DRC® ANALYTICS INSIGHT VALUE

DIGITAL RESEARCH COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

INDEX

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مبنى رقم ٣١٩٣ ، الطابق الأول
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Digital Research Company
(A Saudi Joint Stock Company)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Digital Research Company** ("the Company"), which comprise the statement of financial position as at December 31, 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 notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

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

Key Audit Matter

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

Key audit matter	**How our audit addressed the key audit matter**
Revenue from contract with customers	
The Company's revenue for the year ended December 31, 2024 amounted to SAR 63,054,027 (SAR 54,291,812 for the year ended December 31, 2023).	Our audit procedures performed included, among others, based on our professional judgement the following:

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of
Digital Research Company
(A Saudi Joint Stock Company)

Key Audit Matter (continued)

Key audit matter (continued)	**How our audit addressed the key audit matter (continued)**
Revenue from contract with customers (continued)	
Management recognizes revenue from market research and consultation services, as well as data analytics services, over time based on the satisfaction of performance obligations in accordance with the terms of customer agreements. This process requires an appropriate evaluation of the relevant contracts to determine whether the criteria for revenue recognition are met in accordance with the principles set forth in International Financial Reporting Standard (IFRS) 15, "Revenue from Contracts with Customers." We considered revenues to be a key matter for the audit as they are an important item in the financial statements and one of the Company's key performance indicators, creating inherent risks related to revenue recognition. Additionally, calculating revenues from contracts with customers requires management to use significant assumptions.	• Evaluated the Company's policy for revenue recognition in accordance with International Financial Reporting Standard (IFRS 15) "Revenue from Contracts with Customers" particularly assessing the application of the output method for recognizing revenue over time. • Evaluated the design, implementation, and key control activities of the Company related to revenue recognition. • Tested a sample of revenue transactions during the year and verified supporting documentation, including customer contracts, invoices, and project progress reports, to ensure revenue is recognized only upon satisfaction of performance obligations as per the terms of the contracts. • Tested a sample of revenue transactions that occurred before and after the end of the year, as well as tested a sample of post-year-end revenue credit notes, to assess whether revenue has been recognized in the correct accounting year. • Audited the disclosures included in the accompanying financial statements regarding revenue from contracts with customers.

Other information

Other information consists of the information included in the Company's 2024 annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

To the Shareholders of
Digital Research Company
(A Saudi Joint Stock Company)

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 International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, as well as the Regulations for Companies and the Company’s Articles of Association. Management is also responsible for such internal control as it determines 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 cease operations, or has no realistic alternative but to do so.

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

Auditor’s 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 International Standards on Auditing 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 financial statements.

- As part of an audit in accordance with International Standards on Auditing 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 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 that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of
Digital Research Company
(A Saudi Joint Stock Company)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 auditor's 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 auditor's 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.

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

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

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

RSM Allied Accountants Professional Services

Mohammed bin Farhan bin Nader
License 435

Riyadh, Kingdom of Saudi Arabia
Ramadan 13, 1446H (corresponding to March 13, 2025G).

DIGITAL RESEARCH COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	December 31, 2024	December 31, 2023
Assets			
Non-current assets			
Property and equipment	6	**3,074,164**	3,369,030
Intangible assets	7	**182,806**	254,670
Right-of-use assets	8.1	**6,943,175**	8,348,130
Work in progress		**143,500**	-
Total non-current assets		**10,343,645**	11,971,830
Current assets			
Contract assets	9.1	**7,941,298**	10,730,969
Prepaid expenses and other assets	10	**6,719,598**	7,886,016
Accounts receivable – net	11	**12,860,274**	10,060,807
Cash at banks	12	**26,932,374**	5,590,853
Total current assets		**54,453,544**	34,268,645
Total assets		**64,797,189**	46,240,475
Equity and liabilities			
Equity			
Share capital	14	**16,875,000**	1,228,070
Additional contribution from Pre-IPO shareholders	15	**1,363,530**	-
Statutory reserve	16	**368,421**	368,421
Treasury shares	17	**(1,363,530)**	-
Share premium	18	**12,497,965**	11,528,452
Retained earnings		**7,599,915**	8,199,121
Total equity		**37,341,301**	21,324,064
Liabilities			
Non-current liabilities			
Employees' defined benefit plan obligations	19	**4,959,214**	3,723,125
Lease liabilities - non-current portion	8.2	**6,664,639**	7,581,613
Total non-current liabilities		**11,623,853**	11,304,738
Current liabilities			
Loans	20	**1,597,707**	1,289,013
Lease liabilities - current portion	8.2	**1,099,560**	1,416,046
Accounts payable, accrued expenses and other liabilities	21	**11,278,674**	7,385,360
Contract liabilities	9.3	**864,200**	2,924,516
Zakat payable	22	**991,894**	596,738
Total current liabilities		**15,832,035**	13,611,673
Total liabilities		**27,455,888**	24,916,411
Total equity and liabilities		**64,797,189**	46,240,475

Chief Financial Officer (Muhammed Adnan Rasheed)	Chief Executive Officer (Waleed Khalid Alsuliman)	Chairman of Board of Directors (Ahmed Mohammad Ahmed Al-Quraishi)

The accompanying notes (1) to (37) form an integral part of these financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts are in Saudi Riyals unless otherwise stated)

Profit or loss	Note	**December 31, 2024**	December 31, 2023
Revenue	23	**63,054,027**	54,291,812
Cost of revenue	24	**(41,981,899)**	(34,467,931)
Gross profit		**21,072,128**	19,823,881
Selling and marketing expenses	25	**(1,190,618)**	(272,447)
General and administrative expenses	26	**(11,947,058)**	(7,607,695)
Operating profit		**7,934,452**	11,943,739
Finance cost	27	**(1,495,816)**	(1,274,696)
Other income	28	**481,651**	459,995
Profit for the year before zakat		**6,920,287**	11,129,038
Zakat	22	**(990,816)**	(596,738)
Net profit for the year		**5,929,471**	10,532,300
Other comprehensive income			
Items that will not subsequently be reclassified to profit or loss			
(Loss) / gain on re-measurement of defined employees' benefit plan obligations	19	**(285,199)**	139,826
Total other comprehensive income for the year		**(285,199)**	139,826
Total comprehensive income for the year		**5,644,272**	10,672,126
Earnings per share			
Earnings per share of net profit for the year (basic and diluted)	29	**4.20**	7.02

Chief Financial Officer	Chief Executive Officer	Chairman of Board of Directors
(Muhammed Adnan Rasheed)	(Waleed Khalid Alsuliman)	(Ahmed Mohammad Ahmed Al-Quraishi)

The accompanying notes (1) to (37) form an integral part of these financial statements

(All amounts are in Saudi Riyals unless otherwise stated)

	Share capital	Additional contribution from Pre-IPO shareholders	Statutory reserve	Treasury shares	Share premium	Retained earnings	Total equity
DECEMBER 31, 2023							
Balance as at January 1, 2023	1,228,070	-	368,421	-	11,528,452	(2,473,005)	10,651,938
Net profit for the year	-	-	-	-	-	10,532,300	10,532,300
Other comprehensive income for the year	-	-	-	-	-	139,826	139,826
Total comprehensive income for the year	-	-	-	-	-	10,672,126	10,672,126
Balance as at December 31, 2023	1,228,070	-	368,421	-	11,528,452	8,199,121	21,324,064
DECEMBER 31, 2024							
Balance as at January 1, 2024	**1,228,070**	**-**	**368,421**	**-**	**11,528,452**	**8,199,121**	**21,324,064**
Net profit for the year						**5,929,471**	**5,929,471**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(285,199)**	**(285,199)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**5,644,272**	**5,644,272**
Increase in share capital through share premium and retained earnings (refer note-14)	**13,771,930**	**-**	**-**	**-**	**(11,528,452)**	**(2,243,478)**	**-**
Increase in share capital through Initial Public Offering (“IPO”) (refer note-14)	**1,875,000**	**-**	**-**	**-**	**12,497,965**	**-**	**14,372,965**
Treasury shares contributed by Pre-IPO shareholders (refer note-17)	**-**	**1,363,530**	**-**	**(1,363,530)**	**-**	**-**	**-**
Dividends (refer note-35)	**-**	**-**	**-**	**-**	**-**	**(4,000,000)**	**(4,000,000)**
Balance as at December 31, 2024	**16,875,000**	**1,363,530**	**368,421**	**(1,363,530)**	**12,497,965**	**7,599,915**	**37,341,301**

Chief Financial Officer	Chief Executive Officer	Chairman of Board of Directors
(Muhammed Adnan Rasheed)	(Waleed Khalid Alsuliman)	(Ahmed Mohammad Ahmed Al-Quraishi)

The accompanying notes (1) to (37) form an integral part of these financial statements

DRC ANALYTICS INSIGHT VALUE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts are in Saudi Riyals unless otherwise stated)

	December 31, 2024	December 31, 2023
Cash flows from operating activities		
Net profit for the year before zakat	**6,920,287**	11,129,038
Adjustments to reconcile net profit for the year:		
Depreciation of property and equipment	**467,981**	578,868
Depreciation of right of use assets	**1,380,772**	1,421,529
Amortization of intangibles	**86,864**	90,084
(Reversal) / provision of expected credit loss allowance	**(8,019)**	238,099
Finance cost	**1,495,816**	1,274,696
Provision for employees' defined benefits plan obligations	**1,052,149**	934,941
Loss on disposal of right-of-use assets and lease liabilities	**1,112**	-
Changes in operating assets and liabilities:		
Contract assets	**2,789,671**	(4,293,048)
Prepaid expenses and other assets	**1,166,418**	(1,612,002)
Accounts receivable	**(2,791,448)**	(3,381,025)
Accounts payable, accrued expenses and other liabilities	**3,893,314**	1,191,622
Contract liabilities	**(2,060,316)**	2,307,876
Cash generated from operations	**14,394,601**	9,880,678
Employees' defined benefits obligations paid	**(266,194)**	(230,086)
Zakat paid	**(595,660)**	(345,847)
Net cash generated from operating activities	**13,532,747**	9,304,745
Cash flows from investing activities		
Additions of property and equipment	**(173,115)**	(277,054)
Additions of capital work in progress	**(143,500)**	-
Additions of intangible assets	**(15,000)**	-
Net cash (used in) investing activities	**(331,615)**	(277,054)
Cash flows from financing activities		
Increase in share capital	**14,372,965**	-
Proceeds from loans	**8,477,994**	4,486,939
Repayments of loans	**(8,169,300)**	(9,773,796)
Finance cost paid	**(710,247)**	(439,528)
Dividends paid	**(4,000,000)**	-
Lease liabilities paid	**(1,831,023)**	(1,972,012)
Repayment to a related party	**-**	(572,597)
Net cash generated from / (used in) financing activities	**8,140,389**	(8,270,994)
Net change in cash at banks balance	**21,341,521**	756,697
Cash at banks balance at the beginning of the year	**5,590,853**	4,834,156
Cash at banks balance at end of the year	**26,932,374**	5,590,853

Chief Financial Officer	Chief Executive Officer	Chairman of Board of Directors
(Muhammed Adnan Rasheed)	(Waleed Khalid Alsuliman)	(Ahmed Mohammad Ahmed Al-Quraishi)

The accompanying notes (1) to (37) form an integral part of these financial statements

1- ORGANIZATION AND ACTIVITIES

a) Digital Research Company ("the Company"), is a Saudi Joint Stock Company registered in Riyadh under Commercial Registration No. 1010416852 on Shaban 11, 1435H (corresponding to June 09, 2014).

b) The Company's headquarter is located at the following address:
Digital Research Company
Riyadh - King Khalid International Airport
P.O. Box 1234
Postal Code 13413
Kingdom of Saudi Arabia.

c) The Company's activities primarily consist of market research and consultation services, and data analytics services.

d) On Safar 21, 1446H (corresponding to August 25, 2024G), Saudi Tadawul Group approved the application of the Company to list with a share capital of SAR 16,875,000 on Parallel Market ("Nomu") through an Initial Public Offering ("IPO"). On Rabi Al Awwal 8, 1446H (corresponding to September 11, 2024), the Capital Market Authority ("CMA') approved Company's application for the registration and offering of 337,500 shares representing 20% of the Company's post-IPO share capital on Nomu. IPO of the Company was completed, accordingly listing and trading of shares of the Company was announced by Saudi Exchange on December 11, 2024 (corresponding to Jumada Al Akhira 10, 1446H).

2-BASIS OF PREPARATION THE FINANCIAL STATEMENTS

Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Preparation of financial statements

These financial statements have been prepared on the basis of the historical cost principle, except when the International Financial Reporting Standards require the use of another measurement basis, as indicated in the accounting policies applied in Note No. (5) "Material accounting policy information". Furthermore, these financial statements have been prepared using the accrual basis of accounting and going concern basis.

Functional and presentation currency

These financial statements are presented in Saudi Riyals, which is the Company's functional and presentation currency.

3-SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgments, estimates, and assumptions at reporting date that affect the reported amounts of assets, liabilities, revenues, and expenses. However, these estimates and assumptions are based upon management's experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The following are information about the assumptions and estimates that have a material impact on the amounts reported in the financial statements:

3- SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATES AND ASSUMPTIONS (CONTINUED)

- *Estimated useful lives of property, equipment and intangible assets*

  Management reviews the useful lives of property, equipment and intangible assets to calculate depreciation and amortization. These estimates are determined after taking into account the expected use of assets, obsolescence, and damage. The management reviews the residual value and useful lives annually and changes in depreciation expenses in current and future periods, if any.

- *Impairment of non-financial assets*

  The Company's management periodically reviews the book value of non-financial assets to determine whether there is any indication that such assets may be subject to any impairment loss. If there is any indicator, the recoverable amount of assets is estimated to determine the extent of impairment loss. If the amount of recoverable assets is estimated to be below its carrying amount, the carrying amount of the asset decreases to its recoverable value, and the impairment loss is recognized immediately in the statement of profit or loss.

- *Provision for expected credit losses of account receivables, contract assets and retentions receivable*

  The Company uses a provision matrix to calculate Expected Credit Loss (“ECL”) for account receivables, contract assets and retentions receivable. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company’s historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast of economic conditions (i.e., Gross Domestic Product “GDP” and inflation) are expected to change over the next year, which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The assessment of the correlation between historical observed default rates, forecast of economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and forecast of economic conditions. The Company’s historical credit loss experience and forecast of economic conditions may also not be representative of the customer’s actual default in the future.

- *Employees’ defined benefit plan obligations*

  Post-employment defined benefits and the current value of those benefits are determined through actuarial valuations. The actuarial valuation includes further assumptions regarding variables that are required such as discount rates, rate of salary increase, mortality rates, withdrawal rate, age of retirement. Due to the complexity of the valuation, the underlying assumptions, and its long-term nature, a defined benefit liability is highly sensitive to changes in these assumptions. All actuarial assumptions are reviewed at the date of every statement of financial position.

- *Extension and termination options in lease contracts*

  Extension and termination options are included in a number of leases. These terms are used to increase operational flexibility in terms of contract management. Most of the extension and termination options held are exercisable by both the Company and the lessor.

  In determining the term of a lease, management takes into account all facts and circumstances that create an economic incentive to exercise the extension option, or not exercise the termination option. Extension options (or periods following termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The appraisal is reviewed if a significant event or significant change in circumstances occurs that affects this appraisal and is within the tenant's control.

3- SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Use of Judgments and Estimates (Continued)

- *Zakat*

  In calculating zakat for the current year, the Company adjusted its net profit and applied a certain discount to its zakat to calculate zakat expenses. The Company has made the best estimates of these assumptions.

4- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The Company has applied the following standards and amendments, where applicable, for the first time for their annual reporting period commencing 1 January 2024:

Amendments to IFRS 16 – Leases on Sale and Leaseback

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendments to IAS 1 – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve the information an entity provides related to liabilities subject to these conditions.

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows, and exposure to liquidity risk.

The adoption of the above amendments does not have any material impact on the Financial Statements during the year.

Standards Issued but Not Yet Effective

The following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2025. Earlier application is permitted for certain new standards and amendments; however, the Company has not early adopted them in preparing these financial statements. The Company is currently evaluating the impact of the adoption of these standards on the financial statements.

Amendments to IAS 27 – Lack of Exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

These amendments are:

- Clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environmental, social, and governance (ESG) targets).
- Update disclosures for equity instruments designated at Fair Value Through Other Comprehensive Income (FVOCI).

4- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)

Standards Issued but Not Yet Effective (Continued)

IFRS 18 – Presentation and Disclosure in Financial Statements

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

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

5-MATERIAL ACCOUNTING POLICY INFORMATION

The following is material accounting policy information that has been applied by the Company:

Classification of assets and liabilities as "current" or "non-current"

The Company presents assets and liabilities in the statement of financial position on a current / non-current basis. The assets are considered current as follows:

- When it is expected to be paid during the normal cycle of operations
- If it is acquired primarily for the purpose of trading.
- When it matures within twelve months after the fiscal year, or
- When there is no unconditional right to defer the payment of liabilities for a period of not less than twelve months after the financial year.

All other assets are classified as "non-current".

The liabilities are considered current as follows:

- When it is expected to be paid during the normal cycle of operations,
- If it is acquired primarily for the purpose of trading,
- When it matures within twelve months after the fiscal year, or
- When there is no unconditional right to defer the payment of liabilities for a period of not less than twelve months after the financial year.

All other liabilities are classified as "non-current".

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of assets. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. Expenditures on maintenance and repairs are expensed, while expenditures for improvements are capitalized. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets. Sold or disposed assets and their accumulated depreciation are written-off at the date of sale or disposal.

The annual estimated useful life for depreciation of the assets are as follows:

Item	Useful life
Leasehold improvements	15 years
Furniture, fixtures and decorations	5 years
Air conditioners	5 years
Electrical equipment	4 years
Computers	5 years

Depreciation method and useful lives are reviewed periodically to ensure that the depreciation method is appropriate with the expected economic benefits of property and equipment.

5- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment of assets

At each statement of financial position date, the Company reviews the carrying amounts of its property and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If there is any indication that assets have suffered an impairment loss, the recoverable amount of any affected asset (or group of assets) is estimated and compared to its carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit or loss.

Intangible Assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in statement of income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss.

Amortization is calculated from the date when the intangible assets are available for its intended use. It is calculated on a straight-line basis over the useful life of the asset as follows:

Item	Number of years
Software	5

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that relate directly to the purchase or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through the statement of profit or loss) are added to the fair value of financial assets and financial liabilities or deducted from them, as appropriate, upon initial recognition. Transaction costs that are directly related to the purchase of financial assets and liabilities and are measured at fair value through the statement of profit or loss are recognized directly in the statement of profit or loss.

Financial assets

Financial assets are classified into the following specified categories: Financial assets 'at fair value through profit or loss' (FVTPL), Financial assets measured at fair value through other comprehensive income, and financial assets measured at amortized cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. A regular way purchase or sale of financial assets is recognized using trade date. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

5- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)
Financial Instruments(continued)
Financial assets (continued)

a) Financial assets measured at fair value through profit or loss (FVTPL)
Financial assets are measured at fair value through the statement of profit or loss if they have been acquired or held for the purpose or selected to be classified in this category.
Financial assets are classified as held for trading if:

- If they were acquired mainly to be sold in the near future.
- If they represent a known portfolio of financial instruments managed by the Company and include the actual pattern of a financial instrument that generates profits in the short term.
- If they represent a derivative but not classified or effective as a hedging instrument.

Financial assets measured at fair value through the statement of profit or loss are stated at their fair value, and any gain or loss resulting from the revaluation is recognized in the statement profit or loss. Company does not have any financial assets measured at FVTPL.

b) Financial assets measured at Fair value through other comprehensive income (FVOCI)
Quoted shares owned by the Company which they are traded in an active financial market classified as financial assets at FVOCI. Gains and losses arising from changes in fair value are included in the statement of other comprehensive income and are added to statement of accumulated changes in fair value of investments within equity other than impairment losses which are included in the statement of profit and loss. If investment is disposed or suffered an impairment, profits and losses resulted from previous evaluation which were recognized in investment revaluation reserve are included in the statement of other comprehensive income.

c) Financial assets measured at amortized cost
Accounts receivable, including trade and other receivables, cash and cash at banks are measured at amortized cost using the effective interest method less any impairment loss and charged to the statement profit or loss.

Interest income is determined using the effective interest rate, except for short-term receivables when the discount effect is insignificant.

Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (“SPPI”) are measured at amortised cost. A gain or loss on a debt investment subsequently measured at amortised cost and not part of a hedging relationship is recognized in the statement of profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Derecognition
Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset.

Impairment in the value of financial assets
The Company recognizes an allowance for expected credit losses for all debt instruments not carried at fair value through the statement of comprehensive income.

5- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)
Financial Instruments(continued)
Financial assets (continued)

Impairment in the value of financial assets (Continued)
The provision for expected credit losses is recognized in two stages. For a credit exposure that has not experienced a significant increase in credit risk since initial recognition, ECLs are recognized for the credit risk arising from a potential default within 12 months (12-month expected credit losses). For a credit exposure that has experienced a significant increase in credit risk since the initial recognition, an allowance for expected credit losses must be recognized over the remaining life of the exposure, regardless of the timing of default (lifetime expected credit losses).

For trade debtors, the Company applies a simplified approach to the calculation of expected credit losses. Therefore, the Company has used a provision matrix that is based on its historical experience of credit losses, which has been adjusted for future factors specific to the debtors and the economic environment.

Financial liabilities
Financial liabilities (including loans and trade payables) are measured subsequently at amortised cost using the effective interest method.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, canceled, or have expired. The difference between the carrying amount of disposed financial liabilities and the amount paid is charged to the statement of profit or loss.

Effective interest rate method
The effective interest method is an accounting practice used for calculating the amortized cost of a debt instrument and for distributing interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (Including all fees and points paid or received, which form an integral part of the effective interest rate, transaction costs, installments or other discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the financial statements when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Contract assets and liabilities
When one of the parties of a contract performs, the entity is required to present the contract in the statement of financial position as a contract asset or a contract liability based on the relationship between the entity's performance and the customer's payment. Contract assets represent the entity's right to compensation for services transferred by the entity to the customer. Contract liabilities represent the entity's obligation to transfer the services to the customer, for which the entity received compensation (or is due) from the customer.

Accounts receivable
Accounts receivable are stated at the original amount of invoice, less provision for ECLs. An allowance against ECLs is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Provisions are charged to the statement of profit or loss. Any receivables recovered subsequently that were previously written off are recorded in statement of profit or loss.

5- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Accounts receivable (Continued)

The Company's average credit period is up to 60 days. No interest is charged on outstanding accounts receivables. The Company considers that default can occur when a financial asset or debtor is past due by more than the average credit limit and in this case, debtors are segregated into various categories keeping in view the nature of debtors, their past track records and any other relevant and applicable information. Accordingly, the Company defines the default for each category of debtor based on delay in payment beyond the allowed average credit limit unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Written off policy:

The Company writes off a financial asset, including a receivable from a customer, when there is an information indicating that the debtor is in severe financial crisis and there is no realistic prospect of recovery and is charged to related provision. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made out of written off balances are recognized in statement of profit or loss.

Cash at banks

Cash at banks includes cash held in the banks.

Employees' defined benefits plan obligations

- End-of-service *indemnities*

  The end-of-service indemnity provision is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position and the gains and losses are recognized in other comprehensive income in the period in which they occur, remeasurements recognized within retained earnings in other comprehensive income and are not recharged to the statement of profit or loss.

- *Retirement* benefits

  The Company contributes for a defined benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. These payments are expensed when incurred.

- Short-term employee benefits

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

Leases

On initiation of non-cancellable operating leases, the leased asset is identified and defined as the "right-of-use asset" and measured at cost with an appropriate discount to the relevant components of the lease term and payment obligations including initial direct cost and terms and incentives mentioned in the basic lease agreement after the measurement After initial recognition, the 'right to use leased asset' is measured periodically using a cost model that includes initially measured and any re-measurement adjustments less accumulated depreciation.

The right-of-use asset is depreciated over the lease term unless the lessee is reasonably certain to exercise the purchase option, in which case it is depreciated over the asset's useful life.

On the commencement date of the lease at the net present value of all unpaid lease payments as on that date discounted at an appropriate rate.

5- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases(continued)

After the initial measurement, the lease liability is measured periodically by increasing its carrying cost to reflect the interest cost of the unpaid future lease liability and any re-measurement adjustment minus the lease payments made up to that date. An appropriate rate of depreciation and an appropriate rate of interest are applied to the "Right-of-use Asset" and "Leases Liabilities" respectively. This depreciation and finance expenses are charged to the statement of profit or loss.

Loans

Loans are initially recognized at fair value, net of transaction costs, and subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the amount repayable is recognized in the statement of profit or loss over the period of the borrowing using the effective interest rate method. Fees paid on loan facilities are recognized as transaction costs of the loan to the extent it is probable that some or all of the facility will be drawn down. In this case, these fees are deferred until the facility is drawn down. When there is no evidence that it is probable that some or all of the facility will be drawn down, the fees are capitalized as prepaid expenses for liquidity services and amortized over the period of the related facility.

Loans are settled from the financial position when the specific commitment under the contract is discharged, fulfilled, or cancelled. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade payables

Trade payables are recognized for amounts to be paid in the future for services received, whether billed or not by suppliers.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured to the best of the expected fair value of the liability as at the date of statement of financial position, taking into account risks and uncertainties surrounding the obligation. When an allowance is measured using estimated cash flows to settle the present obligation, the receivable is recognized as an asset if the receipt and replacement of the amount are confirmed and the amount can be measured reliably.

Zakat provision

Zakat provision is calculated in accordance with the regulations of the Zakat, Tax and Customs Authority (ZATCA). The zakat provision is recorded at the end of the financial year within the items of statement of profit and loss and other comprehensive income, and the differences resulting from the final assessment are recognized within the same item in the year in which the zakat assessment is approved.

Value added tax

The Company is subject to value-added tax in accordance with the value-added tax system applied in the Kingdom of Saudi Arabia. The tax amount is determined by applying the tax rate to the value of the supply, which represents the difference between the output and input tax. The Company accounts for revenues and purchases/services after deducting the value-added tax for all periods presented in the statement of profit or loss.

Revenues

The Company derives revenue principally from rendering of services and is measured at the fair value the consideration received or receivable. Revenue is recognized when the Company fulfills its obligations in contracts with customers with an amount that reflects the material compensation that the entity expects for services. Specifically, the standard provides a five-step model for revenue recognition: .

5- MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenues(continued)

Step 1: Identify the contract with the customer: A contract is an agreement between two or more parties that establishes rights and obligations and sets standards that must be met for each contract.
Step 2: Identify the performance obligations in the contract: A performance obligation is a promise in the contract with a customer to provide services to the customer.
Step 3: Determine the transaction price: The transaction price is the amount of consideration that the company expects to receive in exchange for transferring the promised services to the customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligations in the contract: In a contract that contains more than one performance obligation, the company will allocate the transaction price to each performance obligation in an amount that determines the amount of consideration the company expects to receive in exchange for fulfilling each performance obligation.
Step 5: Recognize revenue when or as the entity satisfies a performance obligation: A company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is proven:

(a) The Company's performance does not create an asset that has an alternative use to the Company, and the company has an enforceable right to payment for the performance completed to date; or
(b) The Company's performance creates or improves the asset that the customer controls at the same time; or
(c) The customer receives the benefits provided by the entity’s performance and consumes them at the same time as soon as the Company performs.

Below is how revenue is recognized for all types of services:
- *Market* research and consulting services: Revenue is recognized over time
- Data analytic*s services:* Revenue is recognized over time

The Company undertakes a performance commitment and recognizes revenues over time through the output method based on appraisal of results achieved or milestones reached whereby the customer simultaneously receives and consumes the benefits provided by the Company's performance while executing the performance.

Cost of revenue

Cost of revenue includes cost directly related to generating revenue like operational employees cost, data collection, research and consultancy costs and other direct operational expenses.

Expenses

All other expenses are classified as general and administrative expenses and selling and marketing expenses. Common expenses are allocated between general and administrative expenses and cost of revenue. Common expenses are allocated on consistent basis.

Other income

Other income are recognized when realized.

Earnings per share

The basic earnings per share is calculated from net profit, by dividing the net profit of the year by the weighted average number of shares outstanding as at the end of the year. The basic earnings per share from the main business is calculated by dividing the net profit from the main business by the weighted average number of shares outstanding as at the end of the year.

Finance costs

All finance costs are recognized as an expense in the period in which they are incurred. Finance costs consist of interest on bank facilities, bank charges, interest amortization on end of service liability and interest amortized for lease liabilities.

Contingent liabilities

Contingent liabilities are not recognized in the financial statements and are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed where an inflow of economic benefits is probable.

(All amounts are in Saudi Riyals unless otherwise stated)

6- PROPERTY AND EQUIPMENT

	Leasehold improvements	Furniture, fixtures and decorations	Air conditioners	Electrical equipment	Computers	Total
Cost						
Balance as at January 1, 2023	3,242,973	1,068,434	105,240	489,174	901,002	5,806,823
Additions during the year	12,090	-	-	1,898	263,066	277,054
Balance as at December 31, 2023	3,255,063	1,068,434	105,240	491,072	1,164,068	6,083,877
Additions during the year	**-**	**-**	**-**	**16,032**	**157,083**	**173,115**
Balance as at December 31, 2024	**3,255,063**	**1,068,434**	**105,240**	**507,104**	**1,321,151**	**6,256,992**
Accumulated depreciation						
Balance as at January 1, 2023	299,028	852,228	103,684	370,726	510,313	2,135,979
Charge during the year	215,059	116,632	352	68,043	178,782	578,868
Balance as at December 31, 2023	514,087	968,860	104,036	438,769	689,095	2,714,847
Charge during the year	**214,609**	**63,472**	**1,204**	**31,943**	**156,753**	**467,981**
Balance as at December 31, 2024	**728,696**	**1,032,332**	**105,240**	**470,712**	**845,848**	**3,182,828**
Net book value as at December 31, 2024	**2,526,367**	**36,102**	**-**	**36,392**	**475,303**	**3,074,164**
Net book value as at December 31, 2023	2,740,976	99,574	1,204	52,303	474,973	3,369,030

- Depreciation on property and equipment is allocated as follows:

	December 31, 2024	December 31, 2023
Cost of revenue (note 24)	**380,526**	488,420
General and administrative expenses (note 26)	**87,455**	90,448
	467,981	578,868

- Property and equipment includes assets having cost of SAR 1,858,614 as at December 31, 2024 (December 31, 2023: SAR 953,678) which are fully depreciated but still in use.

- Leasehold improvements amounting to SAR 3,255,063 as at December 31, 2024 (December 31, 2023: SAR 3,255,063 in 2023) were made on buildings leased for renewable periods.

(All amounts are in Saudi Riyals unless otherwise stated)

7- INTANGIBLE ASSETS

	December 31, 2024	December 31, 2023
Cost		
Balance at the beginning of the year	**536,637**	536,637
Additions during the year	**15,000**	-
Balance at the end of the year	**551,637**	536,637
Accumulated amortization		
Balance at the beginning of the year	**281,967**	191,883
Charged for the year	**86,864**	90,084
Balance at the end of the year	**368,831**	281,967
Net book value at the end of the year	**182,806**	254,670

- Intangible assets includes software as at 31-December-2024. Intangible assets include assets having a cost of SAR 105,934 which were fully amortized but still in use. (December 31, 2023: SAR 105,934).

- Amortization on intangible assets is allocated as follows:

	December 31, 2024	December 31, 2023
Cost of revenue (note 24)	**70,628**	70,628
General and administrative expenses (note 26)	**16,236**	19,456
	86,864	90,084

8-RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

8.1 Right-of-use-assets

	December 31, 2024	December 31, 2023
Cost		
Balance at the beginning of the year	**13,943,147**	13,943,147
Disposal during the year	**(87,058)**	-
Balance at the end of the year	**13,856,089**	13,943,147
Accumulated depreciation		
Balance at the beginning of the year	**5,595,017**	4,173,488
Charged for the year	**1,380,772**	1,421,529
Disposal during the year	**(62,875)**	-
Balance at the end of the year	**6,912,914**	5,595,017
Net book value at the end of the year	**6,943,175**	8,348,130

- Depreciation on right of use asset is allocated as follows:

	December 31, 2024	December 31, 2023
Cost of revenue (note 24)	**1,122,684**	1,199,415
General and administrative expenses (note 26)	**258,088**	222,114
	1,380,772	1,421,529

(All amounts are in Saudi Riyals unless otherwise stated)

8- RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

8.2 Lease liabilities

	December 31, 2024	December 31, 2023
Balance at the beginning of the year	**8,997,659**	10,253,754
Finance cost (note 27)	**620,634**	715,917
Paid during the year	**(1,831,023)**	(1,972,012)
Disposal during the year	**(23,071)**	-
Balance at the end of the year	**7,764,199**	8,997,659
Non-current portion	**6,664,639**	7,581,613
Current portion	**1,099,560**	1,416,046
	7,764,199	8,997,659

The total financing cost for the year ended December 31, 2024 amounts to SAR 620,634 (December 31, 2022: SAR 715,917) (note 27).

The Company has followed the policy of charging the financing cost to the statement of profit or loss over the leasing period using the incremental borrowing rate ranging from 5.29% to 7.39% per annum (2023: ranging from 5.29% to 7.39% per annum) and the right to use the asset was depreciated over the lease term unless the lessee is reasonably certain to exercise the purchase option, in which case it is depreciated over the asset's useful life. Above leases also include leases of one year for which the management is reasonably certain to renew these leases beyond twelve months and related right of use assets (offices) are in use by the Company as regular part of its business and the Company needs these offices in future as well.

The right-of-use assets primarily consist of office premises obtained through rental arrangements.

9- CONTRACT ASSETS AND LIABILITIES

9.1 Contract assets

The movement in contract assets is as follows:

	December 31, 2024	December 31, 2023
Balance at the beginning of the year	**10,730,969**	6,437,921
Revenue recognized during the year	**60,482,340**	47,667,111
Revenue billed during the year	**(63,272,011)**	(43,374,063)
Balance at the end of the year	**7,941,298**	10,730,969

9.2 Ageing of contract assets:

	December 31, 2024	December 31, 2023
Upto to 90 days	**7,842,497**	10,730,969
91 days to180 days	**98,801**	-
	7,941,298	10,730,969

9.3 Contract liabilities

The movement in contract liabilities is as follows:

	December 31, 2024	December 31, 2023
Balance at the beginning of the year	**2,924,516**	616,640
Revenue recognized during the year	**(2,571,687)**	(6,624,701)
Advance received during the year	**511,371**	8,932,577
Balance at the end of the year	**864,200**	2,924,516

(All amounts are in Saudi Riyals unless otherwise stated)

10- PREPAID EXPENSES AND OTHER ASSETS

	December 31, 2024	December 31, 2023
Cash margin on letters of guarantee	**5,142,967**	6,635,958
Prepaid expenses	**1,260,499**	832,303
Security deposits	**182,035**	251,892
Advance to employees	**134,097**	165,863
	6,719,598	7,886,016

11- ACCOUNTS RECEIVABLE - Net

11.1 Movement in accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable	**12,890,105**	10,075,698
Retentions receivable	**158,455**	181,414
ECL allowance on accounts receivable	**(188,286)**	(196,305)
Accounts receivable, net	**12,860,274**	10,060,807

The Company applies a simplified method to calculate credit losses, and management believes that the credit loss allowance adequately covers the risk of default. The Company does not have any security on these receivables but these are significantly receivable from government customers (refer below to disclosure by customer type).

11.2 Customer wise split of the accounts receivable:

	December 31, 2024	December 31, 2023
Government entities	**12,392,213**	9,773,415
Private entities	**497,892**	302,283
	12,890,105	10,075,698

11.3 Movement in ECL allowance on account receivable

	December 31, 2024	December 31, 2023
Balance at the beginning of the year	**196,305**	264,921
(Reversed) / charged during the year	**(8,019)**	238,099
Written off during the year	**-**	(306,715)
Balance at the end of the year	**188,286**	196,305

11.4 Ageing of accounts receivable:

	December 31, 2024	December 31, 2023
Not due	**2,419,945**	2,079,345
Upto to 90 days	**4,828,990**	6,229,124
91 days to180 days	**5,641,170**	1,175,605
181 days to 365 days	**-**	179,896
More than 365 days	**-**	411,728
	12,890,105	10,075,698

12- CASH AT BANKS

	December 31, 2024	December 31, 2023
Cash at banks	**26,932,374**	5,590,853

(All amounts are in Saudi Riyals unless otherwise stated)

13- RELATED PARTY TRANSACTIONS

Related parties comprise substantial shareholders, Board of Directors ('Board") and key management personnel of the Company and their relatives. Prices and terms of related party transactions are approved by the Company's Board and are in the Company's normal course of business. There were no significant related party transactions during the years ended December 31, 2024 and 2023.

Compensation of Board and key management personnel

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, includes senior management and board of directors (executive or otherwise).

	December 31, 2024	December 31, 2023
Short term benefits	**7,213,050**	4,393,984
Post-employment benefits	**368,228**	239,004
Board remunerations and meetings allowance	**829,000**	350,000
	8,410,278	4,982,988

14- SHARE CAPITAL

The Company's share capital as at December 31, 2024 amounted to SAR 16,875,000 (December 31, 2023: SAR 1,228,070), consisting of 1,687,500 (December 31, 2023: 122,807) fully paid and issued shares of SAR 10 each.

The Company's General Assembly meeting, held on Rajab 16, 1445H (corresponding to January 28, 2024), shareholders approved to increase the share capital by SAR 122,800 (12,280 shares of SAR 10 each) from retained earnings.

Further, the Company's General Assembly meeting, held on Shawwal 13, 1445H (corresponding to April 22, 2024), approved to increase the share capital by SAR 13,649,130 (1,364,913 shares of SAR 10 each) from share premium amounting to SAR 11,528,452 and from retained earnings amounting to SAR 2,120,678 and the company's capital became 15,000,000 SAR after the increase.

Through an Extraordinary General Assembly meeting held on Dhul Hijjah 18, 1445H (corresponding to June 24, 2024), the shareholders of the Company approved to increase the share capital of the Company from SAR 15,000,000 to SAR 16,875,000 by issuing 187,500 additional shares during IPO and existing shareholders waived their preemptive right on these additional shares. Total proceeds received amounted to SAR 15,562,500 at SAR 83 per share for 187,500 shares out of which SAR 1,875,000 was recorded as an increase in share capital and remaining balance of SAR 12,497,965 was recorded as share premium after deducting the offering expenses of SAR 1,189,535.

Related legal formalities to increase the share capital have been completed during 2024.

15- ADDITIONAL CONTRIBUTION FROM PRE IPO-SHAREHOLDERS

Additional contribution from Pre-IPO shareholders represents SAR 1,363,530 (December 31, 2023: SAR Nil) contributed by the Pre-IPO shareholders in form of treasury shares (refer note-17).

16- STATUTORY RESERVE

According to the new Companies Law in the Kingdom of Saudi Arabia, which came into effect on January 19, 2023, the Company is no longer required to maintain a statutory reserve and the balance of the reserve can be transferred to retained earnings. General Assembly may determine the percentage to be distributed to the statutory reserve. Articles of association of the company has been amended accordingly during the year 2024.

17- TREASURY SHARES

Through an Extraordinary General Assembly meeting held on Rajab 16, 1445H (corresponding to January 28, 2024), shareholders of the Company approved and awarded 12,280 shares for allocating to treasury shares and approved the uses of the treasury shares as follows:

(i) Fulfilling convertible debt instruments holders right to convert them into shares in accordance with the terms and conditions of those instruments;

(ii) Share swap transactions for the acquisition of a company's shares or stakes or an asset purchase;

(iii) Allocating them to Company's employee as part of an Employee Share Plan; or

(iv) Any other purpose approved by the relevant competent authority.

Also, through an Extraordinary General Assembly meeting held on Shawwal 13, 1445H (corresponding to April 22, 2024), shareholders authorized the Company's board of directors with full power to manage treasury shares.

Further, through an Extraordinary General Assembly meeting held on Dhul Hijjah 18, 1445H (corresponding to June 24, 2024), the shareholders of the Company approved and awarded 124,073 shares for allocating to treasury shares, thus making total allocation to treasury shares of 136,353 shares at the price of SAR 10 each.

18- SHARE PREMIUM

On Ramadan 7, 1442H (corresponding to April 19, 2021), the Company's shareholders resolved to increase the Company's share capital from SAR 1,000,000 to SAR 1,228,070 and issued 22,807 new shares with nominal value of SAR 10 per share. Total proceeds received amounted to SAR 12,999,990 with value of SAR 570 per share out of which SAR 228,070 was recorded as an increase in share capital and the remaining balance of SAR 11,528,452 was recorded as share premium after deducting the related expenses of SAR 1,243,468. Value of SAR 570 per share was determined by the weighted average share calculated by Manafa Capital Company, licensed by the Capital Market Authority on July 16, 2018, through the Manafa Collective Equity Financing Platform for the capital increase. During the year ended December 31, 2024, entire opening balance of SAR 11,528,452 of share premium was utilized to increase the share capital of the Company.

IPO of the Company was completed (note 1-d), total proceeds received amounted to SAR 15,562,500 at SAR 83 per share for 187,500 shares out of which SAR 1,875,000 was recorded as an increase in share capital and remaining balance of SAR 12,497,965 was recorded as share premium after deducting the offering expenses of SAR 1,189,535.

19- EMPLOYEES' DEFINED BENEFIT PLAN OBLIGATIONS

19.1 Defined contribution plan:

The Company makes contributions for a defined contribution retirement benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. The total amount expensed during the year in respect of this plan is SAR 1,217,084 (December 31, 2023: SAR 1,054,192).

19.2 Defined benefit obligation – employees' end of service termination benefits obligation:

The Company operates a termination benefit plan in line with the Labor Law requirement in the Kingdom of Saudi Arabia. The end of service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labor Law of the Kingdom of Saudi Arabia. Employees' end of service termination benefits obligation are unfunded plans and the benefit payment obligations are met when they are due. The Company assesses the present value of the defined employee benefit plan obligations by conducting an actuarial valuation using the projected unit credit method. This assessment is based on a specified set of assumptions.

Employees' end of service termination benefits obligation are unfunded plans and the benefit payment obligations are met when they are due.

The movement in defined employees' benefit plan obligations as at December 31, is as follows:

(All amounts are in Saudi Riyals unless otherwise stated)

19- EMPLOYEES' DEFINED BENEFIT PLAN OBLIGATIONS (CONTINUED)

	December 31, 2024	December 31, 2023
Employees' benefits plan obligations balance at the beginning of the year	**3,723,125**	3,038,845
Charged to the statement of profit or loss		
Cost of current service	**1,078,114**	934,941
Curtailment gain	**(25,965)**	-
Finance cost	**164,935**	119,251
Charged to the statement of other comprehensive income		
Actuarial loss / (gain) from re-measurement of defined employees benefit plan obligation	**285,199**	(139,826)
Paid during the year	**(266,194)**	(230,086)
Employees' benefits plan obligations balance at the end of the year	**4,959,214**	3,723,125

Key Assumptions

	December 31, 2024	December 31, 2023
Discount rate	**5.40%**	4.59%
Salary increase rate	**5.0%**	11.21%
Withdrawal rate	**Moderate**	Moderate

Sensitivity analysis

The sensitivity analysis presented below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. Accordingly, employees' defined benefit plan obligations are as under:

	December 31, 2024	December 31, 2023
Increase in discount rate by 1%	**4,700,925**	3,515,190
Decrease in discount rate by 1%	**5,247,023**	3,956,297
Increase in salary rate by 1%	**5,270,221**	3,964,887
Decrease in salary rate by 1%	**4,675,207**	3,503,184

Maturity analysis

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

	Less than 1 year	**1 year to 5 years**	**More than 5 years**	**Total**
December 31, 2024	**789,254**	**2,264,953**	**3,958,623**	**7,012,830**
December 31, 2023	546,417	1,598,628	2,934,571	6,165,928

20- LOANS

	December 31, 2024	December 31, 2023
Loan from Bank Al Bilad	**1,597,707**	1,289,013

The movement on loans for the years ended December 31, is as follows:

	December 31, 2024	December 31, 2023
Balance at the beginning of the year	**1,289,013**	6,575,870
Receipts during the year	**8,477,994**	4,486,939
Repayments from loans during the year	**(8,169,300)**	(9,773,796)
Balance at the end of the year	**1,597,707**	1,289,013

(All amounts are in Saudi Riyals unless otherwise stated)

20- LOANS (CONTINUED)

Loans are allocated as follows:

	December 31, 2024	December 31, 2023
Current portion	**1,597,707**	1,289,013

Related recognized finance cost during the year ended December 31, 2024 amounted to SAR 424,466 (December 31, 2023: SAR 349,672) (refer note-27). Average effective finance cost rates on loans is 6.10% per annum (2023: 6.89% per annum).

Loan from Bank Al Bilad

On Rajab 12, 1445H (corresponding to January 24, 2024), the Company renewed the agreement dated July 28, 2022 with Bank Al Bilad for long-term financing facility comprising term loans and letters of guarantee with a total value of 9,903,000 Saudi Riyals ("The Facility") whereby term loans are at prevailing market rate based on SIBOR plus margin. The Facility provides term loans and letters of guarantee for a period of three years and is secured by a promissory note in the amount of 7,800,000 Saudi Riyals and is also secured by Kafala Program. As at December 31, 2024, the outstanding balance of the loan from Bank Al Bilad amounted to SAR 1,597,707. The loan is obtained under project financing and its repayment will be made upon receipt of collections from the customer, as per terms of contract for every specific customer.

Loan from Lendo Company

On Safar 9, 1446H (corresponding to August 13, 2024), the Company renewed the agreement with Lendo Company for short-term financing facility with a total value of SAR 7,500,000 ("The Facility") at prevailing rate. The Facility is subject to financing the accounts receivable of the Company upto 80% of the approved invoice , with repayment to be made within a maximum period of six months from the date of receipt. The Facility is secured by a promissory note in the amount of SAR 7,950,000. The Facility shall expire on August 25, 2025. As of December 31, 2024, the outstanding balance of the loan from Lendo Company amounted to SAR Nil.

Loan from Riyadh Bank

On Safar 15, 1446H (corresponding to August 19, 2024), the Company signed an agreement which was dated Ramadan 7, 1445H (corresponding to March 17, 2024) with Riyadh Bank for project financing and letters of guarantee facilities with a total value of SAR 4,500,000 ("The Facility") with project financing at prevailing market rate based on SIBOR plus margin. The Facility covers a period of three years and is secured by a promissory note in the amount of SAR 4,600,000 and is also secured by Kafala Program. The Facility shall expire on March 17, 2027. As of December 31, 2024, the outstanding balance of the loan from Riyadh bank amounted to SAR Nil. The loan will be obtained under project financing and its repayment will be made upon receipt of collections from the customer, as per terms of contract for every specific customer.

21- ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2024	December 31, 2023
Accrued expenses	**4,438,027**	3,034,380
Accounts payable	**3,487,973**	66,927
VAT payable	**2,566,103**	3,008,502
Accrued data collection and surveys	**674,719**	1,229,296
Withholding tax	**111,852**	21,255
Others	**-**	25,000
	11,278,674	7,385,360

(All amounts are in Saudi Riyals unless otherwise stated)

22- ZAKAT

Following are main components of the zakat base:

	December 31, 2024	December 31, 2023
Adjusted net income of the year	**5,921,993**	12,421,329
Positive zakat base elements	**48,676,840**	25,548,001
Negative zakat base elements	**(10,343,645)**	(14,444,835)
Zakat base	**38,333,195**	23,524,495
Zakat at 2.5%	**990,816**	596,738

Following is the movement in zakat provision:

	December 31, 2024	December 31, 2023
Balance at the beginning of the year	**596,738**	345,847
Provided during the year	**990,816**	596,738
Paid during the year	**(595,660)**	(345,847)
Balance at the end of the year	**991,894**	596,738

Zakat assessment

The Company submitted its zakat returns to the Zakat, Tax and Customs Authority for the years 2021 to 2023 and paid the dues accordingly and obtained the required certificates. Zakat certificate related to zakat return submitted for the year 2023 is valid as of the date of issuance of these financial statements. The Company paid additional zakat liability related to 2019 amounting of SAR 12,043. The Company received final zakat assessment for the year 2020 with no additional zakat lability. Zakat assessments have been finalized until 2020. No zakat assessments have been received for the years 2021 to 2023.

23- REVENUE

23.1 Classification of revenue by segments

	December 31, 2024	December 31, 2023
Market research and consultation services	**51,194,692**	44,918,682
Data analytics services	**11,859,335**	9,373,130
	63,054,027	54,291,812

23.2 Timing of recognition of revenue

	December 31, 2024	December 31, 2023
Over time	**63,054,027**	54,291,812

23.3 Revenue by type of customers

	December 31, 2024	December 31, 2023
Government entities	**60,990,674**	51,451,048
Private entities	**2,063,353**	2,840,764
	63,054,027	54,291,812

23.4 Geographical source of revenue

	December 31, 2024	December 31, 2023
Revenue derived from customers within Saudi Arabia	**62,542,152**	54,243,062
Revenue derived from customers outside Saudi Arabia	**511,875**	48,750
	63,054,027	54,291,812

(All amounts are in Saudi Riyals unless otherwise stated)

23- REVENUE (CONTINUED)

23.5 The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2024 amounted to SAR 47,489,541 will be satisfied in future as per terms of contract (December 31, 2023 SAR 84,780,955).

23.6 Revenue from one major customer accounted for 30.84% of the total revenue for the year (2023: One customer accounted for 37.04%) which relates to Company's market research and consultation services.

24- COST OF REVENUE

	December 31, 2024	December 31, 2023
Employee salaries and benefits	**20,156,724**	15,638,047
Data collection and surveys	**10,105,205**	10,174,609
Data consultancy	**4,581,232**	2,681,933
Research and consultancy	**3,070,337**	1,944,004
Depreciation on right of use assets (note 8)	**1,122,684**	1,199,415
Medical insurance	**1,090,383**	611,178
Depreciation on property and equipment (note 6)	**380,526**	488,420
Amortization on intangibles (note 7)	**70,628**	70,628
Other direct expenses	**1,404,180**	1,659,697
	41,981,899	34,467,931

25- SELLING AND MARKETING EXPENSES

	December 31, 2024	December 31, 2023
Advertising and promotion	**1,040,672**	190,693
Other marketing expenses	**149,946**	81,754
	1,190,618	272,447

26- GENERAL AND ADMINISTRATIVE EXPENSES

	December 31, 2024	December 31, 2023
Employee salaries and benefits	**7,871,240**	5,022,675
Board and committee members' remunerations and meetings allowance	**959,000**	369,233
Government fees	**657,806**	274,793
Professional and legal fees	**637,269**	240,000
Medical insurance	**480,529**	265,287
Software licenses	**298,359**	258,398
Depreciation of right of use asset (note 8)	**258,088**	222,114
Human resources services	**186,328**	79,711
Cleaning expenses	**179,796**	175,378
Depreciation of property and equipment (note 6)	**87,455**	90,448
Amortization of intangibles (note 7)	**16,236**	19,456
Expected credit loss allowance (note 11)	**-**	238,099
Other admin expenses	**314,952**	352,103
	11,947,058	7,607,695

(All amounts are in Saudi Riyals unless otherwise stated)

27- FINANCE COST

	December 31, 2024	December 31, 2023
Lease liabilities (note 8)	**620,634**	715,917
Loans (note 20)	**424,466**	349,672
Employees' defined benefit plan obligations (note 19)	**164,935**	119,251
Bank charges	**285,781**	89,856
	1,495,816	1,274,696

28- OTHER INCOME

	December 31, 2024	December 31, 2023
Government support for human resource development	**436,132**	459,995
Reversal of expected credit loss allowance	**8,019**	-
Other income	**37,500**	-
	481,651	459,995

29- EARNINGS PER SHARE

	December 31, 2024	December 31, 2023
Net income for the year	**5,929,471**	10,532,300
Weighted average number of shares	**1,410,784**	1,500,000
Basic earnings per share for the year	**4.20**	7.02

The per share calculation for both basic and diluted Earnings Per Share ("EPS") reflects the retrospective adjustment for increase in number of shares resulting from increase in share capital (refer note-14). The calculation for weighted average number of ordinary shares for basic and diluted EPS has been adjusted for the effect of treasury shares (refer note-17).

Diluted EPS is determined by adjusting the profit for the year and the weighted average number of ordinary shares outstanding during the year for the effects of all dilutive potential ordinary shares. Since the Company has no such dilutive potential ordinary shares, the calculation and presentation of basic and dilutive EPS of the Company will be same.

30- CASH FLOW INFORMATION

30.1 Non-cash investing and financing transactions

Disposal of right-of-use assets and lease liabilities (refer note-8).

Increase in share capital of SAR 13,771,930 (December 31, 2023: SAR Nil) through share premium and retained earnings (refer note-14).

Additional contribution from Pre-IPO shareholders of SAR 1,363,530 (December 31, 2023: SAR Nil) by the Pre-IPO shareholders in form of treasury shares (refer note-17).

30.2 Change in liabilities arising from financing activities

December 31, 2024	**As at January 1, 2024**	**Cash outflows**	**Proceed from loans / Others**	**As at December 31, 2024**
Loans	**1,289,013**	**(8,169,300)**	**8,477,994**	**1,597,707**
Lease liabilities	**8,997,659**	**(1,831,023)**	**597,563**	**7,764,199**

December 31, 2023	**As at January 1, 2023**	**Cash outflows**	**Proceed from loans / Others**	**As at December 31,2023**
Loans	6,575,870	(9,773,796)	4,486,939	1,289,013
Lease liabilities	10,253,754	(1,972,012)	715,917	8,997,659
Due to a related party	572,597	(572,597)	-	-

(All amounts are in Saudi Riyals unless otherwise stated)

31- FAIR VALUE OF FINANCIAL INSTRUMENTS

As at the year end, the Company does not have any financial instruments measured at fair value categorised within the fair value hierarchy based on the lowest level of input (Level 1, Level 2 or Level 3).

The carrying values of the financial instruments reported in the financial statements approximate their fair values.

32- FINANCIAL INSTRUMENTS RISK MANAGEMENT

Financial instruments by category

Financial instruments have been categorised as follows:

Financial assets	**December 31, 2024**	December 31, 2023
Accounts receivable	**13,048,560**	10,257,112
Other assets	**5,459,099**	7,053,713
Cash at banks	**26,932,374**	5,590,853
Total financial assets	**45,440,033**	22,901,678

Financial liabilities	**December 31, 2024**	December 31, 2023
Lease liabilities	**7,764,199**	8,997,659
Accounts payable and other liabilities	**6,165,928**	3,121,684
Loans	**1,597,707**	1,289,013
Zakat payable	**991,894**	596,738
Total financial liabilities	**16,519,728**	14,005,094

Financial risk and risk management

The Company has an exposure to the following risks from its use of the financial instruments:

- Credit risk
- Liquidity risk
- Capital risk
- Market risk

This note shows information about the Company's exposure to each of the risks above, the goals of the Company, policies, methods of measurement and risk management**.**

Financial risk management general framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risks

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's policy states that all customers who want to deal on a forward basis are subject to credit check. Financial instruments that are subject to concentration of credit risk consist mainly of customer receivables. The Company deposits bank balances with a number of financial institutions with a good credit rating and has a policy of setting limits on its balances deposited with each financial institution.

Credit risk related to accounts receivable

Customers are evaluated according to the Company's standards. The Company does not believe that there is a significant risk of inefficiency of these institutions and does not consider itself exposed to credit risk concentrations in relation to debtors due to the diversity of its customer base.

(All amounts are in Saudi Riyals unless otherwise stated)

32- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)
Financial Risk and risk Management (continued)
Credit risk (continued)
Credit risk related to cash at banks, contract assets and other assets

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Cash is substantially placed with national banks with sound credit ratings. The Company does not consider itself exposed to a concentration of credit risk with respect to banks due to their strong financial background.

Management has conducted an assessment in accordance with the requirements of International Financial Reporting Standard (9), and based on this assessment, management believes that there is no need to recognize a material impairment loss in cash at banks, contract assets and other financial assets.

ECL assessment for accounts receivable

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets measured at amortized cost and contract assets.

The key inputs into the measurement of ECL are the following variables:
- Probability of default ("PD") using statistical model (i.e. normal distribution curve)
- GDP and inflation of KSA, as a macroeconomic variable to adjust the historic loss rate

The maximum credit risk to which the Company is exposed is represented by the value of the financial assets listed in the statement of financial position as follows:

Financial assets	**December 31, 2024**	December 31, 2023
Accounts receivable	**13,048,560**	10,257,112
Other assets	**5,459,099**	7,053,713
Cash at banks	**26,932,374**	5,590,853
Total financial assets	**45,440,033**	22,901,678

Liquidity risks
Liquidity risk represents the Company's difficulties in meeting commitments associated with its financial liabilities. The Company's approach to managing liquidity risk is to maintain sufficient cash and cash equivalents and ensure that funds are available to meet commitments as they fall due.

The management monitors the risk of liquidity shortage using forecast models to determine the effects of operating activities on the overall liquidity availability, and maintains an available cash liquidity ratio, which ensures debt repayment when due.

The table below summarizes the maturity dates of the Company's financial liabilities based on contractual undiscounted payments:

December 31, 2024	**On Demand or Less than 1 year**	**1 year to 5 years**	**More than 5 years**	**Total**
Liabilities				
Accounts payable and other liabilities	**6,165,928**	**-**	**-**	**6,165,928**
Lease liabilities	**1,653,200**	**6,405,031**	**-**	**8,058,231**
Loans	**1,745,550**	**-**	**-**	**1,745,550**
Zakat payable	**991,894**	**-**	**-**	**991,894**
Total	**10,556,572**	**6,405,031**	**-**	**16,961,603**

(All amounts are in Saudi Riyals unless otherwise stated)

32- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)
Liquidity risks (continued)

December 31, 2023	On Demand or Less than 1 year	1 year to 5 years	More than 5 years	Total
Liabilities				
Accounts payable and other liabilities	3,121,684	-	-	3,121,684
Lease liabilities	1,831,023	9,624,631	-	11,455,654
Loans	1,361,229	-	-	1,361,229
Zakat payable	596,738	-	-	596,738
Total	6,910,674	9,624,631	-	16,535,305

Capital risk management
The management of the Company aims to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The objectives when managing the capital are:

i) to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
ii) to provide an adequate return to shareholders; and
iii) to maintain an optimal capital structure to reduce the Company's cost of capital

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity where debt comprises all interest-bearing balances. The Company’s gearing ratios at the years end December 31 are as under:

	December 31, 2024	December 31, 2023
Loans	**1,597,707**	1,289,013
Lease liabilities	**7,764,199**	8,997,659
Less: Cash at banks	**(26,932,374)**	(5,590,853)
Net debt	**(17,570,468)**	4,695,819
Total equity	**37,341,301**	21,324,064
Net debt to total equity	**(47.05%)***	22.02%

* Cash at banks is more than debt.

Market risk
Market risk is the risk that arises from changes in the fair value of future cash flows of financial instruments due to changes in market prices. Market risk comprises three types of risks: Interest rate risk, currency risk and other price risk such as commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Commodity price risk is not significant.

Interest rate risk
Interest rate risk is the risk that arises from changes in the fair value of future cash flows of financial instruments because of a change in the market interest rate. The Company's interest rate risk arises mainly from short term loans which are at floating rate of interest mainly based on SIBOR which are subject to re-pricing on regular basis. Management monitors the changes in market interest rates and considers while negotiating the pricing of loans with counter parties. Further, management believes that exposure to market interest rate risk is not significant.

32- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Saudi Riyal. The Company's transactions are principally in Saudi Riyals with insignificant in US Dollar and British Pound, where US Dollar is currently pegged with Saudi Riyal. Management monitors the fluctuations in currency exchange rates and believes that the currency risk is not significant.

33- CONTINGENT LIABILITIES

The Company has contingent liabilities arising from outstanding letters of guarantee amounting to 673,023 SAR as of December 31, 2024 (December 31, 2023: SAR 746,103).

34- SUBSEQUENT EVENTS

On Rajab 20, 1446H (corresponding to January 20, 2025G), the Company obtained credit facility from Bank Alinma in compliance with Islamic Shariah, based on signed agreement dated Jumada Al Akhira 3, 1446H (corresponding to December 4, 2024), for project financing and letters of guarantee with a total value of SAR 10,000,000 ("The Facility") with project financing at prevailing market rate based on SIBOR plus margin. The Facility covers a period of one year and is secured by promissory notes in the amount of SAR 11,000,000 and is also secured by Kafala program. The Facility shall expire on Jumada Al Akhira 13, 1447H (corresponding to December 4, 2025).

According to management's assessment, there have been no other events transpiring between the reporting date and the date of approval of these financial statements that are anticipated to exert a substantial impact on the aforementioned financial statements.

35- DIVIDENDS

On Ramadan 24, 1445H (corresponding to April 3, 2024), the Company's Board of Directors recommended distribution of dividends amounting to SAR 4,000,000 to the General Assembly for approval. On Shawwal 6, 1445H (corresponding to April 15, 2024), the General Assembly approved the distribution of the aforementioned dividends. The Company has paid the dividends during the year of these financial statements.

36- RECLASSIFICATION OF COMPARITIVE FIGURES

Certain comparative figures have been reclassified for the purpose of better presentation and to align with the presentation in current year. However, these reclassifications have no impact on total equity and profit for the year as detailed below:

Statement of profit or loss and other comprehensive income:

	Balance before reclassification	Reclassification	Balance after reclassification
Cost of revenue	32,709,468	1,758,463	34,467,931
Depreciation on right-of-use assets	-	1,199,415	1,199,415
Depreciation on property and equipment	-	488,420	488,420
Amortization on intangible assets	-	70,628	70,628
	-	1,758,463	1,758,463

(All amounts are in Saudi Riyals unless otherwise stated)

36- RECLASSIFICATION OF COMPARITIVE FIGURES (CONTINUED)

	Balance before reclassification	Reclassification	Balance after reclassification
General and administrative expenses	9,456,014	(1,848,319)	7,607,695
Depreciation on right-of-use assets	1,421,529	(1,199,415)	222,114
Depreciation on property and equipment	578,868	(488,420)	90,448
Amortization on intangible assets	90,084	(70,628)	19,456
Bank charges	89,856	(89,856)	-
	2,180,337	(1,848,319)	332,018

	Balance before reclassification	Reclassification	Balance after reclassification
Finance cost	1,184,840	89,856	1,274,696
Bank charges	-	89,856	89,856

Statement of Financial Position

	Balance before reclassification	reclassification	Balance after reclassification
Accounts receivable - net	9,879,393	181,414	10,060,807
Prepaid expenses and other assets	8,067,430	(181,414)	7,886,016

For the purpose of better presentation and to align with the presentation in current year, retention receivables from prepaid expenses and other assets amounted of 181,414 are transferred to account receivables - net.

37- APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's Board of Directors on Ramadan 13, 1446H (corresponding to March 13, 2025G).