & related expenses	84,691	78,052
Rent	14,220	14,220
Repair and maintenance	258	88
Legal and professional expense	820	100
Bank expenses	7,420	14,885
Communication expense	2,801	863
Other expenses	3,197	5,534
	113,407	113,742

15 Financial risk management

Fair values of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. At December 31, the fair values of financial instruments approximate their carrying amounts.

In the normal course of business, the Company uses primary financial instruments such as cash on hand and at banks, accounts receivables and other debit balances, due to banks and accounts payables and other credit balances and as a result, is exposed to the risks indicated below.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Company does not offer credit terms without the approval of the Managing Director.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its cash obligations. The management of liquidity risks consists of keeping sufficient cash and arranging financing sources through enough facilities, retaining highly liquid assets and monitoring liquidity in a periodical basis through the method of future of cash flows.

The maturity of financial liabilities (trade payables, accruals etc) is expected within 12 months of the reporting date.

Market risk

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market prices.

Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution and industry concentration, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to change in foreign exchange rates.

Management believes that there is minimal risk of significant losses due to exchange rate fluctuations and consequently the Company does not hedge foreign currency exposures. At the balance sheet date, the Company did not have significant foreign currency risk.

Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.