

The background of the cover is a blue-tinted photograph of a modern office interior. Several employees are seated at desks with computers, and one person is standing in the background. The scene is dimly lit, with light coming from windows on the right side. The overall atmosphere is professional and tech-oriented.

# DIGITAL RESEARCH COMPANY

Annual Board Report FY 2024





### **Custodian of the Two Holy Mosques**

**King Salman bin Abdulaziz Al Saud**

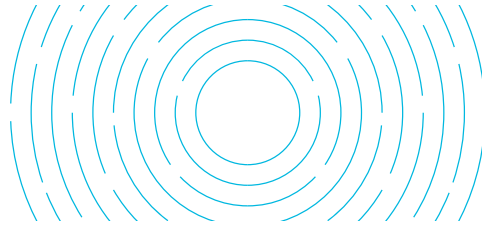
MY PRIMARY GOAL IS TO BE AN EXEMPLARY AND LEADING NATION IN ALL ASPECTS, AND I WILL WORK WITH YOU IN ACHIEVING THIS ENDEAVOUR.



### **Crown Prince and Prime Minister**

**Mohammed bin Salman bin Abdulaziz Al Saud**

Our ambition is to build a more prosperous homeland, in which every citizen will find what they wish for. The future of our homeland that we build together will only be accepted by us to make it at the forefront of the world countries.



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# 01. GENERAL OVERVIEW

## 1.1 About this report

The Annual Report of Digital Research Company (DRC) provides a clear picture of the Company's performance and achievements for the fiscal year ending December 31, 2024.

This report aims to provide a concise and comprehensive overview of our business, strategy, governance, and financial performance for fiscal year 2024.

In this report, 'Digital Research Company' is referred to as 'DRC' or 'the Company.'

The Annual Report covers the period from January 1, 2024, to December 31, 2024, in line with DRC's approved financial reporting cycle.

All financial figures in this report are presented in Saudi Riyals (SAR) unless stated otherwise.

### 1.1.1 Compliance

The Annual Report has been prepared in accordance with the applicable laws and regulations of the Kingdom of Saudi Arabia.

The financial statements for the year ended December 31, 2024, have been prepared in compliance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia, along with other standards and issuances approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA), ensuring full compliance.

### 1.1.2 Awards and Memberships

DRC is committed to professionalism and excellence in performance, holding multiple certifications and memberships from recognized local and international organizations.

It holds the following certifications and awards:

- **Local Content Certification Score of %59.62.**
- **ISO Certification 9001:2015 for Quality Management System.**
- **ESOMAR Corporate Membership**
- **MSPA Membership**
- **Labor award, saudization**

### 1.1.3 Language

This report is issued in both Arabic and English. In case of any discrepancies between the two versions, the Arabic version shall prevail.

### 1.1.4 Inquiries

We welcome your comments and inquiries regarding DRC's Annual Report 2024. Please contact us via email at [IR@drc.net.sa](mailto:IR@drc.net.sa).



## 1.2 Overview of FY 2024

### 1.2.1 Company's Business

The FY 2024 overview highlights DRC's business growth, financial performance, and workforce development, and a strong Saudization rate.

### 1.2.2 Financial Performance as compared to last year

- Revenue SAR **63.1m** Increased by %16
- Gross profit SAR **21.1m** Increased by %6
- Net Profit SAR **5.9m** declined by %44
- Operating Cash flows (CF) SAR **13.5m**
- GP margin %33
- Operating profit margin %13
- Net profit margin %9
- EPS **4.2** (SAR per share) in FY 2024 and 7.0 in FY 2023

### 1.2.3 DRC Team

- Highly trained and professional workforce
- Training Programs – Over 20 programs conducted
- Women Participation – %53 of the workforce
- Diverse Team Composition
- Total Employees – 100+
- Saudization Rate – %71
- Total Data Collectors – 3000, saudis, covering 13 regions.





# **02. LEADER'S STATEMENT**





## MD and CEO statement

Waleed Alsuliman

"I am pleased to present the 2024 Annual Report—an insightful overview of our journey throughout the year, highlighting key achievements and the unwavering dedication of our team in solidifying DRC's position as a trusted advisor in market research, data solutions, artificial intelligence, and consulting services.

Over the years, we have built strong relationships with our clients by delivering actionable insights that empower decision-makers across various sectors. In 2024, we continued to drive meaningful impact through cutting-edge solutions rooted in a deep understanding of market dynamics and evolving business needs.

This year marked a defining milestone in our company's history—the successful listing of DRC on the Parallel Market (Nomu) in December 2024. This achievement reflects the confidence our shareholders and investors place in our vision and strengthens our position for sustainable growth. It also unlocks new opportunities to enhance our

competitive edge, expand our service offerings, and further empower our clients with data-driven strategic insights.

At DRC, we remain committed to supporting Saudi Arabia's Vision 2030 by fostering strong partnerships across the public and private sectors. Our goal is to build a sustainable, impact-driven foundation that aligns with the Kingdom's aspirations. To achieve this, we continue to invest in innovation, cutting-edge AI solutions, and a culture of excellence that empowers our team.

In closing, I extend my deepest gratitude to our shareholders, partners, and clients for their unwavering support and trust. A special thanks to the DRC team—your dedication and expertise are the driving force behind our continued success."



# 03. DRC

### 3.1 About DRC

Digital Research Company (DRC) was initially established as a Limited Liability Company (LLC) under the name "Digital Research Company Limited." It was officially registered under Commercial Registration No. 1010416852 on 1435/08/11H (corresponding to June 2014) in Riyadh, Saudi Arabia.

Founded with the vision of providing specialized market research and data analysis consulting services, DRC has positioned itself as a trusted partner for organizations seeking data-driven insights and strategic decision-making support.

With its headquarters in Riyadh and operational offices in the Western, Eastern, and Southern regions, DRC extends its services across the entire Kingdom of Saudi Arabia. This nationwide presence enables us to deliver comprehensive research solutions tailored to the diverse needs of various industries.

At DRC, we are committed to creating sustainable value for our clients and partners. As a strategic contributor to Saudi Vision 2030, we actively support the Kingdom's economic transformation by delivering innovative research solutions that drive business growth and market development.

### 3.2 DRC Journey

#### 2014 - Establishment

DRC was founded as a Limited Liability Company (LLC) under the name "Digital Research Company Limited", with an initial capital of SAR 100,000.

#### 2015 - Transformation

The Company's partners unanimously approved the transformation of DRC from a Limited Liability Company (LLC) to a Closed Joint Stock Company (CJSC), increasing its capital to SAR 1,000,000.

#### 2021 - Expansion & Capital Increase

The Extraordinary General Assembly approved an increase in capital from SAR 1,000,000 to SAR 1,228,070 through an offering on the Manafa Collective Equity Financing Platform at 570 per share resulting to total proceeds of SAR 12,999,990 to support the Company's expansion and growth strategy.

#### 2024 - Successful Offering & Listing

DRC successfully completed its Initial Public Offering ("IPO") and was listed on Parallel Market ("Nomu"). IPO of the Company remained successful and was oversubscribed with rate of %312.66. IPO offer price was determined SAR 83 per share.

### 3.3 DRC Services

DRC offers a comprehensive range of specialized services focused on three key sectors:

#### 3.3.1 Market Research

DRC provides following market research services of Brand and communication research, Product development research, Customer experience research and customer satisfaction studies, Media user behavior research, Opinion polls and mystery shoppers, Behavioral and usage habits research.

#### 3.3.2 Data Analytics Solutions & Artificial Intelligence

DRC empowers organizations with cutting-edge data analytics and AI-driven solutions, enabling data-driven decision-making, automation, and business intelligence. The Company provides an integrated set of data analytics and artificial intelligence services and solutions, including the following:

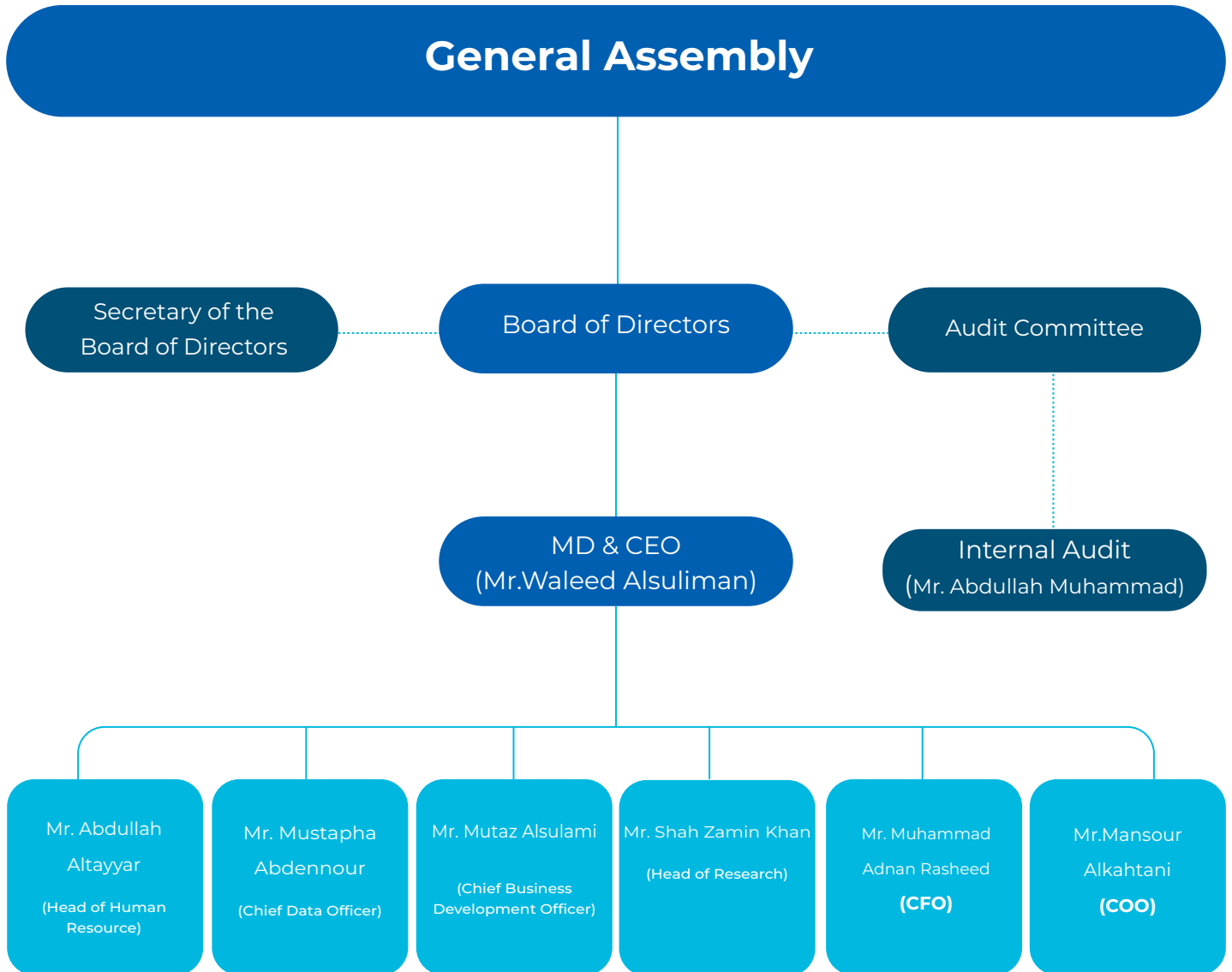
- Data engineering and modeling.
- Data warehouse and storage solutions.
- Data cloud solutions.
- Business intelligence.
- Analytics powered by artificial intelligence.
- Robotic process automation solutions.
- Data monetization services

#### 3.3.3 Consulting Services

DRC delivers comprehensive consulting solutions designed to enhance business performance, optimize operations, and drive strategic growth. The Company offers following consulting services:

- Strategic consulting
- Performance management
- Business consulting
- Sales excellence and customer service
- Institutional transformation
- Economic consulting

### 3.4 Organizational structure



### 3.5 Human Capital

At DRC, human capital is the foundation of our success, driving innovation, precise data analysis, and the development of advanced solutions that cater to evolving market needs. Our diverse talent pool and multidisciplinary teams foster a dynamic and collaborative work environment, enabling us to deliver cutting-edge market research, data analytics, and strategic insights that empower decision-makers and expand our client base.

We are committed to continuous employee development, investing in advanced training programs that enhance skills, boost productivity, and ensure the highest standards of data-driven solutions and market intelligence. Our workforce remains at the core of our mission to deliver excellence and innovation across all our services.



# **04. STRATEGIC REPORT**

#### 4.1 Company's Vision, Mission, Values

DRC has strengthened its internal strategy by refining its vision and strategic priorities, ensuring alignment with its long-term objectives. By leveraging its expertise in research and data analysis, the company has developed high-impact initiatives that enhance its competitive edge and drive future growth.

This strategic refinement is designed to optimize operational efficiency, foster innovation, and deliver advanced research and consulting solutions that empower decision-makers. Ultimately, it reinforces DRC's position as a trusted strategic partner in the digital research and consulting sector.

##### 4.1.1 Vision

The trusted advisor for delivering high-quality solutions & services that support decision-makers

##### 4.1.2 Mission

Delivering an integrated ecosystem of data, services, and innovative solutions to support leaders in their decision-making journey and drive sustainable impact

##### 4.1.3 Values

Our values are:

- Commitment
- Innovation
- Reliability
- Entrepreneurial Spirit

Our Capabilities are:

- Developing an Attractive Work Environment
- Enhancing Internal Systems
- Developing and Updating Frameworks and Tools
- Establishing Strategic Partnerships

#### 4.2 Company's strategy

DRC's strategy is founded on innovation, sustainability, and expansion, with a strong emphasis on:

- Advancing research and consulting services
- Enhancing investments in AI and data analytics
- Launching new products
- Global strategic partnerships across various sectors By continuously improving customer experience, research quality, and operational efficiency, DRC aligns its strategic vision with Saudi Vision 2030, reinforcing its role as a leader in the market research and data-driven consulting sector.

Our Aspirations:

- Empowering decision-makers
  - Expanding service offerings
  - Investing in technology and AI
  - Developing strategic partnerships
  - Enhancing customer experience
  - Ensuring business sustainability
- Strategic Pillars:
- Growth and Financial Sustainability
  - Leadership in Emerging Technologies
  - Organizational Excellence
  - Customer Trust

#### 4.3 Sustainability

DRC is committed to integrating sustainability into its operations by ensuring long-term growth, operational excellence, and responsible business practices. Through sustainable strategies, the company aims to create lasting value for its stakeholders while maintaining high ethical and professional standards

##### 4.3.1 Quality Management

At DRC, quality, accuracy, and compliance are at the core of our operations. We continuously strive to uphold the highest standards of productivity and competitiveness in market research, data solutions, and consulting services.

To achieve this, we foster a culture of collaboration, ensuring a stable and efficient work environment while mitigating operational risks. We also adhere to internationally recognized quality and compliance standards, maintaining the highest levels of integrity, security, and efficiency across all client services.

Certification:

- ISO 9001:2015 certified for our Quality Management System

##### 4.3.2 Risk Management

The Company's management has an overall responsibility for the establishment and oversight of the Company's risk management framework. Risks are assessed at operational and financial levels by respective management of the Company and are reviewed regularly and controls to mitigate such risks are adopted accordingly.

The Company faces following operational, market and financial risks and adopts measures how these risks are managed:

**(a) Operational Risk:*****(i) Risks related to reliance on contracts with governmental & semi-governmental parties***

Significant portion of the Company's revenue arises from contracts with government and semi-government entities. The risks associated with government contracts are focused on the contracting process itself, including delays in obtaining internal approvals to initiate contracts and political and economic factors that may affect the number, value and terms of contracts awarded by government agencies. Government contracts also contain more stringent terms compared to other commercial contracts. The Company may also be affected by financial or budgetary constraints, regulatory restrictions, changes in government policy and public spending restrictions, which can have a significant impact on size, scope, timing and duration of the contracts. In order to mitigate these risks, the management of the Company aims to diversify the revenue stream by securing private entities and also to develop alternative revenue streams such as subscription-based revenue.

***(ii) Risks related to the company's inability to win projects with government entities***

Contracts are usually won through participation in several government tenders, which may include a number of risks, such as competing based on inaccurate pricing assumptions, rejection on technical grounds, incurring significant costs and spending a lot of time and efforts on preparing tenders. In order to mitigate such risks and enhance winning rate, the management of the Company conducts a through review to find out the reasons of not winning the projects and considers them in future bidding.

***(iii) Risks related to the implementation of projects***

Duration of the Company's contracts falls between less than a year to three years. The company may encounter difficulties which may affect the timely completion of the milestones mentioned in a contract and such difficulties may include delays resulting from performance deficiencies and failure of the company's specialist to achieve the expected performance and of suppliers providing the consulting services required for the project according to

specific specifications and standards. The above factors may lead to the cancellation of the project, and the Company may not be able to compensate for these projects with similar projects or may not be able to compensate for them at all. In order to mitigate these risks, the management of the Company ensures realistic timeline, availability of required resources and regular monitoring the performance of a project.

***(iv) Risks related to reliance on key personnel and executive management***

The Company's existing business and its future plans depend on the experience and competencies of its executive management and key employees. Accordingly, if the Company loses any of its senior executives or key employees & is unable to employ replacements with the same level of experience and qualifications at appropriate cost, this may impact the Company's business, results of operations and future prospects. In order to ensure the efficiency and quality of business through effective management and to retain its existing employees and also to attract potential employees, the Company offers attractive packages and benefits, provides good and professional working environment, considers its key employees under Company's retention plan and ensures succession planning of its senior executives.

***(v) Risks related to competitive environment***

The Company operates in a competitive environment, and there is no guarantee that the Company will continue to be able to compete effectively with other companies in the market. This competition is characterized by rapid changes in technology, customer requirements, pricing competition, the development and updating of services, competitors may establish partnerships among themselves or with other parties that will improve and develop their resources as compared to Company. The management of the Company addresses risks related to competition mainly in three ways: (a) Firstly, the management of the Company conducts regular monitoring of performance of the Company to ensure quality of services to its customers, focusing on customers experience and feedback to improve, ensuring cost efficiency through optimal use of resources, diversifying the customers base; (b) Secondly the management of the Company conducts



regular competitive analysis and market intelligence, monitoring competitors' strategy, pricing, product launches; (c) Thirdly, aligning the Company's strategy to outcomes of the aforementioned factors.

***(vi) Risks related to the sustainability and continuity of the Company's business***

The Company's sustainable growth and future performance depends on its ability to implement growth plans and strategies that include awarding new projects, and the extent to which the company keeps pace with the latest developments in the services and products it provides in addition to technological developments, diversifying revenue streams, launching new products, establishing partnerships with other parties in market, ensuring financial stability and effective cost management.

***(vii) Risks related to operating systems and information technology***

The Company relies on information technology systems to manage its business and facilities, which exposes the Company to the risks of these systems malfunctioning, such as system collapse, failure of protection systems, hacking of the Company's systems, electronic viruses, natural disasters, fires, communication errors, lack of skilled labor necessary to operate and manage these systems, leakage of confidential data and information of the Company, its customers or employees, or a decrease in the degree of security of such data and information. The management of the Company ensures appropriate controls in place to address these risks like regular backups, Disaster Recover Plan, putting firewalls and ant-virus software in place.

**(b) Market Risk:**

***(i) Risks related to economic growth, political and economic instability***

The Company's expected future performance depends on a number of factors related to the economic conditions in the Kingdom in general, including, but not limited to, inflation factors, GDP growth, average per capita income, government spending rate, demand and supply of products and services etc. Accordingly, any unfavorable conditions of the Kingdom's economy or political instability may

have negative impact on the Company's financial performance.

Further, geopolitical conditions in the Middle East region and worldwide may also impact the market and operations. A proactive approach adopted by the management of the Company and alignment of the Company's strategy to changing local and global conditions help to address these risks.

***(ii) Risks related to governing laws and regulations***

Implementation of new laws and regulations or changes in prevailing laws and regulations including, but not limited to, Corporate Laws, Governance Regulations, Zakat & Tax Laws, Capital Market Laws, may impact negatively the operations, performance and future growth of the Company. A proactive approach adopted by the management of the Company and alignment of the Company's strategy to changing conditions help to address these risks.

**(c) Financial Risk:**

The Company faces following financial risks and how these risks are managed and addressed:

***(i) Credit risk:***

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. 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. 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.



**(ii) Liquidity risk:**

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.

**(iii) Capital structure risk:**

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:

- 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;
- to provide an adequate return to shareholders; and
- 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 2024 ,31	December 2023 ,31
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.

**(iv) Cash flows risk:**

Cash flows 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 and comprises three types of risks: Interest rate risk, currency risk and commodity price risk. 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.

- 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.

#### 4.4 Achievements & Social responsibility

DRC has achieved significant milestones in business expansion, and service enhancement, further strengthening its position as a leader in market research, data analytics, and consulting

##### 4.4.1 Key Achievements

DRC achieved several significant milestones, reinforcing its position as a leader in market research, data analytics, and consulting. These accomplishments reflect the company's commitment to innovation, business expansion, and industry leadership.

- Successful Listing on the Parallel Market (Nomu):

DRC marked a historic milestone with its listing on the Parallel Market (Nomu) in December 2024, demonstrating investor confidence and paving the way for long-term growth and market expansion.

- ISO 9001:2015 Certification for Quality Management:

The company obtained ISO 9001:2015 certification, reaffirming its commitment to the highest standards of quality, operational excellence, and client satisfaction in market research, data analytics, and consulting services.

- Labor award From the Ministry of Human Resources and Social Development in Saudization Category for Small and Medium Enterprises.

##### 4.4.2 Social responsibility

As part of its commitment to corporate social responsibility, DRC continues to raise community awareness by developing and publishing studies and reports that provide accurate data and reliable insights, enabling organizations and startups to make informed strategic decisions. These initiatives contribute to understanding market trends, analyzing consumer behavior, and assessing the competitive landscape, helping stakeholders develop effective strategies, enhance operational efficiency, and strengthen their ability to adapt to future challenges.

Driven by its commitment to talent development, in addition to senior and mid level training courses, DRC offers cooperative training programs for Saudi graduates, equipping them with the necessary skills in strategy, leadership and innovation to prepare them for the job market.

Additionally, as part of its efforts to support economic and social development across different regions of the Kingdom, DRC is providing employment opportunities for Saudis in 13 regions including remote areas contributing to provide extra income.





# 05. GOVERNANCE REPORT

## 5.1 Shareholders & Investors

### 5.1.1 DRC's Shareholders

Date of listing	December 11, 2024
Stock Exchange	Saudi Stock Exchange - Parallel Market (Nomu)
Stock Code & ISIN Code	9621 DRC   SA165H9KMAH8
Sector	Commercial & Professional Services
Authorized & Paid-up Capital	SAR 16,875,000
Number of Shares	1,687,000
Par Value	SAR 10 per share
Market Price	SAR 78.70 as of December 31 ,2024 (close price)
Market Capitalization	SAR 132.77 million as of December 31 ,2024
Auditors	RSM Allied Accountants Professional Services Co.

### 5.1.2 Company's Ownership Structure

Company's ownership structure as of December 31 ,2024 is as follows:

Mansour Ayed Al-Qahtani	Board Member/Senior Executive	%18.447
Waleed Khalid Alsuliman	Board Member/Senior Executive	%14.901
Abdulaziz Saud Al-Sabhan	Board Member	%8.784
Ahmed Mohammed Al-Quraishi	Chairman of Board	%5.856
Mohammed Ahmed Al-Quraishi	Board Member	%5.856
Digital Research Company	-	%8.08
Other local shareholders	-	%37.816
Foreign shareholders	-	%0.26

### 5.1.3 Announcements by the Company in Tadawul:

There was no announcement by the Company on Tadawul during the financial year 2024G.

### 5.1.4 Number of Request for Shareholders' Register:

There was no request by the Company for shareholders' register during the financial year 2024G.

### 5.1.5 Investor Relations Function:

The Company has established Investor Relations Function and is keen to continuously communicate with shareholders which serves as a link between investors and the Company's Board of Directors and Executive Management. Through this function, the Company aims to receive the opinions, suggestions and observations of its shareholders about the Company and its performance on a regular basis.

The Company also emphasizes the need for the participation of shareholders in the General Assembly

Meetings by attending and voting, whether on their behalf or by proxy, through:

- Choosing the right place and time that allows full participation of shareholders
- Allocating sufficient time for shareholders while attending the General Assembly to discuss the topics on its agenda and ask questions and make proposals
- Making electronic voting on agenda items available through the Tadawulaty - Edaa Platform.

#### 5.1.6 Profit Distribution Policy (Dividend Policy):

The Company distributes annual profits in accordance with applicable laws and regulations as under:

***(i) The Company's net profits attributable to the shareholders shall be distribute***

***(ii) Upon the recommendation of the Board of Directors,*** the Ordinary General Assembly may allocate a certain portion of the net profits to form a consensual reserve and allocate it for a specific purpose or purposes. This reserve may not be used except by a resolution of the Extraordinary General Assembly.

***(iii) The Board of Directors shall submit its recommendations on the distribution of profits to the Ordinary General Assembly,*** and the decision on these recommendations shall be within the competence of the Assembly. The Assembly shall determine the percentage that must be distributed to the shareholders of the net profits after deducting the reserves, if any.

***(iv) The shareholder shall be entitled to his share in the profits in accordance with the decision of the General Assembly issued in this regard.*** The decision shall indicate the due date and the date of distribution of dividends. The entitlement to profits shall be for the owners of the shares whose names are registered in the shareholders' register kept at the Edaa Center at the end of the day specified for entitlement.

***(v) The Board of Directors must implement*** the decision of the General Assembly regarding the distribution of profits to registered shareholders within (15) business days from the entitlement

date of these profits specified in the decision of the General Assembly, or in the decision of the Board of Directors to distribute interim dividends.

***(vi) The Company may distribute interim dividends to its shareholders*** on a semi-annual or quarterly basis (if the Articles of Association stipulate that this is permissible) after fulfilling the following requirements:

- The Ordinary General Assembly shall authorize the Board to distribute interim profits by virtue of a resolution renewed annually.
- The Company should be of good and regular profitability.
- It should have a reasonable liquidity and can reasonably expect its level of profits.
- The Company should have distributable profits in accordance with the latest audited financial statements, sufficient to cover the profits proposed for distribution, after deducting the distributed and capitalized profits from those profits after the date of these financial statements.

#### Distributed and Proposed Dividends:

Detail of dividends distributed and proposed during the fiscal year 2024 is as under:

- Dividend distributed amounted to SAR 4 million being %37.97 of profit for the year 2023
- Dividend proposed amounted to SAR Nil





## 5.2 The Board of Directors and Its Committees

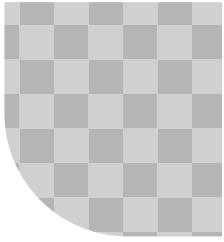
### 5.2.1 Composition of the Board of Directors

Name	Position	Capacity
Ahmed Mohammed Ahmed Al-Quraishi	Chairman	Non-Executive
Mohammed Ahmed Abdulla Al-Quraishi	Deputy Chairman	Non-Executive
Abdulaziz Saud Mutab Al-Subhan	Member	Non-Executive
Ziyad Ibrahim Abdulaziz Altuwaijri	Member	Non-Executive/Independent
Fahad Abdullah Suliman Alsaawi	Member	Non-Executive
Khaled Battal Saif Albattal	Member	Non-Executive/Independent
Khalid Waleed Abdullatif Alswaidian	Member	Non-Executive/Independent
Waleed Khalid Ahmed Alsuliman	Member, MD&CEO	Executive
Mansour Ayedh Hassan Alkahtani	Member, COO	Executive

### 5.2.2 Composition of Audit Committee

Name	Position	Capacity
Khalid Waleed Abdullatif Alswaidian	Chairman	Non-Executive/Independent
Mohammed bin Youssef Helmy	Member	Independent
Abdulrahman bin Mohammed Al-Badawi	Member	Independent

### 5.2.3 Biography of Board of Directors Members



**Mr. Ahmed Mohammed Ahmed Al-Quraishi**  
Chairman of the Board

#### Current jobs:

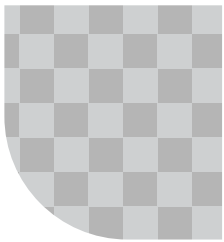
- Commercial Manager at Metsco Heavy Iron Industries Company (a limited liability company operating in the field of iron manufacturing)

#### Previous jobs & experiences:

- Administrative Director at the Saudi Industrial Contracting Company Limited (a limited liability company operating in the field of industrial contracting)
- Purchasing Manager at Metsco Heavy Iron Industries Company (a limited liability company operating in the field of iron manufacturing)
- Branch Manager at Saudi Ceramics Company (a public joint stock company operating in the field of production and sale of ceramic products)

#### Qualifications:

Diploma in Marketing and Sales from the Institute of Public Administration, Kingdom of Saudi Arabia



**Mr. Mohammed Ahmed Abdullah Al-Quraishi**  
Deputy Chairman of the Board

#### Current jobs:

- Member of the Board of Directors of Metsco Heavy Iron Industries Company (a limited liability company operating in the field of iron manufacturing)
- Member of the Board of Directors of Zas Saudi Construction and Development Company (a limited liability company operating in the field of construction contracting)
- Member of the Board of Directors of the Saudi Industrial Contracting Company Limited (a limited liability company operating in the field of industrial contracting)
- Member of the Board of Directors of Mam Stone and Marble Company (a limited liability company operating in the field of stone and marble)

#### Previous jobs & experiences:

- Business Development Manager at Metsco Heavy Iron Industries Company (a limited liability company operating in the field of manufacturing iron)
- General Manager of Mohammed Al-Quraishi Trading and Contracting Establishment (a sole proprietorship operating in the field of trade and contracting)

#### Qualifications:

Bachelor's degree in Agricultural Engineering from Lindsay College, United Kingdom



**Mr. Waleed Khalid Ahmed Alsuliman**  
Member of Board of Directors, MD & CEO

**Current jobs:**

- CEO and MD of Digital Research Company (a Saudi joint-stock company operating in the field of market research and data analysis)
- Member of the Board of Directors of Muwafaqa Information Technology Company (a limited liability company operating in the field of communications and information technology)

**Previous jobs & experiences:**

- Regional General Manager for TNS Kantar Market Research (a British public shareholding company operating in the field of market research)
- Economic and Research Advisor at the Ministry of Commerce (a Saudi government agency)
- Project Manager for the Gulf Company for the development of the SBM project at the Saudi Telecom Company (a public joint stock company operating in the field of information and communications technology)

**Qualifications:**

Bachelor's degree in Marketing from Sheffield Hallam University, United Kingdom



**Mr. Mansour Ayedh Hassan Alkahtani**  
Member of Board of Directors, COO

**Current jobs:**

- Chief Operating Officer at Digital Research Company (a closed joint stock company operating in the field of market research).

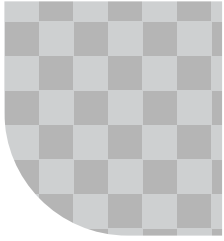
**Previous jobs & experiences:**

- Project Manager at TNS Kantar Arabia (a British public shareholding company operating in the field of market research)

**Qualifications:**

- High school diploma, Kingdom of Saudi Arabia





**Mr. Abdulaziz Saud Mutab Al-Subhan**

Member of Board of Directors

**Current jobs:**

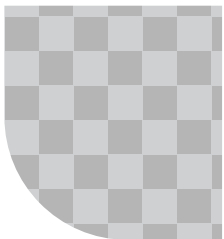
- Chairman of the Board of Directors of Temsko Heavy Steel Industries Company (a limited liability company operating in the field of manufacturing iron)
- Member of the Board of Directors of Zas Saudi Construction and Development Company (a limited liability company operating in the field of construction contracting)
- Chairman of the Board of Directors of Nol Agriculture Company (a limited liability company operating in the field of agriculture)
- Chairman of the Board of Directors of the Saudi Industrial Contracting Company Limited (a limited liability company operating in the field of industrial contracting)
- Chairman of the Board of Directors of Mam Stone and Marble Company (a limited liability company operating in the field of stone and marble)
- Member of the Board of Directors of Nol Investment Company (a limited liability company operating in the field of investments)

**Previous jobs & experiences:**

Managing Director of Metsco Heavy Iron Industries Company (a limited liability company operating in the field of iron manufacturing)

**Qualifications:**

Bachelor's degree in Politics and International Relations from King Saud University, Kingdom of Saudi Arabia



**Mr. Ziyad Ibrahim Abdulaziz Altuwajri**

Member of Board of Directors

**Current jobs:**

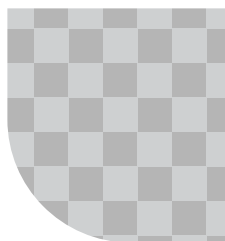
- CEO of The Professionals (a limited liability company operating in the hospitality sector)
- Member of the Board of Directors of Global Dishes Company (a limited liability company operating in the hospitality sector)

**Previous jobs & experiences:**

- Human Resources Manager at Almarai Company (a public joint stock company operating in the field of manufacturing dairy products)
- Project Manager at Advanced Electronics Company (a closed joint stock company operating in the field of manufacturing)
- Advisor at the General Authority for Small and Medium Enterprises
- CEO at Nayyara Banquets and Conferences Company (a limited liability company working in the field of management consulting)

**Qualifications:**

Bachelor's degree in English Literature from Imam Muhammad bin Saud Islamic University, Kingdom of Saudi Arabia



Mr. Fahad Abdullah Suliman Alsaawi  
Member of Board of Directors

#### Current jobs:

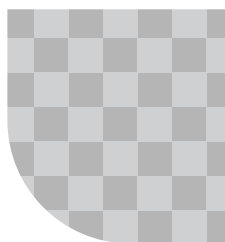
Senior Data Manager at Lean Business Services Company (a government company working in the field of health technologies and business solutions)

#### Previous jobs & experiences:

- Director of Data Science Department at Takamol Holding Company (a Saudi government company working in the field of business solutions)
- Data Team Leader at the National Center for Measurement and Evaluation (a Saudi government agency)

#### Qualifications:

- Master's degree in Statistics from the University of Melbourne, United Kingdom
- Public Administration Program Certificate from Harvard Business School, United Kingdom
- Bachelor's degree in Quantitative Analysis from the College of Administrative Sciences, King Saud University, Kingdom of Saudi Arabia



Mr. Khaled Battal Saif Albattal  
Member of Board of Directors

#### Current jobs:

Chief Human capital & Corporate Support officer at saudi credit bureau - SIMAH

#### Previous jobs & experiences:

- Deputy CEO of Human Resources at Etihad Etisalat Company - Mobily (a joint stock company operating in the field of communications)
- Chief Human Resources Officer at Executive Offices Company (a limited liability company operating in the field of all lounges and executive offices in all airports in the Kingdom of Saudi Arabia)
- General Manager of Human Resources at the General Authority for Small and Medium Enterprises
- Director of Talent Management at Al-Wataniya Business Solutions Company (a limited liability company operating in the field of business services)
- Senior Analyst of Human Resources and Salaries at King Saud bin Abdulaziz University for Health Sciences
- Human Resources Supervisor at Al-Wataniya Business Solutions Company (a limited liability company operating in the field of business services)
- Accountant at Al-Ayouni Investment and Contracting Company (a limited liability company operating in the field of investment and contracting)

#### Qualifications:

Bachelor's degree in Financial Management from King Saud University in the Kingdom of Saudi Arabia



### **Mr. Khalid Waleed Abdullatif Alswaidian**

Member of Board of Directors

#### Current jobs:

- CEO of the Saudi Automobile & Motorcycle Federation – SAMF (This Federation is sport body with legal personality. Established by the Saudi government with the aim of supervising the activities of motorsport & motorcycle in Saudi Arabia besides developing, sponsoring, and representing the kingdom in the international events)
- Member of the Executive Committee of the Saudi Automobile & Motorcycle Federation - SAMF
- Member of the Board Directors of AlRaaed Group Trading Company (LLC company specialized in food and beverages)
- Member of the Board of Directors of Saudi Motorsport Company – SMC (LLC company dedicated in driving the growth of motorsport in Saudi Arabia, aligned with the ambitious goals of Vision 2030)

#### Previous jobs & experiences:

- CFO & Shared Services of the Finance Sector at the Saudi Company for Electronic Information Exchange - Tabadul (a closed joint-stock company)
- Director of the Finance Sector at the Real Estate Development Fund under the contracts of the King Abdullah Institute for Studies and Research
- Member of the Audit Committee of the Arabian Group for Education and Training Holding Company (a closed joint-stock company operating in the field of education)

#### Qualifications:

- Master's degree in Management from the University of Wisconsin-Cross, USA
- Bachelor's degree in Accounting from King Saud University, Kingdom of Saudi Arabia
- CAT-ACCA Fellowship from the Association of Chartered Accountants in Scotland, UK
- CIFA Fellowship from the Institute of Certified International Accountants in Wilmington, Delaware, USA

## **Audit Committee**

### 5.2.5 Biography of Audit Committee Members



### **Mr. Khalid Waleed Abdullatif Alswaidian**

Chairman of Audit Committee

*Please refer to Biography of Board of member.*

## Audit Committee

### 5.2.5 Biography of Audit Committee Members



**Mr. Mohammed bin Youssef Helmy**

Member of Audit Committee

#### Current jobs:

- Chief Financial Officer at Advanced Technology and Cybersecurity Company - Sirar by STC (a limited liability company operating in the field of cybersecurity)
- Audit Committee Member at Mutakamela Insurance Company (Allianz Saudi Franci formerly)

#### Previous jobs & experiences:

- Director of the Policies and Procedures Department at the Saudi Telecom Company (a public joint-stock company operating in the field of communications)
- General Accounts Manager at the Cooperative Insurance Company (a public joint-stock company operating in the field of insurance)
- Audit Committee Member at Saudi Contractors Authority (SCA)

#### Qualifications:

- Master's degree in Accounting from Johnson & Wales University, United States of America
- Fellow of the Saudi Organization for Certified Public Accountants
- Bachelor's degree in Accounting from King Saud University in the Kingdom of Saudi Arabia



**Mr. Abdulrahman bin Mohammed Al-Badawi**

Member of Audit Committee

#### Current jobs:

- Director of Internal Audit and Secretary Audit Committee at the Saudi Reinsurance Company (a public joint stock company operating in the field of reinsurance)
- SOCPA membership

#### Previous jobs & experiences:

- Director of Internal Audit at the Saudi Paper Manufacturing Company (a public joint stock company operating in the field of industry)
- Co – Founder, EMIC – third party administrator TPA (a limited liability company operating in the field of insurance)
- Director of Internal Audit at Al-Ittihad Cooperative Insurance Company (a public joint stock company operating in the field of insurance)

#### Qualifications:

- Bachelor's degree in Accounting from Imam Muhammad bin Saud University, the Kingdom of Saudi Arabia
- Management Accounting from the Global Learning Institute, Richmond, Canada
- Insurance Foundation Certificate Examination (IFCE) from The Finical Academy, Kingdom of Saudi Arabia

## 5.2.6 Formation, Competencies, Powers and Responsibilities of Audit Committee

### Formation:

An audit committee shall be formed by a resolution of the Company's Board of Directors, and the members of the Audit Committee shall be from the shareholders or others, provided that no Executive Director is among its members. The number of the members of the Audit Committee shall not be less than three or more than five, provided that one of its members is specialized in finance and accounting.

Further, the Chairman of the Board of Directors may not be a member of the Audit Committee. Those who work or have worked during the past two years in the executive or financial management of the Company, or with the auditor of the Company, may not be members of the Audit Committee.

The chairman of the Audit Committee shall be an Independent Director. A member of the Audit Committee shall not be a member of the Audit Committees of more than five listed joint stock companies at the same time.

### Competencies, powers and responsibilities:

The audit committee shall be competent in monitoring the Company's activities and ensuring the integrity and effectiveness of the reports, financial statements and internal control systems.

### Financial Reports:

Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency;

1. Providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy;
2. Analyzing any important or non-familiar issues contained in the financial reports;
3. Accurately investigating any issues raised

by the Company's Chief Financial Officer or any person assuming his/her duties or the Company's Compliance Officer or external auditor;

4. Examining the accounting estimates in respect of significant matters that are contained in the financial reports; and
5. Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.

### Internal Audit:

1. Examining and reviewing the Company's internal and financial control systems and risk management system;
2. Analyzing the internal audit reports and following up the implementation of the corrective measures in respect of the remarks made in such reports;
3. Monitoring and overseeing the performance and activities of the internal auditor and internal audit department of the Company to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties.
4. Providing a recommendation to the Board on appointing the manager of the internal audit unit or department, or the internal auditor and suggest his/her remunerations.

### External Auditor:

1. Providing recommendations to the Board to nominate external auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts;
2. Verifying the independence of the external auditor, its objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards;
3. Reviewing the plan of the Company's external auditor and its activities, and ensuring that it does not provide any technical, administrative or consulting works that are beyond its scope of work, and provides its opinion thereon;
4. Responding to queries of the Company's external auditor; and

5. Reviewing the external auditor's reports and its comments on the financial statements, and following up the procedures taken in connection therewith.

#### **Ensuring Compliance:**

1. Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith;
2. Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions;
3. Reviewing the contracts and proposed Related Party transactions, and providing its recommendations to the Board in connection therewith; and
4. Reporting to the Board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken.

#### **Powers:**

In order to perform its duties, the audit committee may:

1. Review the Company's records and documents;
2. Request any clarification or statement from the Board members or the Executive Management;
3. Request that the Board calls for a General Assembly Meeting if its activities have been impeded by the Board or if the Company has suffered significant losses and damages.

#### **5.6 Internal Audit**

Internal review is one of the most important issues that contributes to knowing the strengths and weaknesses that will directly contribute to the evolution of the Company's business in all its divisions. The Audit Committee, represented by the Internal Audit Department, serves as an effective tool for measuring each department's performance and risks, assisting in identifying compass and future objectives, verifying weaknesses and working to improve and eliminate them.

#### **5.6.1 Results of the annual review of the effectiveness of the company's internal control procedures and the opinion of the audit committee on the adequacy of the company's internal control system**

The Audit Committee is keen to find an appropriate and effective internal control system that includes policies and procedures prepared under the supervision of the Board of Directors to achieve the Company's strategic objectives and an integrated internal control system to be examined and reviewed annually by the Audit Committee which ensures adequate oversight of the company's level, The company is also making integrated efforts to improve the control environment through the development and continuous review of policies and procedures to limit any excesses and to avoid and correct any shortcomings in the internal control system.

The audit committee focused on high-risk issues through the adoption of a risk-based audit plan, follow-up on the adequacy and effectiveness of control procedures as well as other work, and oversee the internal and external audit work conducted during fiscal 2024 to ensure the reasonable effectiveness of internal controls and control procedures.

#### **Opinion of the Audit Committee**

Based on the results of the evaluation of the effectiveness of the internal control procedures and the ongoing evaluation of the controls applied by the company, the Committee is of the view that the company's current internal control environment and system is functioning adequately and effectively and is regularly monitored for continuous improvement, and the company continues to strive to strengthen and develop the internal control system. Any internal control system, regardless of the integrity of its design and the effectiveness of its application, cannot provide absolute assurance about the ability to prevent all potential risks or threats.

#### **No Conflict of Audit Committee's Recommendation with Board's Resolution**

There was no conflict of the Audit Committee's recommendation with Board of Directors' resolution or which the Board disregards relating to the appointment, dismissal, assessment or determining the remuneration of an external auditor.

## 5.3 Executive Management

### 5.3.1 Composition of the Executive Management

Name	Position	Start Date (G)
Waleed Khalid Ahmed Alsuliman	MD & CEO	2015/12/10
Mansour Ayedh Hassan Alkahtani	Chief Operating Officer	2014/06/01
Mutaz Abad Abdullah Alsulami	Chief Business Develop. Officer	2024/09/01
Muhammad Adnan Rasheed	Chief Financial Officer	2024/03/06
Mustapha Abdennour	Chief Data Officer	2022/03/03
Shah Zamin Khan	Head of Research	2018/04/15
Abdullah Altayyar	Head of Human Resource	2016/05/02
Abdullah Muhammad Abdulhamid	Manager Internal Audit	2024/02/01

### 5.3.1 Biography of Executive Management

**Mr. Waleed Khalid Ahmed Alsuliman**  
Managing Director & Chief Executive Officer

*Please refer to Biography of Board of Directors*

**Mr. Mansour Ayedh Hassan Alkahtani**  
Chief Operating Officer

*Please refer to Biography of Board of Directors*



**Mr. Mutaz Abad Abdullah Alsulami**  
Chief Business Development Officer

#### Current jobs:

Chief Business Development Officer at DRC

#### Previous jobs & experiences:

- Senior Manager of Quality and audit of Beneficiary Experience at National Center for Performance Measurement ADAA
- Senior Team Leader for Beneficiary Experience Development at National Center for Performance Measurement ADAA
- Group Accounts Manager at Digital Research Company (DRC)
- Administrative Affairs Officer at Heba Safety and Fire Equipment Company

#### Qualifications:

- Master of Business Administration (MBA) – International Marketing
- Saint Joseph University, USA
- Bachelor of Business Administration (BBA) – Human Resources
- King Abdulaziz University, Saudi Arabia



### 5.3.1 Biography of Executive Management (continued)



**Mr. Muhammad Adnan Rasheed**  
Chief Financial Officer

#### Current jobs:

Chief Financial Officer at DRC

#### Previous jobs & experiences:

- Group Financial Reporting Director at Bawan Company (a joint stock company operating in the field of capital goods)
- Finance Manager at China Harbor Engineering Arabia Co. Limited (a limited liability company operating in the field of contracting)
- Senior Auditor at Deloitte (a professional firm operating in the field of auditing, assurance and advisory)

#### Qualifications:

- Capital Market Qualification Exam (CME-1), Financial Academy, Saudi Arabia
- Certified Management Accountant (ACMA) from the Institute of Chartered Management Accountants, United Kingdom
- Certified Public Accountant (CPA) from the Institute of Certified Public Accountants, Pakistan
- Certified Management Accountant (CMA) from the Institute of Management Accountants, USA.



**Mr. Mustapha Abdennour**  
Chief Data Officer

#### Current jobs:

Chief Data Officer at DRC

#### Previous jobs & experiences:

- Strategy Manager at Al-Mashreq Pharmaceutical Company (a limited liability company working in the field of pharmaceutical industry)
- Financial Advisor at the Real Estate Development Fund (a government fund working in the field of development housing)

#### Qualifications:

- Master of Business Administration from London Business School, United Kingdom
- Bachelor of Communications Engineering from the National Institute of Communications, Kingdom of Morocco





**Mr. Shah Zamin Khan**

Head of Research

**Current jobs:**

Head of Research at DRC

**Previous jobs & experiences:**

- Deputy General Manager of Research at Qiyas Company (a limited liability company working in the field of market research)
- Senior Research Manager at Ipsos (a multinational company working in the field of market research) UAE and Saudi Arabia
- Senior Research Account Manager at Ipsos (a multinational company working in the field of market research), Kuwait
- Senior Research Consultant at Raeda Group for Market and Economic Research (a limited liability company working in the field of market research)
- Research and Customer Service Manager at TNS Kantar International Market Research Company (a British public limited company working in the field of market research)
- Project Manager at Samar International Limited (a limited liability company working in the field of advertising and strategic marketing research)
- Visiting faculty member in various private institutes specializing in teaching economics

**Qualifications:**

- Certified Customer Experience Professional from CX Academy, Dublin, Ireland
- Master of Applied Sciences in Applied Economics from University of Karachi, Pakistan
- Principles of Marketing Research Certificate - Certified Professional from University of Georgia, USA
- Bachelor of Economics from Peshawar University, Pakistan



**Mr. Abdullah Altayyar**

Head of Human Resource

**Current jobs:**

Head of Human Resource at DRC

**Previous jobs & experiences:**

- Human Resources Specialist at Digital Research Company (a joint-stock company operating in the field of market research), Saudi Arabia
- HR Clerk at TNS Kantar Global Market Research Company (a British public joint-stock company operating in the field of market research), Saudi Arabia
- Administrative position at Abdullah Al-Othaim Markets Company (a public joint-stock company operating in the field of food trade), Saudi Arabia

**Qualifications:**

- Secondary Commercial Diploma - specializing in office management from Al-Risala Secondary Institute, Kingdom of Saudi Arabia

### 5.3.1 Biography of Executive Management (continued)



#### Mr. Abdullah Muhammad Abdulhamid

Manager Internal Audit and Secretary of Audit Committee

#### Current jobs:

Manager Internal Audit at DRC and Secretary of the Audit Committee at DRC

#### Previous jobs & experiences:

- Internal Auditor at Ersal Al-Jazeera Company For Business Solutions (a limited liability company operating in the field of consulting)
- Head of Accounts at Food Nations Company for Food Products (a limited liability company operating in the field of restaurants and bakery industry)
- Internal Auditor at Ahmed Suleiman Al-Mansour Group of Companies (a group of limited liability companies operating in the field of medical supplies trade)
- Head of Accounts at the Beet Project for Agricultural and Animal Production (a limited liability company operating in the field of agriculture and animal wealth)
- Internal Auditor at Muawiya Al-Barir Group of Companies (a limited liability company operating in the field of investment)

#### Qualifications:

- Certified Internal Auditor Fellowship from the International Institute of Internal Auditors, USA
- Certified Risk Management Professional from the International Project Management Institute, USA
- Bachelor of Cost and Management Accounting from Sudan University of Science and Technology, Republic of Sudan

## 5.4 Meetings

### 5.4.1 General Assembly Meetings and Attendance

Six meetings of the General Assembly of Shareholders were held during the fiscal year 2024G, and the following is a statement of the dates of these meetings and the names of the members of the Board of Directors who attended these meetings:

General Assembly Meetings									
Name	Position	1st	2nd	3rd	4th	5th	6th	Total	
		Ordinary	Extraordinary						
		2024/01/28G	2024/04/15G	2024/04/22G	2024/05/05G	2024/06/24G	2024/11/24G		
Ahmed Mohammed Ahmed Al-Quraishi	Chairman	✓	✓	✓	✓	✓	✓	6	
Mohammed Ahmed Abdulla Al-Quraishi	Deputy Chairman	✓	✓	✓	✓	✓	✓	6	
Waleed Khalid Ahmed Alsuliman	Member, CEO & MD	✓	✓	✓	✓	✓	✓	6	
Mansour Ayedh Hassan Alkahtani	Member	✓	✓	✓	✓	✓	✓	6	
Abdulaziz Saud Mutab Al-Subhan	Member	✓	✓	✓	✓	✓	✓	6	
Fahad Abdullah Suliman Alsaawi	Member	X	✓	X	✓	✓	X	3	

#### 5.4.2 Board of Directors Meetings and Attendance

Following Board of Directors meetings were held during the fiscal year 2024G, and the following is a statement of the dates of these meetings and the names of the members of the Board of Directors who attended these meetings:

Board of Directors Meetings					
Name	Position	1st	2nd	3rd	Total
		2024/ 04/3G	2024/04/18G	2024/ 06/9G	
Ahmed Mohammed Ahmed Al-Quraishi	Chairman	✓	✓	✓	3
Mohammed Ahmed Abdulla Al-Quraishi	Deputy Chairman	✓	✓	✓	3
Waleed Khalid Ahmed Alsuliman	Member, CEO & MD	✓	✓	✓	3
Mansour Ayedh Hassan Alkahtani	Member	✓	✓	✓	3
Abdulaziz Saud Mutab Al-Subhan	Member	✓	✓	✓	3
Ziyad Ibrahim Abdulaziz Altuwaijri [1]	Member	-	-	✓	1
Fahad Abdullah Suliman Alsaawi	Member	✓	✓	✓	3
Khaled Battal Saif Albattal [2]	Member	✓	✓	✓	3
Khalid Waleed Abdullatif Alswaidian	Member	✓	✓	✓	3
Berjis bin Hamood Al-Berjis [3]	Member	✓	✓	-	2
Muhammad Sulaiman Al-Anqari [4]	Member	-	-	-	-

[1] Ziyad Ibrahim Abdulaziz Altuwaijri joined Board of Directors effective from 2024/ 06/9G

[2] Khaled Battal Saif Albattal joined Board of Directors effective from 2024/ 02/ 19G

[3] Berjis bin Hamood Al-Berjis resigned from Board of Directors effective from 2024/5/ 20G

[4] Mohammad Sulaiman Al-Anqari resigned from Board of Directors effective from 2024/ 02/1G

#### 5.4.3 Audit Committee Meetings and Attendance

Following meetings of Audit Committee were held during the fiscal year 2024G, and the following is a statement of the dates of these meetings and the names of the members who attended these meetings::

Audit Committee Meetings									
Name	Position	1st	2nd	3rd	4th	5th	6th	Total	
		Ordinary	Extraordinary						
		2024/01/28G	2024/04/15G	2024/04/22G	2024/05/05G	2024/06/24G	2024/11/24G		
Khalid Waleed Abdullatif Alswaidian	Chairman	✓	✓	X	✓	✓	✓	5	
Mohammed bin Youssef Helmy	Member	✓	✓	✓	✓	✓	✓	6	
Abdulrahman bin Mohammed Al-Badawi	Member	✓	✓	✓	✓	✓	✓	6	

## 5.5 Remunerations

### 5.5.1 Remunerations Policy

The Nomination and Remuneration Committee shall be responsible for preparing a policy for the remuneration of the members of the Board of Directors, its committees and the executive management of the Company. Such a policy shall be recommended by Nomination and Remuneration Committee to Board of Directors for review and approval, thereafter, policy shall be recommended by Board of Directors to General Assembly for ultimate approval and policy shall be without prejudice to the provisions of the Companies Law and the Capital Market Law and their implementing regulations, the remuneration policy shall:

- a. be consistent with the Company's strategy and objectives;
- b. provide remunerations with the aim of encouraging the Board members and Executive Management to achieve the success of the Company and its long-term development;
- c. determine remuneration based on job level, duties and responsibilities, educational qualifications, practical experience, skills and level of performance;
- d. be consistent with the magnitude, nature and level of risks faced by the Company;
- e. take into consideration the practices of other companies in respect of the determination of remunerations, and avoid the disadvantages of such comparisons in leading to unjustifiable increases in remunerations and compensations;
- f. attract talented professionals and retain and motivate them without exaggeration;
- g. be prepared in coordination with the nomination committee in respect of new appointments;
- h. take into consideration situations where remunerations should be suspended or reclaimed if it is determined that such remunerations were set based on inaccurate information provided by a member of the Board or the executive management, in order to prevent abuse of power to obtain unmerited remunerations; and
- i. regulating the grant of Company's shares to the Board members and the Executive Management, whether newly issued or purchased by the Company.

### 5.5.2 Remunerations of members of the Board and its Committees

- a. The remuneration of the members of the Board of Directors consists of a certain amount, an attendance allowance for the sessions, in-kind benefits, or a certain percentage of net profits. Two or more of these benefits may be combined.
- b. The remuneration of the members of the committees of the Board of Directors consists of a certain amount, an attendance allowance for the sessions, or in-kind benefits. Two or more of these benefits may be combined.
- c. The Board of Directors shall propose the remuneration of the members of the Board of Directors and the subordinate committees based on the recommendation of the Nomination and Remuneration Committee and in accordance with the relevant laws and regulations to the General Assembly for their approval.



## Remunerations of members of the Board of Directors during FY 2024:

Name of Member	Fixed Remunerations							Fixed Remunerations							Grand Total
	Specific amount (remuneration)*	Allowance for attending Board meetings	Total Allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary, if a member	Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total	End-of-service award	
Independent Members															
Khaled Battal Saif Albattal	35,000	9,000	-	-	-	-	44,000	-	-	-	-	-	-	44,000	
Khalid Waleed Abdullatif Alswaidian	35,000	9,000	10,000	-	-	-	54,000	-	-	-	-	-	-	54,000	
Ziyad Ibrahim Abdulaziz Altuwaijri	35,000	3,000	-	-	-	-	38,000	-	-	-	-	-	-	38,000	
Non-Executive Directors															
Ahmed Mohammed Ahmed Al-Quraishi	-	9,000	-	-	-	345,000	354,000	-	-	-	-	-	-	354,000	
Mohammed Ahmed Abdulla Al-Quraishi	35,000	9,000	-	-	-	-	44,000	-	-	-	-	-	-	44,000	
Abdulaziz Saud Mutab Al-Subhan	35,000	9,000	-	-	-	-	44,000	-	-	-	-	-	-	44,000	
Fahad Abdullah Suliman Alsaawi	35,000	9,000	-	-	-	-	44,000	-	-	-	-	-	-	44,000	
Executive Members															
Waleed Khalid Ahmed Alsuliman	35,000	9,000	-	-	-	120,000	164,000	-	-	-	-	-	-	164,000	
Mansour Ayedh Hassan Alkahtani	35,000	9,000	-	-	-	-	44,000	-	-	-	-	-	-	44,000	

\*This was payable at year-end 2024

## 5.5.3 Remunerations of Audit Committee during FY 2024

Name	Fixed Remunerations	Allowance for attending Board meetings	Total
Khalid Waleed Abdullatif Alswaidian	30,000	9,000	39,000
Mohammed bin Youssef Helmy	30,000	-	30,000
Abdulrahman bin Mohammed Al-Badawi	30,000	-	30,000

#### 5.5.4 Total Remunerations of top five Senior Executives including CEO and CFO during FY 2024:

Fixed Remunerations					Variable Remunerations							
Salaries	Allowances	In-kind benefits	Total	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares (in value)	Total	End-of-service award	Total remunerations for Board executive	Grand Total
5,258,350	290,000	-	5,548,350	-	842,584	-	-	-	6,390,934	368,228	70,000	6,829,162

In order to protect the interests of the Company, its shareholders and its employees, and to avoid any risk of competition in human capital market that may result from the disclosure in details as per job titles and positions, the detail of remunerations of the Senior Executives has been disclosed on collective basis in accordance with the requirements of Article 90 (4-b) of the Corporate Governance Regulations. Accordingly, the detail of remunerations is not presented pursuant to "Appendix (1) Remunerations of Senior Executives" of Corporate Governance Regulations.

#### 5.5.5 Waiver of Remuneration

There was no arrangement or agreement under which a director or a Senior Executive of the Company has waived any remuneration and no shareholder has waived rights to dividends.

### 5.6 Competitive business and Related Party Transactions

#### 5.6.1 Competitive Business:

During fiscal year 2024G, no member of the Board of Directors and its committees and no member of executive management was involved in any business that competes with the business of the Company.

#### 5.6.2 Related Party Transactions:

During fiscal year 2024G, below transaction was conducted between a related party and the Company:

Name of Party	Interest & Nature of Relationship	Value of Transaction SAR	Duration of Contract	Nature of Services	Status
Successful Stories Limited Company	Indirect interest with the member of the Board of Directors, Mr. Walid bin Khalid Al-Sulaiman	180,815	Ongoing	To provide administrative and executive recruitment services to DRC	Approved by General Assembly held on November 2024

Remunerations of the Board members, its committees' members and members of the executive management have been disclosed in relevant sections.



## 5.7 Internal Audit

Internal review is one of the most important issues that contributes to knowing the strengths and weaknesses that will directly contribute to the evolution of the company's business in all its divisions. The Audit Committee, represented by the Internal Audit Department, serves as an effective tool for measuring each department's performance and risks, assisting in identifying compass and future objectives, verifying weaknesses and working to improve and eliminate them.

### 5.7.1 Results of the annual review of the effectiveness of the company's internal control procedures and the opinion of the audit committee on the adequacy of the company's internal control system

The Audit Committee is keen to find an appropriate and effective internal control system that includes policies and procedures prepared under the supervision of the Board of Directors to achieve the Company's strategic objectives and an integrated internal control system to be examined and reviewed annually by the Audit Committee, The company is also making integrated efforts to improve the control environment through the development

and continuous review of policies and procedures to limit any excesses and to avoid and correct any shortcomings in the internal control system.

The audit committee focused on high-risk issues through the adoption of a risk-based audit plan, follow-up on the adequacy and effectiveness of control procedures as well as other work, and oversee the internal and external audit work conducted during fiscal 2024 AD to ensure the reasonable effectiveness of internal controls and control procedures.

### Opinion of the Audit Committee

Based on the results of the evaluation of the effectiveness of the internal control procedures and the ongoing evaluation of the controls applied by the company, the Committee is of the view that the company's current internal control environment and system is functioning adequately and effectively and is regularly monitored for continuous improvement, and the company continues to strive to strengthen and develop the internal control system. Any internal control system, regardless of the integrity of its design and the effectiveness of its application, cannot provide absolute assurance about the ability to prevent all potential risks or threats.



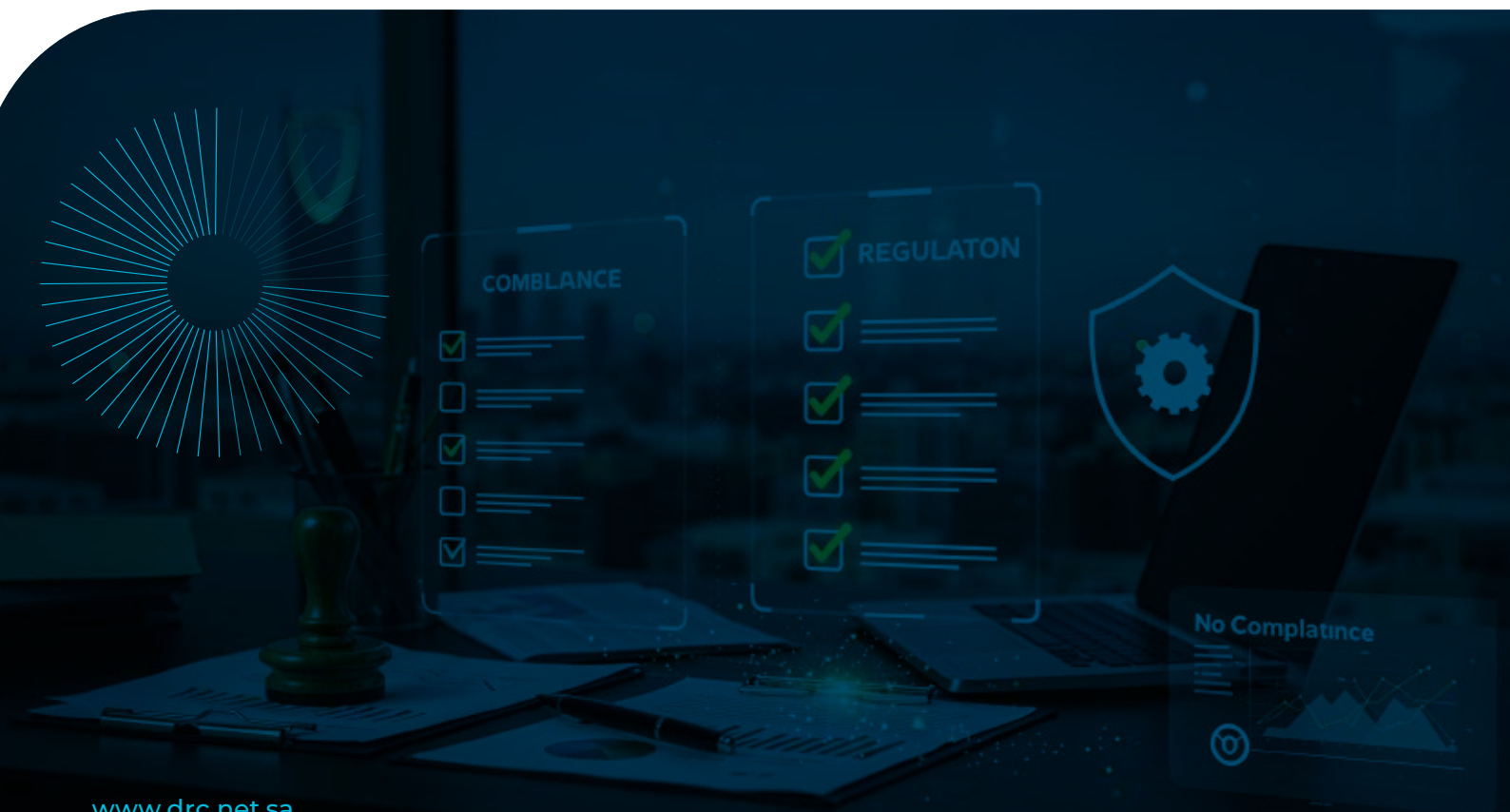
## 5.8 Compliance

### 5.8.1 Requirements of Corporate Governance Regulations Not-in-Compliance and Reasons Thereof:

Article	Subject of Article	Reasons of Non-Compliance
Article 37	Training of Board members and senior executives	Guiding Article But Company aims and ensures trainings of the senior executives
Article 39	Necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators	Guiding Article The Company ensures annual assessment of executive management
Articles 57 & 61	Formation of Nomination and Remuneration Committees	The Company planned to form said committees during FY 2025
Articles 67 & 68	Formation of Risk Management Committee and its Terms of Reference	Guiding Article However, the risk management function is jointly performed by designated member of executive management and Audit Committee
Article 92	Formation of Corporate Governance Committee	Guiding Article The Board of Directors shall implement governance, monitor its implementation and verify its effectiveness

## 5.9 Details of any Punishment, Penalty, Precautionary procedures, Preventive measures imposed on Company

During the year, no punishment, penalty, precautionary procedure or preventive measure imposed on the Company by the Capital Market Authority or any other supervisory, regulatory or judiciary authority.







# 06. FINANCIAL PERFORMANCE REPORT

## 6.1 CFO's statement

Dear Board members and shareholders,

I am pleased to present the financial performance of the Company for the fiscal year 2024.

During the year, the Company completed the journey of IPO successfully and efficiently. Our revenue grew by %16, value of new projects awarded during the year 2024 amounted to worth SAR 26.4 million out of which SAR 15 million was recognized during the year and SAR 48.1 million was recognized by performance progress on existing projects. Net profit of the Company declined by %44 resulting mainly from increased direct cost (cost of revenue), G&A and selling & marketing. Direct cost increased mainly due to hiring of new consultants to support increase in unique projects requiring subject matter experts and due to combined impact of hiring of new employees and increase in salaries. G&A increased mainly due to hiring of senior executive level employees, increase in remuneration of Board and its committee members and government, professional and legal fees. Selling & marketing expenses increased due to high marketing campaign to support growth of the business.

Increase in aforementioned expenses was aimed to support the expansion plan and growth of the Company aligned with its business strategy and its commitment to create value for its shareholders.

Further, the Company maintained healthy current ratio and financial leverage ensuring financial stability and low financial risk.

Looking ahead, we are committed to ensure sustainable growth and value creation for our stakeholders.

Muhammad Adnan Rasheed

## 6.2 Auditors' report opinion

As per the Company's external auditor's opinion, the 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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting 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").

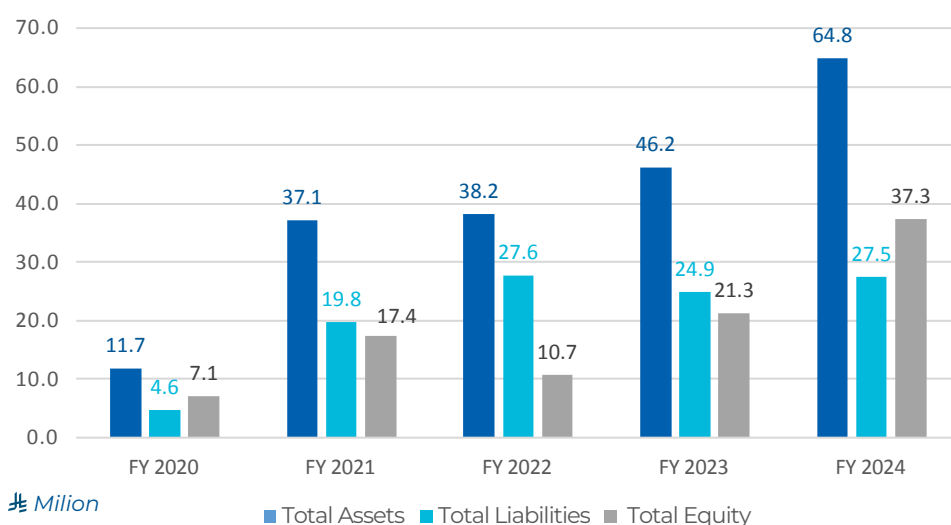
## 6.3 Financial Performance

### 6.3.1 Financial Performance as compared to last year

- Revenue SAR **63.1m** Increased by %16
- Gross profit SAR **21.1m** Increased by %6
- Net Profit SAR **5.9m** declined by %44
- Operating Cash flows (CF) SAR **13.5m**
- GP margin %33
- Operating profit margin %13
- Net profit margin %9
- EPS **4.2** (SAR per share) in FY 2024 and 7.0 in FY 2023

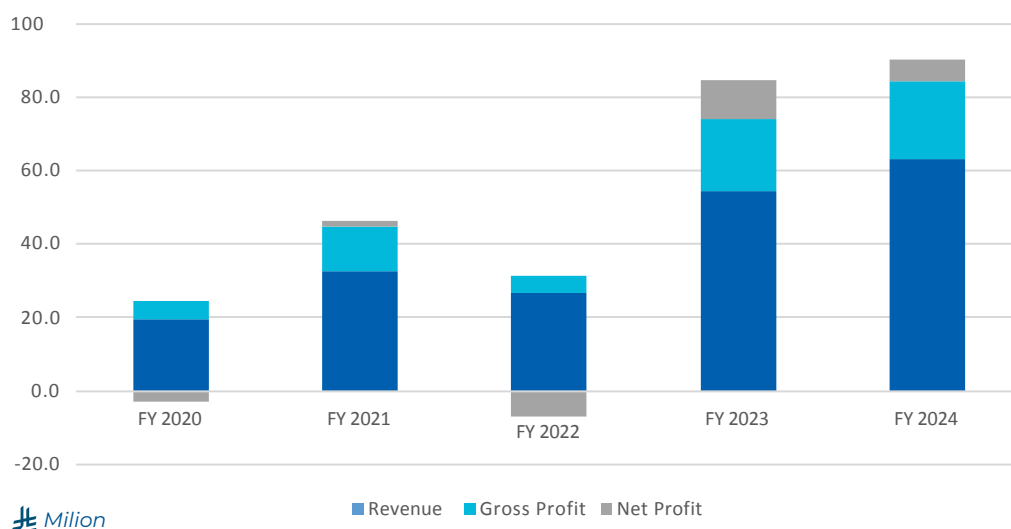
## 6.3.2 Total Assets, total liabilities and total equity over last five years

FY	2024	2023	2022	2021	2020
Total assets	64,797,189	46,240,475	38,249,229	37,128,787	11,723,068
Total liabilities	27,455,888	24,916,411	27,597,291	19,757,099	4,611,991
Total Equity	37,341,301	21,324,064	10,651,938	17,371,688	7,111,077



## 6.3.3 Financial results over last five years and material differences in operating results from previous year's results:

FY	2024	2023	2022	2021	2020	FY 2024 Vs FY 2023
Revenue	63,054,027	54,291,812	26,688,576	32,485,138	19,571,396	%16
Cost of revenue	(41,981,899)	(34,467,931)	(22,008,131)	(20,177,826)	(14,537,541)	%22
Gross profit	21,072,128	19,823,881	4,680,445	12,307,312	5,033,855	%6
Selling and marketing expenses ("S&M")	(1,190,618)	(272,447)	(1,010,467)	(1,304,146)	(3,645,255)	%337
General and administrative expenses ("G&A")	(11,947,058)	(7,607,695)	(9,932,460)	(9,435,247)	(4,328,756)	%57
Operating profit (loss)	7,934,452	11,943,739	(6,262,482)	1,567,919	(2,940,156)	%34-
Finance cost	(1,495,816)	(1,274,696)	(1,018,627)	-	-	%17
Other income	481,651	459,995	547,850	22,649	224,355	%5
Net profit (loss) before zakat	6,920,287	11,129,038	(6,733,259)	1,590,568	(2,715,801)	%38-
Zakat expense	(990,816)	(596,738)	(345,847)	(165,669)	(240,060)	%66
Net profit (loss) for the year	5,929,471	10,532,300	(7,079,106)	1,424,899	(2,955,861)	%44-



### 6.3.4 Geographical analysis of revenue

During the fiscal year %99 ,2024 of the total revenue was derived from customers within Saudi Arabia.

## 6.4 Management Discussion & Analysis (“MD&A”)

During fiscal year 2024 as compared to last fiscal year, reasons for changes in total assets, total liabilities and total equity are as under:

#### Total assets:

Non-current assets decreased by %14 which was mainly due to periodical depreciation and amortization of property and equipment and intangible assets.

Current assets increased by %59 which was mainly due to injection of new funds through Initial Public Offering (“IPO”) to increase the share capital by SAR 14.4 million to support the expansion plan and growth of the business of the Company.

#### Total liabilities:

Non-current liabilities decreased by %3.

Current liabilities increased by %16 which was mainly due to increase in head of “accounts payable, accrued expenses and other liabilities”. Increase in head of “accounts payable, accrued expenses and other liabilities” was mainly due to increase in accounts payable and accrued expenses resulting from hiring of new consultants required for execution of certain projects and resulting from recording of payable for invoices not yet received but services received respectively.

#### Total equity:

Total equity increased by %75 representing growth in business and was mainly due to increase in share capital by SAR 15.7 million. Increase in share capital of SAR 13.7 million was through share premium of SAR 11.5 million and retained earnings of SAR 2.2 million and remaining increase in share capital of SAR 1.9 million was through IPO. Further, total equity also increased due to increase in share premium balance by SAR 12.5 million which was due to premium on subscription of shares at market price of SAR 83 per share after netting of the offering expenses of SAR 1.2 million.

During fiscal year 2024 as compared to last fiscal year, reasons for changes in financial results are as under:

#### Revenue:

Revenue grew by %16, value of new projects awarded during the year 2024 amounted to worth SAR 26.4 million out of which SAR 15 million was recognized during the year and SAR 48.1 million was recognized by performance progress on existing projects.

#### Net profit:

Net profit of the Company declined by %44 resulting mainly from increased direct cost (cost of revenue), G&A and selling & marketing. Direct cost increased mainly due to hiring of new consultants to support increase in unique projects requiring subject matter experts and due to combined impact of hiring of new employees and increase in salaries. G&A increased mainly due to hiring of senior level executive employees, increase in remuneration of Board and its committee members and

government, professional and legal fees. Selling & marketing expenses increased due to high marketing campaign to support growth of the business. In overall, increase in aforementioned costs was aimed to support the expansion plan and growth of the Company.

### 6.5 Indebtedness of the Company

During fiscal year 2024, detail of loans arranged by the Company is as under:

	#
Balance at beginning of the year	1,289,013
Loans obtained	8,477,994
Loans repaid	(8,169,300)
<b>Balance at end of the year</b>	<b>1,597,707</b>

The loan outstanding as of year-end 2024 has been arranged from Bank AlBilad under Islamic facility. The loan is obtained under project financing and its repayment shall be made upon receipt of collections from the customer.

### 6.6 Debts and Securities Instruments Statement

There is no class and number of any convertible debt instruments, contractual securities, preemptive right or similar rights issued or granted by the Company during the fiscal year 2024 and thus no compensation obtained by the Company in this regard.

### 6.7 Statutory Payments

#### Zakat and Value Added Tax ("VAT"):

During fiscal year 2024, the Company paid zakat of SAR 595,660 related to zakat return of 2023. Zakat payable at year-ended December 31 ,2024 amounted to SAR 991,894 which is related to meeting the requirement of zakat expense for the year 2024. The Company also paid additional zakat liability amounted to SAR 12,043 related to zakat assessment finalized for 2019.

VAT paid during the fiscal year 2024 amounted to SAR 8.6 million and VAT payable at year-end December 31 ,2024 amounted to SAR 2.6 million which is paid subsequent to year-end in accordance with requirements of applicable laws and regulations.

During the year, withholding tax paid amounted to SAR 225,196 and payable amounted to SAR 111,852.

#### Fees:

Fees payable at year-end December 31 ,2024 amounted to SAR 89,549 being payable to Saudi Tadawul Group which was paid subsequent to year-end as per terms of payments.

### 6.8 Treasury Shares held by the Company

As of year-end December 31 ,2024, the Company held treasury shares of 136,353 shares at the price of SAR 10 each and General Assembly 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.

### 6.9 Statement of Competing Business

During the fiscal year 2024, no member of the Board of Directors, no member of senior executives or any person related to any of them was engaged in any competing business with the Company or any of its activities.

### 6.10 Declaration

It is declared that:

- a. proper books of account have been maintained;
- b. the system of internal control is sound in design & has been effectively implemented;
- c. there are no significant doubts concerning the Company's ability to continue its activity.

## Variance Analysis for FY 2024 Financial Statements:

### Income Statement:

1- Why revenue increased by %16 (by SAR 8.76 million) as compared to last year:

- Due to performance of both existing projects and new projects awarded during the year.
- Total worth of new projects awarded amounted to SAR 26.4 million, out of which SAR 15 million was recognized during the year 2024
- SAR 48.1 million was recognized during the year 2024 out of the existing projects

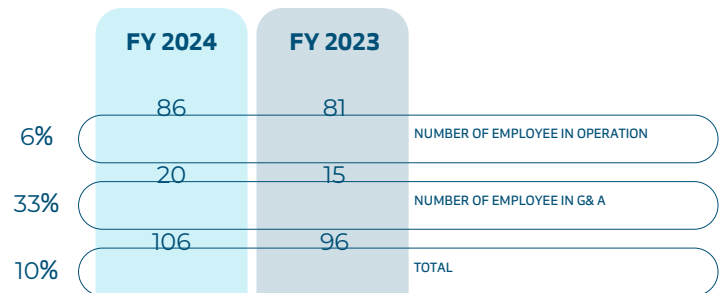
2- Out of new projects awarded of SAR 26.4 million (before VAT) during the year 2024, how much related to Research and how much related to Data?

- New projects worth SAR 23.5 million related to Research
- New projects worth SAR 2.9 million related to Data

3- Why cost of revenue increased by %22 (by SAR 7.51 million) as compared to last year?

- Cost of revenue increased mainly due to hiring of new consultants to support increase in unique projects requiring subject matter experts and due to combined impact of hiring of new employees and increase in salaries related to employees involved in operations.
- Data consultancy cost increased by %70 (by SAR 1.9 million). Research consultancy cost increased by %63 (by SAR 1.2 million). These costs may not necessarily continue with same level in the next year, these costs could be at lower level or above depending on the requirements of new projects.
- Employee salaries and benefits increased by %29 (by SAR 4.6 million) mainly due to combined impact of increase in number of employees (headcount increased by %6) and increase in overall salaries of the employees by %14 (on average) to support the growth of the business and expansion plan.
- Analysis of increase in total number of

employees as compared to last year is as follows:



4- Why Gross Profit (GP) margin decreased by %3 from %36 in FY 2023 to %33 in FY 2024?

- GP margin decreased due to fact that cost of revenue increased more than increase in revenue. Cost of revenue increased by %22 and revenue increased by %16. Reasons for increase in cost of revenue have been explained above.

5- Why G&A expenses increased significantly by SAR 4.34 million (by %57) as compared to last year?

- Increase in G&A mainly resulted from increase in number of employees by %33 including hiring of C-level management (CFO, Chief BDO, Internal Auditor) and mid-level management, increase in legal and professional fees (legal advisor, external auditor, Tadawul), increase in remuneration of the board and audit committee members. Such costs were required during listing of the Company and to meet post listing requirements.
- Increase in medical insurance cost due to increase in number of employees and increase in insurance price (which increased by %41).
- Increased G&A expenses were aimed to support the expansion plan and growth in business of the Company.

6- Why Selling & marketing expenses increased by SAR 0.92 million (by %337) as compared to last year?

- Increase in S&M expenses resulted from marketing campaign conducted during the year 2024 which also included participating in marketing & networking events (like LEAP) and media marketing (social media). The level of marketing expenses was low in FY 2023 amounting to only SAR 272K.
- Increased marketing expenses during the year 2024 were aimed to support the expansion plan and growth in business of the Company.

7- Why finance cost increased by %17 (SAR 0.22 million) as compared to last year?

- Finance cost related to bank loans and LGs increased by %62 (by SAR 0.27 million) mainly due to management fees paid on arranging two new facilities during the year 2024 and also due to bank charges on LGs issued using the bank facilities as compared to last year where the Company arranged LGs on cash.
- Finance cost rate for the Company ranges from %10 to %13 per annum being a company under category of SMEs.
- Breakup of finance cost is as follows:

	FY 2024	FY 2023	
62%	710,247	439,528	Finance cost on loan and bank charges
-13%	620,634	715,917	Leases related finance cost
38%	164,935	119,251	End of service indemnity related finance cost
17%	1,495,816	1,274,696	total

8- Why zakat expense increased by %66 (by SAR 0.39 million) as compared to last year?

- Zakat expense increased mainly due to increase in total equity of the Company (total equity increased from SAR 21.32 million to SAR 37.34 million).

9- Sales reached to SAR 63.05 million but net profit amounted to SAR 5.93 million which represented %9.4 net profit margin as compared to %19 of last year?

- Net profit decreased and also net profit margin decreased mainly due to increased cost of revenue, G&A and selling and marketing expenses. All these have been explained above.

Balance Sheet:

10- Why fixed assets (property and equipment) decreased by %9 (by SAR 0.29 million) as compared to last year?

- Property and equipment decreased mainly due to periodical depreciation which amounted to SAR 0.47 million
- Additions in property and equipment during the year 2024 amounted to SAR 173K mainly related to purchase of computers.

11- Why contract assets decreased by %26 (by SAR 2.79 million) as compared to last year?

- Contract assets decreased mainly due to more billing than revenue recognized during the period where billing amounted to SAR 63.3 million and revenue recognized amounted to SAR 60.5 million. Billing is done as per terms of the contract with each customer.
- Majority of the billings is done within 90-days and balances falling under 90-days represented %99 of the total contract assets.



12- Reason of increase in prepaid assets by %51 (by SAR 0.43 million) from SAR 0.83 million in FY 2023 to SAR 1.26 million in FY 2024?

- Prepaid expenses increased mainly due to increase in medical insurance expense which increased due to increase in number of employees and increase in price by insurance company which was %41.

13- Reason of increase in accounts receivable by %28 (by SAR 2.8 million) as compared to last year?

- Accounts receivable increased due to increase in annual revenue by %16 and also due to more billing to customers during 4th quarter of 2024 which amounted to SAR 20 million.

- Billings are done as per terms of contract with each customer.

- Collections are made from accounts receivable as per credit terms agreed with customers which for each customer and falls mainly between 45 days to 60 days.

- In accounts receivable ageing, there is nothing overdue by more than six-months and majority of the balance (%56) falls within 90-days.

14- Why loans balance increased by %24 (by SAR 0.31 million) as compared to last year?

- Level of loans depends on working capital requirements and availability of cash to meet such requirements. During first half of the year 2024, collections were slow due to response of related government portals and the Company had to rely on loans to support the execution of projects.

- Despite loans increased but financial risk of the Company was very low. Financial leverage (debt-to-equity ratio) was %4 and %6 as of December 2024 ,31 and December 2023 ,31 respectively.

# THANK YOU

We consistently value and incorporate opinions in an effort to improve the quality of the reports we publish. Kindly feel at liberty to reach out to us via following communication channel:

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