

**DIGITAL RESEARCH COMPANY
(A SAUDI JOINT STOCK COMPANY)
RIYADH – KINGDOM OF SAUDI ARABIA**

**INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025**

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Digital Research Company** (A Saudi Joint Stock Company) ("the Company") as of June 30, 2025, and the related interim condensed statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the interim condensed statement of changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this condensed financial information in accordance with International Accounting Standards 34 – "Interim Financial Reporting" (IAS 34) that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

RSM Allied Accountants Professional Services



Mohammed Bin Farhan Bin Nader
License No. 435




Riyadh, Kingdom of Saudi Arabia

Rabi Al Awwal 01, 1447H (corresponding to August 24th, 2025G).



DIGITAL RESEARCH COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025
(All amounts are in Saudi Riyals unless otherwise stated)



	Note	June 30, 2025 (unaudited)	December 31, 2024 (audited)
Assets			
Non-current assets			
Property and equipment		2,912,932	3,074,164
Intangible assets		340,289	182,806
Right-of-use assets	5.1	6,259,700	6,943,175
Capital work in progress		-	143,500
Total non-current assets		9,512,921	10,343,645
Current assets			
Contract assets	6.1	8,662,093	7,941,298
Prepaid expenses and other assets		5,402,922	6,719,598
Accounts receivable	7	15,303,557	12,860,274
Cash and cash equivalents	9	16,946,422	26,932,374
Total current assets		46,314,994	54,453,544
Total assets		55,827,915	64,797,189
Equity and liabilities			
Equity			
Share capital	10	16,875,000	16,875,000
Additional contribution from Pre-IPO shareholders		1,363,530	1,363,530
Statutory reserve		368,421	368,421
Treasury shares		(1,363,530)	(1,363,530)
Share premium		12,497,965	12,497,965
Retained earnings		4,131,949	7,599,915
Total equity		33,873,335	37,341,301
Liabilities			
Non-current liabilities			
Employees' defined benefit plan obligations		5,491,578	4,959,214
Lease liabilities - non-current portion	5.2	6,071,125	6,664,639
Total non-current liabilities		11,562,703	11,623,853
Current liabilities			
Loans	11	1,456,949	1,597,707
Lease liabilities - current portion	5.2	938,670	1,099,560
Accounts payable, accrued expenses and other liabilities		7,406,686	11,278,674
Contract liabilities	6.3	123,115	864,200
Zakat payable		466,457	991,894
Total current liabilities		10,391,877	15,832,035
Total liabilities		21,954,580	27,455,888
Total equity and liabilities		55,827,915	64,797,189
  			
<div>Chief Financial Officer (Muhammed Adnan Rasheed)</div> <div>Chief Executive Officer (Waleed Khalid Alsuliman)</div> <div>Chairman of Board of Directors (Ahmed Mohammad Ahmed Al-Quraishi)</div>			

The accompanying notes (1) to (19) form an integral part of these interim condensed financial information.

DIGITAL RESEARCH COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX MONTH PERIODS ENDED JUNE
30, 2025
(All amounts are in Saudi Riyals unless otherwise stated)

		Three-month period		Six-month period	
		June 30,	June 30,	June 30,	June 30,
		2025	2024	2025	2024
	<u>Note</u>	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit or loss					
Revenue	12	11,650,193	12,192,597	23,386,978	27,724,877
Cost of revenue		(10,461,277)	(8,162,808)	(19,682,565)	(18,016,294)
Gross profit		1,188,916	4,029,789	3,704,413	9,708,583
Selling and marketing expenses		(99,462)	(54,104)	(299,039)	(912,212)
General and administrative expenses		(3,447,559)	(2,396,966)	(6,458,506)	(4,745,242)
Operating (loss) / profit		(2,358,105)	1,578,719	(3,053,132)	4,051,129
Finance cost		(187,279)	(295,869)	(388,304)	(730,313)
Other income	13	279,398	75,635	439,927	210,473
Net (loss) / profit for the period before zakat		(2,265,986)	1,358,485	(3,001,509)	3,531,289
Zakat		(216,122)	(186,701)	(466,457)	(340,371)
Net (loss) / profit for the period		(2,482,108)	1,171,784	(3,467,966)	3,190,918
Other comprehensive income		-	-	-	-
Total comprehensive (loss) / income for the period		(2,482,108)	1,171,784	(3,467,966)	3,190,918
<u>(Loss) / earnings per share</u>					
(Loss) / earnings per share of net (loss) / profit for the period (basic and diluted)	14	(1.60)	0.78	(2.24)	2.13

Chief Financial Officer
(Muhammed Adnan Rasheed)

Chief Executive Officer
(Waleed Khalid Alsuliman)

Chairman of Board of Directors
(Ahmed Mohammad Ahmed Al-Quraishi)

The accompanying notes (1) to (19) form an integral part of these interim condensed financial information.

DIGITAL RESEARCH COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025
(All amounts are in Saudi Riyals unless otherwise stated)



	Share capital	Additional contribution from Pre-IPO shareholders	Statutory reserve	Treasury shares	Share premium	Retained earnings	Total equity
<u>For the six-months period ended June 30, 2024 (unaudited)</u>							
Balance as at January 1, 2024 (audited)	1,228,070	-	368,421	-	11,528,452	8,199,121	21,324,064
Total comprehensive income for the period	-	-	-	-	-	3,190,918	3,190,918
Increase in share capital	13,771,930	-	-	-	(11,528,452)	(2,243,478)	-
Treasury shares contributed by the Pre-IPO shareholders	-	1,363,530	-	(1,363,530)	-	-	-
Dividends	-	-	-	-	-	(4,000,000)	(4,000,000)
Balance as at June 30, 2024	<u>15,000,000</u>	<u>1,363,530</u>	<u>368,421</u>	<u>(1,363,530)</u>	<u>-</u>	<u>5,146,561</u>	<u>20,514,982</u>
<u>For the six-months period ended June 30, 2025 (unaudited)</u>							
Balance as at January 1, 2025 (audited)	16,875,000	1,363,530	368,421	(1,363,530)	12,497,965	7,599,915	37,341,301
Total comprehensive loss for the period	-	-	-	-	-	(3,467,966)	(3,467,966)
Balance as at June 30, 2025	<u>16,875,000</u>	<u>1,363,530</u>	<u>368,421</u>	<u>(1,363,530)</u>	<u>12,497,965</u>	<u>4,131,949</u>	<u>33,873,335</u>

Chief Financial Officer
(Muhammed Adnan Rasheed)

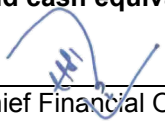
Chief Executive Officer
(Waleed Khalid Alsuliman)


Chairman of Board of Directors
(Ahmed Mohammad Ahmed Al-Quraishi)


The accompanying notes (1) to (19) form an integral part of these interim condensed financial information.

INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025
(All amounts are in Saudi Riyals unless otherwise stated)

	For the six-month period ended June 30,	
	2025	2024
	(unaudited)	(unaudited)
Cash flows from operating activities		
Net (loss) / profit for the period before zakat	(3,001,509)	3,531,289
Adjustments to reconcile net profit for the period:		
Depreciation of property and equipment	222,715	243,192
Depreciation of right-of-use assets	683,475	695,653
Amortization of intangible assets	46,467	42,932
Finance cost	388,304	689,687
Provision for employee defined benefit plan obligations	639,270	558,291
Charged / (reversal) of expected credit loss ("ECL") allowance	601,569	(44,488)
Loss on disposal of right-of-use assets and lease liabilities	-	1,112
	(419,709)	5,717,668
Changes in operating assets and liabilities:		
Contract assets	(720,795)	2,685,758
Prepaid expenses and other assets	1,316,676	(317,284)
Accounts receivable	(3,044,852)	(6,674,746)
Accounts payable, accrued expenses and other liabilities	(3,871,988)	(1,268,970)
Contract liabilities	(741,085)	(1,247,823)
Cash used in operations	(7,481,753)	(1,105,397)
Employee defined benefit plan obligations paid	(106,906)	(75,148)
Zakat paid	(991,894)	(595,660)
Net cash used in generated from operating activities	(8,580,553)	(1,776,205)
Cash flows from investing activities		
Additions to property and equipment	(61,483)	(28,823)
Additions to intangible assets	(60,450)	(158,500)
Net cash used in investing activities	(121,933)	(187,323)
Cash flows from financing activities		
Proceeds from loans	65,725	6,537,488
Repayments of loans	(206,483)	(5,137,130)
Finance cost paid	(99,839)	(372,685)
Repayment of lease liabilities	(1,042,869)	(952,039)
Net cash (used in) / generated from financing activities	(1,283,466)	75,634
Net change in cash and cash equivalents	(9,985,952)	(1,887,894)
Cash and cash equivalents at the beginning of the period	26,932,374	5,590,853
Cash and cash equivalents at end of the period	16,946,422	3,702,959


Chief Financial Officer
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(Waleed Khalid Alsuliman)


Chairman of Board of Directors
(Ahmed Mohammad Ahmed Al-Quraishi)

The accompanying notes (1) to (19) form an integral part of these interim condensed financial information.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025
(All amounts are in Saudi Riyals unless otherwise stated)

1- ORGANIZATION AND ACTIVITIES

a) Digital Research Company, is a Saud Joint Stock Company, registered in Riyadh under commercial registration no. 1010416852 and national unified number 7001868715 on Shaban 11, 1435H (corresponding to June 09, 2014).

b) The Company's headquarter is located at the following address:

Digital Research Company
Riyadh - King Khalid International Airport
P.O. Box 1234
Postal Code 13413
Kingdom of Saudi Arabia

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

2- BASIS OF PREPARATION OF INTERIM CONDENSED FINANCIAL INFORMATION

Statement of compliance

This interim condensed financial information has been prepared in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). This interim condensed financial information should be read in conjunction with the Company's last annual audited financial statements as at and for the year ended December 31, 2024 ('last annual audited financial statements'). The accompanying interim condensed financial information do not include all the information that is required to prepare a complete set of financial statements in accordance with International Financial Reporting Standards ("IFRS") as endorsed by SOCPA. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

In addition, due to seasonality, results for the six-month interim period ended June 30, 2025, are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2025.

Basis of measurement

The interim condensed financial information has been prepared according to historical cost principle, going concern basis and the accrual basis of accounting. Other basis will be used if IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements supplementary to the International Standards endorsed by the SOCPA requires that, as stated in the material accounting policies (Note 4).

Functional and presentation currency

This interim condensed financial information is presented in Saudi Riyals, which is the Company's functional and presentation currency.

Use of assumptions, estimates and judgments

In preparing this interim condensed financial information, management has made the judgements estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited financial statements.

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

There are new standards and number of amendments to standards which are effective from January 1, 2025, and have been explained in Company's last annual audited financial statements, but they do not have a material effect on the Company's accompanying interim condensed financial information.

4- MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of interim condensed financial information are consistent with those followed in preparing the Company's last annual audited financial statements for year ended 31-December-2024..

5- RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

5.1 Right-of-use assets

	June 30, 2025 (unaudited)	December 31, 2024 (audited)
Cost		
Balance at the beginning of the period / year	13,856,089	13,943,147
Disposal during the period / year	-	(87,058)
Balance at the end of the period / year	13,856,089	13,856,089
Accumulated depreciation		
Balance at the beginning of the period / year	6,912,914	5,595,017
Charged for the period / year	683,475	1,380,772
Disposal during the period / year	-	(62,875)
Balance at the end of the period / year	7,596,389	6,912,914
Net book value at the end of the period / year	6,259,700	6,943,175

5.2 Lease liabilities

	June 30, 2025 (unaudited)	December 31, 2024 (audited)
Balance at the beginning of the period / year	7,764,199	8,997,659
Finance cost	288,465	620,634
Paid during the period / year	(1,042,869)	(1,831,023)
Disposal during the period / year	-	(23,071)
Balance at the end of the period / year	7,009,795	7,764,199
Non-current portion	6,071,125	6,664,639
Current portion	938,670	1,099,560
	7,009,795	7,764,199

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

6- CONTRACT ASSETS AND LIABILITIES

6.1 Contract assets

The movement in contract assets is as follows:

	June 30, 2025 (unaudited)	December 31, 2024 (audited)
Balance at the beginning of the period / year	7,941,298	10,730,969
Revenue recognized during the period / year	22,325,404	60,482,340
Revenue billed during the period / year	(21,604,609)	(63,272,011)
Balance at the end of the period / year	8,662,093	7,941,298

6- CONTRACT ASSETS AND LIABILITIES (CONTINUED)

6.2 Ageing of contract assets:

	June 30, 2025 (unaudited)	December 31, 2024 (audited)
Up to 90 days	8,350,512	7,842,497
91 days to 270 days	311,581	98,801
	8,662,093	7,941,298

6.3 Contract liabilities

The movement in contract liabilities is as follows:

	June 30, 2025 (unaudited)	December 31, 2024 (audited)
Balance at the beginning of the period / year	864,200	2,924,516
Revenue recognized during the period / year	(1,061,573)	(2,571,687)
Advance received during the period / year	320,488	511,371
Balance at the end of the period / year	123,115	864,200

7- ACCOUNTS RECEIVABLE

	June 30, 2025 (unaudited)	December 31, 2024 (audited)
Accounts receivable	15,751,243	12,890,105
Retentions receivable	342,169	158,455
Expected credit loss allowance (ECL) on accounts receivable	(789,855)	(188,286)
Accounts receivable, net	15,303,557	12,860,274

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

7.1 Customer wise split of the accounts receivable:

	June 30, 2025 (unaudited)	December 31, 2024 (audited)
Government	15,673,043	12,392,213
Private	78,200	497,892
	15,751,243	12,890,105

7.2 Movement in expected credit loss (ECL) allowance of account receivable:

	June 30, 2025 (unaudited)	December 31, 2024 (audited)
Balance at the beginning of the period / year	188,286	196,305
Charged / (reversed) during the period / year	601,569	(8,019)
Balance at the end of the period / year	789,855	188,286

7- ACCOUNTS RECEIVABLE (CONTINUED)

7.3 Ageing of accounts receivable:

	June 30, 2025 (unaudited)	December 31, 2024 (audited)
Not due	4,350,115	2,419,945
Up to 90 days	8,427,173	4,828,990
91 days to 180 days	1,549,465	5,641,170
More than 180 days	1,424,490	-
	15,751,243	12,890,105

8- RELATED PARTY TRANSACTIONS

Related parties comprise substantial shareholders, Board of Directors ('Board') and key management personnel of the Company and their relatives. Prices and terms of related party transactions are approved by the Company's Board and are in the Company's normal course of business. There were no related party transactions during the six-month period ended June 30, 2025, and no significant transactions during the period ended June 30, 2024.

Compensation of Board and key management personnel

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

Type of transaction	Three-month period		Six-month period	
	June 30, 2025 (unaudited)	June 30, 2024 (unaudited)	June 30, 2025 (unaudited)	June 30, 2024 (unaudited)
Short term benefits	1,813,742	1,361,906	3,489,383	2,758,494
Post-employment benefits	103,330	91,002	201,583	176,556
Board of directors' remunerations	241,500	201,000	271,500	306,000
	2,158,572	1,653,908	3,962,466	3,241,050

9- CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	June 30, 2025 (unaudited)	December 31, 2024 (audited)
Cash at banks	2,349,122	26,932,374
Short term mudaraba deposit with bank (9.1)	14,597,300	-
	16,946,422	26,932,374

9.1 This mudaraba deposit has original maturity of less than three months and earns profit at prevailing market rate (note-13).

10- SHARE CAPITAL

The Company's share capital as at June 30, 2025, amounted to SAR 16,875,000 (December 31, 2024: SAR 16,875,000), consisting of 1,687,500 (December 31, 2024: 1,687,500) fully paid and issued shares of SAR 10 each.

11- LOANS

	June 30, 2025 (unaudited)	December 31, 2024 (audited)
Loan under Islamic facility	1,456,949	1,597,707

11- LOANS (CONTINUED)

The movement on loans is as follows:

	June 30, 2025 (unaudited)	December 31, 2024 (audited)
Balance at the beginning of the period / year	1,597,707	1,289,013
Received during the period / year	65,725	8,477,994
Repayments during the period / year	(206,483)	(8,169,300)
Balance at the end of the period / year	1,456,949	1,597,707

Loans are allocated as follows:

	June 30, 2025 (unaudited)	December 31, 2024 (audited)
Current portion	1,456,949	1,597,707

12- REVENUE

12.1 Classification of revenue by segments:

	Three-month period		Six-month period	
	June 30, 2025 (unaudited)	June 30, 2024 (unaudited)	June 30, 2025 (unaudited)	June 30, 2024 (unaudited)
Market research and consultation services	9,741,599	9,389,258	18,859,790	21,856,929
Data analytics services	1,908,594	2,803,339	4,527,188	5,867,948
	11,650,193	12,192,597	23,386,978	27,724,877

12.2 Classification of revenue by timing of revenue recognition:

	Three-month period		Six-month period	
	June 30, 2025 (unaudited)	June 30, 2024 (unaudited)	June 30, 2025 (unaudited)	June 30, 2024 (unaudited)
Over time	11,650,193	12,192,597	23,386,978	27,724,877

12.3 Classification of revenue by type of customers:

	Three-month period		Six-month period	
	June 30, 2025 (unaudited)	June 30, 2024 (unaudited)	June 30, 2025 (unaudited)	June 30, 2024 (unaudited)
Government	10,609,077	11,800,542	21,872,882	26,367,410
Private	1,041,116	392,055	1,514,096	1,357,467
	11,650,193	12,192,597	23,386,978	27,724,877

12.4 Geographical source of revenue:

During the period of the interim condensed financial information, all the revenue is earned in Kingdom of Saudi Arabia.

13- OTHER INCOME

	Three-month period		Six-month period	
	June 30, 2025 (unaudited)	June 30, 2024 (unaudited)	June 30, 2025 (unaudited)	June 30, 2024 (unaudited)
Interest income (note-9.1)	180,585	-	224,335	-
Support from human resource development fund	98,813	75,635	215,592	210,473
	279,398	75,635	439,927	210,473

14- (LOSS) / EARNINGS PER SHARE

	Three-month period		Six-month period	
	June 30, 2024 (unaudited)	June 30, 2024 (unaudited)	June 30, 2024 (unaudited)	June 30, 2024 (unaudited)
Net (loss) / profit for the period	(2,482,108)	1,171,784	(3,467,966)	3,190,918
Weighted average number of shares	1,551,147	1,500,000	1,551,147	1,500,000
Basic and diluted (loss) / earnings per share from net (loss) / profit for the period	(1.60)	0.78	(2.24)	2.13

Diluted Earnings Per Share ("EPS") is determined by adjusting the profit for the period and the weighted average number of ordinary shares outstanding during the period for the effects of all dilutive potential ordinary shares. Since the Company has no such dilutive potential ordinary shares, the calculation and presentation of basic and diluted EPS of the Company will be same.

15- FAIR VALUE OF FINANCIAL INSTRUMENTS

As at the period for six month ended June 30, 2025, and year ended December 31, 2024, the Company does not have any financial instruments measured at fair value categorised within the fair value hierarchy based on the level of input (Level 1, Level 2 or Level 3).

The carrying values of the financial instruments reported in the interim condensed financial information approximate their fair values.

There was no change in the risk management policies related to financial instruments during the period as compared to those followed by the management during last annual audited financial statements.

16- CONTINGENCIES AND COMMITMENTS

The Company has contingent liabilities arising from outstanding letters of guarantee amounting to SAR 957,795 as of June 30, 2025 (December 31 2024: SAR 673,023). There were no capital commitments.

17- SUBSEQUENT EVENTS

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

18- RECLASSIFICATION OF COMPARITIVE FIGURES

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

19- APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

This interim condensed financial information has been approved for issuance by the Company's Board of Directors on Rabi Al Awwal 01, 1447H (corresponding to August 24th, 2025G).