

**TAM DEVELOPMENT COMPANY**  
(A Saudi Joint Stock Company)  
**Interim Condensed Consolidated Financial Statements (Unaudited)**  
**For the six-month period ended**  
**30 June 2025**  
together with the  
**Independent Auditor's Report**

**TAM DEVELOPMENT COMPANY**  
(A Saudi Joint Stock Company)  
**Interim Condensed Consolidated Financial Statements (Unaudited)**  
**For the six-month period ended 30 June 2025**

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## KPMG Professional Services Company

Roshn Front, Airport Road  
P.O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
Commercial Registration No 1010425494

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية  
واجهة روشن، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

Headquarters in Riyadh

المركز الرئيسي في الرياض

# Independent auditor's report on review of condensed interim consolidated financial statements

To the Shareholders of TAM Development Company (a Saudi Joint Stock Company)

## Introduction

We have reviewed the accompanying interim condensed consolidated financial statement of **TAM Development Company ("the Company")** and its subsidiary ("**the Group**") which comprises of;

- the interim condensed consolidated statement of financial position as at 30 June 2025;
- the interim condensed consolidated statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2025;
- the interim condensed consolidated statement of changes in equity for the six-month period ended 30 June 2025;
- the interim condensed consolidated statement of cash flows for the six-month period ended 30 June 2025; and
- the notes to the interim condensed consolidated financial statements.

Management is responsible for the preparation and presentation of this interim condensed consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements 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 condensed consolidated financial statements 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 consolidated financial statements as at 30 June 2025 of TAM Development Company ("the Company") and its subsidiary ("the Group") is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

## KPMG Professional Services

**Hani Bin Hamzah Bin Ahmed Bedairi**  
License No. 460



Riyadh on 31 August 2025  
Corresponding to: 8-Rabi Al-Awwal-1447

KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، شركة مساهمة مهنية مغلقة مسجلة في المملكة العربية السعودية، رأس مالها (١١٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية خاصة محدودة بالضمان.

**Tam Development Company**  
(A Saudi Joint Stock Company)  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2025**

(All amounts are in Saudi Riyals ₪ unless otherwise stated)

	Note	30 June 2025 (unaudited)	31 December 2024 (audited)
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property, plant, and equipment	3	3,824,535	3,332,790
Intangible assets	4	16,066,428	12,156,592
Right-of-use assets		13,238,226	14,394,101
<b>Total non-current assets</b>		<b>33,129,189</b>	<b>29,883,483</b>
<b>Current assets</b>			
Trade receivables	6	95,293,911	118,586,031
Prepayments and other current assets	7	9,203,488	6,773,674
Contract assets	8	45,888,162	27,993,739
Bank deposit	5	-	5,000,000
Cash and cash equivalents	9	39,466,845	41,148,788
<b>Total current assets</b>		<b>189,852,406</b>	<b>199,502,232</b>
<b>Total assets</b>		<b>222,981,595</b>	<b>229,385,715</b>
<b><u>SHAREHOLDERS' EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' equity</b>			
Share capital	10	36,599,970	36,599,970
Treasury shares	11	(3,647,930)	(3,659,970)
Additional shareholders contribution		3,905,218	3,905,218
Retained earnings		108,397,506	99,880,391
<b>Total shareholders' equity</b>		<b>145,254,764</b>	<b>136,725,609</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employees' benefit obligations		6,097,061	5,635,015
Long term loan	16.1	4,666,667	5,028,735
Lease liabilities		10,198,582	11,548,467
<b>Total non-current liabilities</b>		<b>20,962,310</b>	<b>22,212,217</b>
<b>Current liabilities</b>			
Trade payables and other current liabilities	13	28,286,223	53,067,250
Contract liabilities	14	1,126,348	11,285,559
Lease liabilities		3,120,946	2,677,847
Long term loan – current portion	16.1	7,626,850	-
Short term loan	16.2	15,769,701	-
Zakat provision	17	834,453	3,417,233
<b>Total current liabilities</b>		<b>56,764,521</b>	<b>70,447,889</b>
<b>Total liabilities</b>		<b>77,726,831</b>	<b>92,660,106</b>
<b>Total shareholders' equity and liabilities</b>		<b>222,981,595</b>	<b>229,385,715</b>

Abid Rehmat  
Rehmatullah Sheikh  
Chief Financial Officer



Omer AbdulRahman  
Al-Jeraisy  
Chairman of the Board



Abdullah bin Anwar bin  
Mohammad Yousef Andijani  
Managing Director – Chief  
Executive Officer



The accompanying notes (1) to (27) form an integral part of these interim condensed consolidated financial statements.

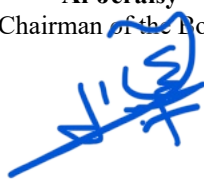
**Tam Development Company**  
(A Saudi Joint Stock Company)  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**  
**For the six-month period ended 30 June 2025**  
(All amounts are in Saudi Riyals ﷲ unless otherwise stated)

	Note	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Revenue	18	79,973,866	120,700,929
Cost of revenue	19	(44,125,208)	(82,953,183)
<b>Gross profit</b>		<b>35,848,658</b>	<b>37,747,746</b>
General and administrative expenses	20	(21,393,990)	(25,605,885)
Expected credit loss on trade receivables	6	(909,008)	(76,978)
Expected credit (loss) / reversal on contract assets	8	(224,203)	259,359
Other income		404,010	104,000
<b>Operating profit</b>		<b>13,725,467</b>	<b>12,428,242</b>
Finance income		417,163	503,249
Finance costs	21	(1,727,294)	(872,886)
<b>Net finance cost</b>		<b>(1,310,131)</b>	<b>(369,637)</b>
<b>Net profit for the period before Zakat</b>		<b>12,415,336</b>	<b>12,058,605</b>
Zakat	17	(801,918)	(628,681)
<b>Net profit for the period</b>		<b>11,613,418</b>	<b>11,429,924</b>
<b>Other comprehensive income</b>			
<b><u>Item that will not be reclassified to profit or loss</u></b>			
Actuarial (loss)/ gains from re-measurement of employees' end of service benefits		(234,383)	576,120
<b>Total other comprehensive income</b>		<b>(234,383)</b>	<b>576,120</b>
<b>Total comprehensive income for the period</b>		<b>11,379,035</b>	<b>12,006,044</b>
<b>Earnings per share:</b>			
Basic and diluted earnings per share	23	3.52	3.47

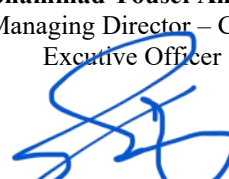
**Abid Rehmat**  
**Rehmatullah Sheikh**  
Chief Financial Officer



**Omer AbdulRahman**  
**Al-Jeraisy**  
Chairman of the Board



**Abdullah bin Anwar bin**  
**Mohammad Yousef Andijani**  
Managing Director – Chief  
Executive Officer



The accompanying notes (1) to (27) form an integral part of these interim condensed consolidated financial statements.

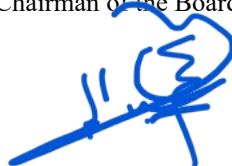
**Tam Development Company**  
(A Saudi Joint Stock Company)  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**For the six-month period ended 30 June 2025**  
(All amounts are in Saudi Riyals ﷻ unless otherwise stated)

	Share capital	Statutory reserve	Treasury shares	Other reserve	Additional shareholders contribution	Retained earnings	Total shareholders' equity
<b>Balance as at 1 January 2025 (audited)</b>	<b>36,599,970</b>	-	<b>(3,659,970)</b>	-	<b>3,905,218</b>	<b>99,880,391</b>	<b>136,725,609</b>
Net profit for the period	-	-	-	-	-	<b>11,613,418</b>	<b>11,613,418</b>
Other comprehensive income for the period	-	-	-	-	-	<b>(234,383)</b>	<b>(234,383)</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	-	<b>11,379,035</b>	<b>11,379,035</b>
Dividends (Note 12)	-	-	-	-	-	<b>(3,030,480)</b>	<b>(3,030,480)</b>
Transfer of treasury shares (Note 11)	-	-	<b>12,040</b>	-	-	<b>168,560</b>	<b>180,600</b>
<b>Balance as at 30 June 2025 (unaudited)</b>	<b>36,599,970</b>	-	<b>(3,647,930)</b>	-	<b>3,905,218</b>	<b>108,397,506</b>	<b>145,254,764</b>
<b>Balance as at 1 January 2024 (audited)</b>	<b>36,599,970</b>	<b>6,320,238</b>	<b>(3,659,970)</b>	<b>3,078,000</b>	<b>3,905,218</b>	<b>63,515,670</b>	<b>109,759,126</b>
Net profit for the period	-	-	-	-	-	<b>11,429,924</b>	<b>11,429,924</b>
Other comprehensive income for the period	-	-	-	-	-	<b>576,120</b>	<b>576,120</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	-	<b>12,006,044</b>	<b>12,006,044</b>
Dividends (Note 12)	-	-	-	-	-	<b>(4,051,620)</b>	<b>(4,051,620)</b>
Transferred from statutory reserve to retained earning	-	<b>(6,320,238)</b>	-	-	-	<b>6,320,238</b>	-
Transferred from other reserve to retained earning	-	-	-	<b>(3,078,000)</b>	-	<b>3,078,000</b>	-
<b>Balance as at 30 June 2024 (unaudited)</b>	<b>36,599,970</b>	-	<b>(3,659,970)</b>	-	<b>3,905,218</b>	<b>80,868,332</b>	<b>117,713,550</b>

**Abid Rehmat**  
**Rehmatullah Sheikh**  
Chief Financial Officer



**Omer AbdulRahman**  
**Al-Jeraisy**  
Chairman of the Board



**Abdullah bin Anwar bin**  
**Mohammad Yousef Andijani**  
Managing Director – Chief  
Executive Officer




The accompanying notes (1) to (27) form an integral part of these interim condensed consolidated financial statements.


**Tam Development Company**  
(A Saudi Joint Stock Company)  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the six-month period ended 30 June 2025**  
(All amounts are in Saudi Riyals ₪ unless otherwise stated)

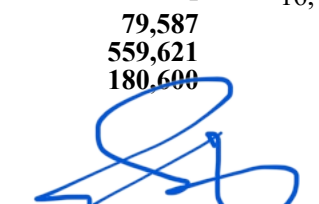
	Note	30 June 2025 (unaudited)	30 June 2024 (unaudited)
<b>Cash flows from operating activities</b>			
Net profit for the period before Zakat		12,415,336	12,058,605
<b>Adjustments:</b>			
Amortization of intangible assets	4	1,433,817	2,226,056
Employees' benefits obligations		930,082	972,981
Depreciation of property, plant, and equipment	3	535,280	533,977
Depreciation on right-of-use assets		1,728,801	1,077,754
Expected credit loss on trade receivables	6	909,008	76,978
Expected credit loss / (reversal) on contract assets	8	224,203	(259,359)
Finance costs		1,727,297	397,786
Finance income		(417,163)	(503,249)
Other income		(60,616)	-
		<b>19,426,045</b>	<b>16,581,529</b>
<b>Change in operating assets and liabilities:</b>			
Trade receivables		22,383,112	(12,920,743)
Prepayments and other current assets		(2,527,943)	(2,289,448)
Contract assets		(18,118,626)	(18,395,887)
Trade payables and other current liabilities		(24,606,972)	11,330,351
Contract liabilities		(10,159,211)	(8,409,569)
Employees' benefits paid		(850,862)	(390,062)
Zakat paid	17	(3,384,698)	(2,793,305)
<b>Net cash flows used in operating activities</b>		<b>(17,839,155)</b>	<b>(17,287,134)</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	3	(1,027,025)	(523,135)
Additions of development cost in intangible assets	4	(5,343,653)	(2,195,272)
Bank deposits	5	5,000,000	6,000,000
Finance income received		515,289	554,634
<b>Net cash flows (used in)/ generated from investing activities</b>		<b>(855,389)</b>	<b>3,836,227</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(3,023,936)	(4,051,186)
Payment of lease liabilities		(1,948,350)	(1,759,800)
Finance cost paid		(489,975)	-
Long term loan		6,954,862	-
Short term loan		15,520,000	-
<b>Net cash flows generated from/ (used in) financing activities</b>		<b>17,012,601</b>	<b>(5,810,986)</b>
<b>Net changes in cash and cash equivalents during the period</b>		<b>(1,681,943)</b>	<b>(19,261,893)</b>
Cash and cash equivalents at beginning of the period		41,148,788	46,367,331
<b>Cash and cash equivalents at end of the period</b>		<b>39,466,845</b>	<b>27,105,438</b>

**Non-cash transactions**

Actuarial (loss)/gains from re-measurement of employees' end of service benefits	(234,383)	576,120
Transferred from statutory reserve to retained earnings	-	(6,320,238)
Transferred from other reserve to retained earnings	-	(3,078,000)
Right-of-use assets and lease liabilities	-	16,764,029
Accrued interest income	79,587	-
Accrued interest expense	559,621	-
Treasury shares	180,600	-

  
**Abid Rehmat**  
**Rehmatullah Sheikh**  
Chief Financial Officer

  
**Omer AbdulRahman**  
**Al-Jeraisy**  
Chairman of the Board

  
**Abdullah bin Anwar bin**  
**Mohammad Yousef Andijani**  
Managing Director – Chief  
Executive Officer

The accompanying notes (1) to (27) form an integral part of these interim condensed consolidated financial statements.

**Tam Development Company**  
(A Saudi Joint Stock Company)  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the six-month period ended 30 June 2025**  
(All amounts are in Saudi Riyals ﷻ unless otherwise stated)

**1. REPORTING ENTITY**

Tam Development Company (A Saudi Joint Stock Company) ("Company" or "Parent Company") was established under commercial registration no. 4030225576 dated 25 March 2012 (corresponding to 2 Jumada I 1433H) in the city of Jeddah. The Company's head office has been transferred from Jeddah to Riyadh under commercial registration no. 1010524000 issued on 13 February 2019 (corresponding to 7 Jumada' II 1440) in Riyadh.

Based on the Ordinary General Assembly meeting held on 28 April 2021 (Corresponding to 16 Ramadan 1442H), the Company decided to change its legal form from a Limited Liability Company ('LLC') to a Closed Joint Stock Company ('CJSC'), and the Company's Commercial Registration was amended to be a Closed Joint Stock Company on 9 December 2021 (corresponding to 5 Jumada' I 1443H).

Based on the Extraordinary General Assembly meeting held on 27 August 2023 (Corresponding to 11 Safar 1445H), the legal form of the company had been changed from A Closed Joint Stock Company ('CJSC') to A Saudi Joint Stock Company, and the Company's Commercial Registration was amended to be A Saudi Joint Stock Company on 23 October 2023 (corresponding to 8 Rabe'e' I 1445H).

The parent company obtained the approval to register and offer its shares in the parallel market "Nomu" based on the decision of the Board of the Capital Market Authority on December 28, 2022, corresponding to 4 Jumada II 1444H, and the company was listed in the parallel market "Nomu" on 14 June 2023 corresponding to 25 Dhu al-Qa'dah 1444 H.

The Parent Company is principally engaged in the activities of advertising, public relations, communications, activities of business incubator and accelerator, marketing services for third parties, market research, opinion polls, and management consulting services under the licenses as follows:

<b>License Type</b>	<b>License No.</b>	<b>License commencement date</b>	<b>License expiry date</b>
Media	75841	12 April 2021 Corresponding to 29 Sha'ban 1442H	6 February 2027 Corresponding to 29 Sha'ban 1448H
Public relations and communications	80531	20 December 2021 Corresponding to 15 Jumada I 1443H	15 October 2027 Corresponding to 15 Jumada I 1449H
Business Incubator License	1021	9 March 2025 Corresponding to 9 Ramadan 1446H	10 March 2026 Corresponding to 10 Ramadan 1447H

The Parent Company has the following branches:

<b>City</b>	<b>CR No.</b>	<b>Issue date</b>
Jeddah	4030225576	14 April 2014 (corresponding to 22 Jumada I 1433H)
Dammam	2050106223	13 February 2019 (corresponding to 7 Jumada II 1440H)

Unified number: 7005887596

The Parent Company's Head Office is located at the following address:  
Riyadh - Hiteen District – Prince Muhammad Ibn Saad Ibn Abdulaziz St. - Building No. 7624 - Postal Code 13516 - Kingdom of Saudi Arabia.



**Tam Development Company**  
(A Saudi Joint Stock Company)  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the six-month period ended 30 June 2025**  
(All amounts are in Saudi Riyals # unless otherwise stated)

**1. REPORTING ENTITY (CONTINUED)**

The interim condensed consolidated financial statements include the separate financial statements of the Parent Company and its subsidiary; the Company holds 100% of the capital of the Subsidiary (collectively referred to as the “Group”).

<u>Subsidiary</u>	<u>Country of Incorporation</u>	<u>% of ownership</u>	
		<u>30 June 2025</u>	<u>31 December 2024</u>
Society Experts Limited Company	Kingdom of Saudi Arabia	<u>100</u>	<u>100</u>

Society Experts Limited Company A limited liability Company (single shareholder) (“the Subsidiary”) was registered under commercial registration issued in Jeddah, and Company’s Headquarter has been transferred from Jeddah to Riyadh on 20 October 2021 (corresponding to 14 Rabi’ I 1443H):

<u>City</u>	<u>CR No.</u>	<u>Issue date</u>
Riyadh	1010749399	04 October 2021 (corresponding to 27 Safar 1443H)
Jeddah	4030593075	21 August 2017 (corresponding to 29 Dhul Qadah 1438H)
Riyadh	1010769438	02 January 2022 (corresponding to 29 Jumada al-Ula 1443H)

The Subsidiary is principally engaged in advisory services, top management, marketing services for third parties, market research, opinion polls and Design and programming of special software and application development.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2025, have been prepared accordance with IAS 34, ‘Interim Financial Reporting’ as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by The Saudi Organization for Chartered and Professional Accountants (SOCPA).

These Interim Condensed Consolidated Financial Statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

Results for the Interim period is not necessarily indicative of the results that may be expected for the financial year.

**2.2 Basis of measurement**

The Interim Condensed Consolidated Financial Statements have been prepared on historical cost convention, using the accruals basis of accounting and the going concern concept, except the employees’ defined benefits obligations that have been actuarially evaluated and measured at their present value using the projected unit credit method.

**Tam Development Company**  
(A Saudi Joint Stock Company)  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the six-month period ended 30 June 2025**  
(All amounts are in Saudi Riyals ﷻ unless otherwise stated)

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**2. BASIS OF PREPARATION (CONTINUED)**

**2.3 Functional and presentation currency**

The Interim Condensed Consolidated Financial Statements of the Company are presented in Saudi Riyals (“ﷻ”) which is the Company’s functional currency and Group’s presentation currency.

**2.4 Material accounting policies**

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those adopted in preparing the Group’s annual financial statements for the year ended 31 December 2024.

Principal accounting policies have been consistently applied to all periods presented in these interim condensed consolidated financial statements.

**2.5 New standards, interpretations and amendments**

*New effective standards or amendments*

The following new standards, interpretations and amendments to existing standards effective from January 1, 2025, and onwards did not have an impact on the Group’s interim condensed financial information and are not expected to significantly affect the current or future periods. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

<b>Standard</b>	<b>Effective from periods beginning on or after</b>
Amendment to IFRS 21 – Lack of exchangeability	January 1, 2025

**New standards, interpretations and amendments not yet effective**

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early, and they do not have a significant impact on those financial statements.

The most significant of these are as follows:

<b>Standard</b>	<b>Effective from periods beginning on or after</b>
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	
Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	
IFRS 18 Presentation and Disclosure in Financial Statements	
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 1, 2027

**Tam Development Company**  
(A Saudi Joint Stock Company)  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the six-month period ended 30 June 2025**  
(All amounts are in Saudi Riyals ﷻ unless otherwise stated)

**2. BASIS OF PREPARATION (CONTINUED)**

**2.6 Material accounting judgments, estimates and assumptions**

The preparation of the Interim Condensed Consolidated Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those on which the estimates were based.

The significant estimates made by the management when applying the Group's accounting policies and the significant sources of uncertainties of the estimates were similar to those outlined in the Group's annual consolidated financial statements as at 31 December 2024.

**3. PROPERTY, PLANT AND EQUIPMENT**

	<b>Furniture and fixtures</b>	<b>Tools and equipment</b>	<b>Computers</b>	<b>Office renovations</b>	<b>Office renovations under construction</b>	<b>Total</b>
<b><u>Cost</u></b>						
<b>As at 1 January 2025</b>						
(audited)	595,726	131,396	2,640,167	2,125,440	2,151,998	7,644,727
<b>Additions</b>	19,406	30,102	146,745	-	830,772	1,027,025
<b>Transfers from office renovations under construction</b>	-	-	-	2,982,770	(2,982,770)	-
<b>As at 30 June 2025</b>						
(unaudited)	615,132	161,498	2,786,912	5,108,210	-	8,671,752
<b><u>Accumulated depreciation</u></b>						
<b>As at 1 January 2025</b>						
(audited)	461,146	111,958	1,613,393	2,125,440	-	4,311,937
<b>Charge for the period</b>	29,808	6,372	228,750	270,350	-	535,280
<b>As at 30 June 2025</b>						
(unaudited)	490,954	118,330	1,842,143	2,395,790	-	4,847,217
<b><u>Net book value</u></b>						
<b>As at 30 June 2025</b>						
(unaudited)	124,178	43,168	944,769	2,712,420	-	3,824,535

- Depreciation for the period has been allocated to General and administrative expenses.
- The Group has completed its office renovations, which were finalized and ready for use on 12 February 2025. During the period, ﷻ 830,772 of costs were incurred for renovations under construction. Upon completion, ﷻ 2,982,770 was transferred from "Office renovations under construction" to "Office renovations," and depreciation has commenced from the date the asset became available for use.

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**3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Furniture and fixtures	Tools and equipment	Computers	Office renovations	Office renovations under construction	Total
<u>Cost</u>						
As at 1 January 2024	595,726	129,621	2,258,369	2,125,440	-	5,109,156
Additions	-	1,775	381,798	-	2,151,998	2,535,571
As at 31 December 2024	595,726	131,396	2,640,167	2,125,440	2,151,998	7,644,727
<u>Accumulated depreciation</u>						
As at 1 January 2024	362,794	105,602	1,210,235	1,828,108	-	3,506,739
Charge for the period	98,352	6,356	403,158	297,332	-	805,198
As at 31 December 2024	461,146	111,958	1,613,393	2,125,440	-	4,311,937
<u>Net book value</u>						
As at 31 December 2024 (audited)	134,580	19,438	1,026,774	-	2,151,998	3,332,790

**4. INTANGIBLE ASSETS**

Intangible assets represent the website of the company, websites, and electronic applications that are internally developed.

	Computer Software	Website	Electronic applications	Intangible assets under development	Total
<u>Cost</u>					
As at 1 January 2025	22,975	4,359,445	20,382,371	3,089,519	27,854,310
Additions	-	33,460	-	5,310,193	5,343,653
As at 30 June 2025	22,975	4,392,905	20,382,371	8,399,712	33,197,963
<u>Accumulated amortization</u>					
As at 1 January 2025	22,975	4,239,451	11,435,292	-	15,697,718
Charge for the period	-	20,685	1,413,132	-	1,433,817
As at 30 June 2025	22,975	4,260,136	12,848,424	-	17,131,535
<u>Net carrying amount</u>					
As at 30 June 2025 (unaudited)	-	132,769	7,533,947	8,399,712	16,066,428

- As at 30 June 2025, intangible assets under development amounted to ﷲ 8,399,712, all of which relates to projects with an ageing of less than one year. No transfers from CWIP to other intangible asset categories occurred during the current period.

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**4. INTANGIBLE ASSETS (CONTINUED)**

	Computer Software	Website	Electronic applications	Intangible assets under development	Total
<u>Cost</u>					
As at 1 January 2024	22,975	4,297,705	18,377,939	131,324	22,829,943
Additions	-	61,740	2,004,432	2,958,195	5,024,367
As at 31 December 2024	22,975	4,359,445	20,382,371	3,089,519	27,854,310
<u>Accumulated amortization</u>					
As at 1 January 2024	22,975	4,205,293	8,676,415	-	12,904,683
Charge for the year	-	34,158	2,758,877	-	2,793,035
As at 31 December 2024	22,975	4,239,451	11,435,292	-	15,697,718
<u>Net carrying amount</u>					
As at 31 December 2024 (audited)	-	119,994	8,947,079	3,089,519	12,156,592

Amortization for the period has been allocated as follows:

	<b>30 June 2025 (unaudited)</b>	<b>30 June 2024 (unaudited)</b>
Cost of revenue	<b>1,413,132</b>	2,218,159
General and administrative expenses	<b>20,685</b>	7,897
	<b>1,433,817</b>	2,226,056

**5. BANK DEPOSITS**

	<b>30 June 2025 (unaudited)</b>	<b>31 December 2024 (audited)</b>
Current bank deposit*	-	5,000,000
	-	5,000,000

The bank deposit of ₪ 5 million as of 31 December 2024 matured on 21 April 2025 and was collected in full during the current period.

**6. TRADE RECEIVABLES**

	<b>30 June 2025 (unaudited)</b>	<b>31 December 2024 (audited)</b>
Trade receivables*	<b>96,345,459</b>	119,009,899
Retention	<b>1,050,930</b>	769,602
Total trade receivables	<b>97,396,389</b>	119,779,501
Less: Allowance for expected credit loss of trade receivables	<b>(2,102,478)</b>	(1,193,470)
Net trade receivables	<b>95,293,911</b>	118,586,031

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**6. TRADE RECEIVABLES (CONTINUED)**

Movement in the allowance for expected credit loss of trade receivables during the period:

	<b>30 June 2025 (unaudited)</b>	30 June 2024 (unaudited)
Balance at beginning of the period	1,193,470	568,979
Allowance for expected credit loss of trade receivables during the period	909,008	76,978
Balance at end of the period	<u>2,102,478</u>	<u>645,957</u>

During the subsequent period, the Group collected an amount of ﷻ 15,643,473 from the total trade receivables outstanding as of 30 June 2025.

**7. PREPAYMENTS AND OTHER CURRENT ASSETS**

Prepayments and other current assets at the end of the period / year are as follows:

	<b>30 June 2025 (unaudited)</b>	31 December 2024 (audited)
Letters of guarantee cover margin	2,869,820	2,859,398
Prepaid expenses	2,146,221	484,793
Employees receivables	107,991	35,476
Advances to suppliers	828,005	732,449
Refundable deposits	1,858,453	1,858,453
Murabaha on accrued bank deposits	79,587	177,716
Advances for investment in companies	563,675	563,675
Other	1,313,411	625,389
Total other current assets	<u>9,767,163</u>	<u>7,337,349</u>
Less: Allowance for impairment of other current assets	<u>(563,675)</u>	<u>(563,675)</u>
Net other current assets	<u>9,203,488</u>	<u>6,773,674</u>

**8. CONTRACT ASSETS**

Contract assets from continuous contracts as at the end of the period / year is as follows:

	<b>30 June 2025 (unaudited)</b>	31 December 2024 (audited)
Total charged costs	63,291,615	116,192,545
<b>Add:</b>		
Realized gross profits	<u>61,975,202</u>	<u>65,757,045</u>
Revenue - according to the percentage of completion	125,266,817	181,949,590
<b>Less:</b>		
Progress billings issued for work completed	<u>(79,019,484)</u>	<u>(153,820,883)</u>
Less: allowance for expected credit loss before write-off	<u>(359,171)</u>	<u>(134,968)</u>
	<u>45,888,162</u>	<u>27,993,739</u>

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**8. CONTRACT ASSETS (CONTINUED)**

Movement in the allowance for expected credit loss of contract assets during the period:

	<b>30 June 2025 (unaudited)</b>	30 June 2024 (unaudited)
Balance at the beginning of the period	<b>134,968</b>	953,433
Allowance/ (Reversal) for expected credit loss of contract assets during the period	<b>224,203</b>	(259,359)
Balance at the end of the period	<b>359,171</b>	694,074

The contract asserts primarily relate to the Group's right to consideration for work completed but not billed at the reporting date on services provided. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

**9. CASH AND CASH EQUIVALENTS**

	<b>30 June 2025 (unaudited)</b>	31 December 2024 (audited)
Cash at banks and financial institutions	<b>19,166,845</b>	25,148,788
Short term Murabaha deposits *	<b>20,300,000</b>	16,000,000
	<b>39,466,845</b>	41,148,788

\* The short-term deposit carries a Murabaha rate of 5.3% and has a maturity of less than three months. The deposit is placed with a commercial bank rated Baa1. Finance income incurred on short term Murabaha deposits in 2025: ﷲ 337,769 (2024: 167,778).

**10. SHARE CAPITAL**

The Company's share capital as of June 30, 2025, amounted to ﷲ 36,599,970 (December 31, 2024: ﷲ 36,599,970), divided into 3,659,997 shares of ﷲ 10 each.

The following shows the major shareholders as of 30 June 2025:

<b><u>Major shareholders</u></b>	<b><u>Ownership percentage</u></b>	<b><u>Number of ordinary shares</u></b>	<b><u>Number of diluted shares</u></b>
Abdullah Anwar Muhammad Yousuf Andjani	19.06%	697,737	-
Ain Altanmaweyah for Investment Company Company - Single Person Company	15.72%	575,164	-
Maalem Al-Massa Real Estate Company - Single Person Company	10.95%	400,620	-
TAM Development Company - A Saudi Joint Stock Company (Treasury shares) *	9.97%	-	364,793

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**10. SHARE CAPITAL (CONTINUED)**

The following are the details of the outstanding number of shares:

	<b>Number of outstanding ordinary shares</b>	<b>Treasury shares</b>	<b>Number of issued shares</b>
As at 30 June 2025	3,295,204	364,793	3,659,997
As at 31 December 2024	3,294,000	365,997	3,659,997

The change in the number of Treasury Shares during the period relates to the transfer of 1,204 shares to a senior executive as part of the settlement of a cash bonus obligation (see Note 11–Treasury Shares).

**11. TREASURY SHARES**

In the Extraordinary General Assembly meeting held on 10 October 2022 (corresponding to 14 Rabi' al-Awwal 1444 H), the shareholders decided to allocate 365,997 shares out of their 3,659,970 ordinary shares, through shareholders' waiver of 10% of the share capital in favor of the Company, at a rate of ﷻ 10 per share with a total value of ﷻ 3,659,970 and hold them as treasury shares, in order to allocate them to the company's employees as part of the employee stock ownership plan, noting that this plan has not been activated yet. Shareholders waived proportionately from each shareholder share on October 16, 2022, (corresponding to Rabi' al-Awwal 20, 1444 H).

During the period ended 30 June 2025, the Company settled part of the Chief Technology Officer's cash bonus obligation by transferring 1,204 treasury shares at a fair value of ﷻ 150 per share, totaling ﷻ 180,600. The shares had a book value of ﷻ 12,040, which was deducted from the treasury shares account, while the remaining ﷻ 168,560 representing the excess of fair value over book value was charged directly to retained earnings as a distribution of equity.

**12. DIVIDENDS**

- The Group's Board of Directors decided in the meeting held on 22 March 2025, AD, (corresponding to 22 Ramadan 1446 AH) to distribute dividends to shareholders in the amount of ﷻ 0.92 per share, with a total amount of ﷻ 3,030,480. The number of shares entitled to dividends is 3,294,000 shares. The Ordinary General Assembly approved the Board of Directors' decision to distribute dividends on 15 June 2025 (corresponding to 19 Dhu al-Hijjah 1446 H)
- The Group's Board of Directors decided in the meeting held on 21 May 2024, AD, (corresponding to 13 Dhul-Qi'dah 1445 AH), to distribute dividends to partners in the amount of ﷻ 1.23 per share, with a total amount of ﷻ 4,051,620 and the number of shares entitled to dividends is 3,294,000 shares. The extraordinary general assembly approved the board of directors' decision to distribute dividends on 11 June 2024 (corresponding to 5 Dhu al-Hijjah 1445 H).

**13. TRADE PAYABLES AND OTHER CURRENT LIABILITIES**

	<b>30 June 2025 (unaudited)</b>	<b>31 December 2024 (audited)</b>
Accrued expenses and employees' accruals	<b>5,306,226</b>	20,621,665
Trade payables	<b>14,789,501</b>	19,301,772
Value added tax	<b>6,961,680</b>	12,098,438
Withholding tax	<b>257,566</b>	427,875
Remunerations for board of directors and its committees	<b>971,250</b>	617,500
	<b>28,286,223</b>	53,067,250



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**14. CONTRACT LIABILITIES**

Contract liabilities from continuous contracts as at the end of the period / year is as follows:

	<b>30 June 2025 (unaudited)</b>	<b>31 December 2024 (audited)</b>
Total charged costs	<b>5,002,707</b>	9,836,547
<b>Add:</b>		
Realized gross profits	<b>748,312</b>	3,312,063
Revenue - according to the percentage of completion	<b>5,751,019</b>	13,148,610
<b>Less:</b>		
Progress billings issued for work completed	<b>(6,877,367)</b>	(24,434,169)
	<b>(1,126,348)</b>	(11,285,559)

**15. COMMITMENTS AND CONTINGENCIES**

The Group has issued letters of guarantee in the ordinary course of business through the banks amounting to ₪ 10.8 million (31 December 2024: ₪ 16.5 million).

**16. LOANS**

**16.1 Long Term Loans**

	<b>30 June 2025 (unaudited)</b>	<b>31 December 2024 (audited)</b>
Shariah Loan *	<b>5,223,258</b>	5,028,735
Murabaha/ Tawaruq Loan **	<b>7,070,259</b>	-
	<b>12,293,517</b>	5,028,735

	<b>30 June 2025 (unaudited)</b>	<b>31 December 2024 (audited)</b>
Current portion of long-term loan	<b>7,626,850</b>	-
Non-current portion of long-term loan	<b>4,666,667</b>	5,028,735
	<b>12,293,517</b>	5,028,735

\* The Group has a facility of ₪ 20,000,000 out of which the Company has availed a loan of ₪ 5,223,258/- including accrued interest of ₪ 239,661 represents Shariah compliant loan obtained from a financial institution in November 2024 and bear financial charges at fixed rate of 7.72%. This loan is secured by a promissory note in the name of the Company and are denominated in Saudi Riyals. The loan is due for repayment within the next 12 months with an option of rolling over for an additional similar term at a rate prevailing at the time of renewal.

\*\* The Group has a facility of ₪ 32,000,000 out of which the Company has availed a loan of ₪ 7,000,000 including accrued interest of ₪ 70,259 represents Shariah compliant Murabaha/ Tawaruq loan obtained from a financial institution in March 2025 and bear financial charges at floating rate of 2.5% plus 3M SAIBOR. This loan is secured by a promissory note in the name of the Company and are denominated in Saudi Riyals. The loan will be paid in 12 equal quarterly instalments.

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**16. LOANS (CONTINUED)**

**16.2 Short Term Loans**

The Group has a facility of ₪ 26,477,000 out of which the Company has availed a loan of ₪ 15,769,701 including accrued interest of ₪ 249,701 represents Murabaha/ Tawaruq loan obtained from a financial institution in April 2025 and bear financial charges at floating rate of 4% plus SAIBOR. This loan is secured by a promissory note in the name of the Company and are denominated in Saudi Riyals. The loan is due for repayment within the next 6 months.

**17. ZAKAT**

Movement in provision for Zakat

	<b>30 June 2025 (unaudited)</b>	<b>30 June 2024 (unaudited)</b>
Balance at beginning of the period	3,417,233	3,456,058
Zakat charge during the period (*)	801,918	628,681
Zakat paid during the period	(3,384,698)	(2,793,305)
<b>Balance as at end of the period</b>	<b>834,453</b>	<b>1,291,434</b>

(\*) Zakat charge during the period is as follows:

	<b>30 June 2025 (unaudited)</b>	<b>30 June 2024 (unaudited)</b>
Zakat for the current period	801,918	628,681
	<b>801,918</b>	<b>628,681</b>

**Zakat assessment**

The Group submitted its zakat and withholding tax returns for all years ended up to 31 December 2024 to the Zakat, Tax and Customs Authority (ZATCA) and obtained the temporary Zakat Certificate.

The assessments of the group have been agreed with the Zakat, Tax and Customs Authority (“the ZATCA”) up to the year 2023.

The group submits zakat returns for each of the group companies separately and does not submit a consolidated zakat return.

**18. REVENUE**

**18.1 Revenue by services provided**

	<b>For the six-month period ended 30 June 2025 (Unaudited)</b>	<b>30 June 2024 (Unaudited)</b>
Consulting services	58,616,169	104,439,297
Digital solutions	21,357,697	16,261,632
	<b>79,973,866</b>	<b>120,700,929</b>

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**18. REVENUE (CONTINUED)**

**18.2 Revenue by Customer Sector**

	<b>For the six-month period ended</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Government and semi government	<b>78,201,069</b>	114,150,110
Private sector companies	<b>1,772,797</b>	6,550,819
	<b>79,973,866</b>	120,700,929

**19. COST OF REVENUE**

	<b>For the six-month period ended</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Internal resources	<b>23,214,713</b>	20,275,700
Third party and logistics	<b>19,497,363</b>	60,459,324
Intangible assets' amortization	<b>1,413,132</b>	2,218,159
	<b>44,125,208</b>	82,953,183

Cost of revenue does not include the costs of employees not allocated to projects; these costs are included in general and administrative expenses (Note 20).

**20. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>For the six-month period ended</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Salaries and other allowances*	<b>8,624,961</b>	13,392,738
Temporary staff and other allowances	<b>4,692,636</b>	4,964,211
Bonus and commission	<b>10,000</b>	172,701
Offices and administrative expenses	<b>1,116,031</b>	1,313,297
Consulting and legal expenses	<b>1,909,995</b>	1,519,332
Depreciation and amortization charges	<b>555,965</b>	541,874
Governmental charges	<b>517,451</b>	965,485
Remunerations for board of directors and its committees	<b>353,750</b>	345,000
Subscriptions expenses	<b>1,167,030</b>	700,891
Depreciation charge for right of use assets	<b>1,728,801</b>	1,077,754
Rent expenses	<b>290,908</b>	312,902
Audit fee	<b>90,000</b>	75,000
Other general and administrative expenses	<b>336,462</b>	224,700
	<b>21,393,990</b>	25,605,885

\* Salaries and other allowances include unbilled employee costs amounting to ﷲ 1.58 million (June 2024: ﷲ 4.12 million), reflecting expenditures incurred to maintain operational workforce readiness.

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**21. FINANCE COSTS**

	<b>30 June 2025 (unaudited)</b>	<b>30 June 2024 (unaudited)</b>
Interest on end-of-service benefits	148,443	113,160
Interest on finance lease	529,254	284,626
Interest on long term loan	604,597	-
Other finance costs- bank charges	445,000	475,100
	<b>1,727,294</b>	<b>872,886</b>

**22. TRANSACTIONS WITH RELATED PARTIES**

Related parties of the group consist of the shareholders having control or significant influence, key management personnel, and Companies which are directly or indirectly controlled or influenced by the shareholders, key management personnel. The Group and its related parties transact with each other as per mutually agreed terms.

Other parties comprise of that entity where key management persons are common. Management have disclosed it as other party. This disclosure has been prepared in compliance with Article 71 of the Company's law.

The following table shows the balances and transactions made with related parties during the period/year:

**22.1 Transaction with related parties:**

<b>Related party</b>	<b>Relationship</b>	<b>Nature of transaction</b>	<b>30 June 2025 (unaudited)</b>	<b>30 June 2024 (unaudited)</b>
Bupa Arabia Company *	Other	Health insurance contract	1,064,602	1,114,824
Careem Transportation Information Technology Company **	Other	Transportation services	236,399	196,359

\* The due to related parties' balance amounted to ﷲ 1,148,038 under trade payables and other current liabilities (2024: ﷲ 30,124 which represented a balance due from related parties under trade receivables and other current assets).

\*\* The due to related parties balance amounted to ﷲ 74,912 under trade payables and other current liabilities (2024: ﷲ 34,761).

**22.2 Compensation and benefits to key management personnel**

	<b>30 June 2025 (unaudited)</b>	<b>30 June 2024 (unaudited)</b>
Salaries and allowances	3,796,129	3,616,000
End-of-service benefits	1,440,729	1,400,681
Total	<b>5,236,858</b>	<b>5,016,681</b>

**22.3 Board of Directors' remuneration and related expenses**

	<b>30 June 2025 (unaudited)</b>	<b>30 June 2024 (unaudited)</b>
Board of Directors' and its committees' remuneration	353,750	345,000
	<b>353,750</b>	<b>345,000</b>

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**22. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)**

**Transactions with shareholders**

Treasury stock transactions with shareholders are explained in Note 11.

**23. EARNINGS PER SHARE**

The diluted earnings per share are equivalent to the basic earnings per share for the period ended 30 June 2025 and 30 June 2024 due to the absence of financial instruments with lower impact for the share return.

	<b>For the six-month period ended</b>	
	<b>30 June 2025</b>	30 June 2024
	<b>(Unaudited)</b>	(Unaudited)
Net profit for the period	<b>11,613,418</b>	11,429,924
Weighted average number of ordinary shares	<b>3,295,204</b>	3,294,000
Earnings per share (basic and diluted)	<b>3.52</b>	3.47

**Weighted average number of shares during the period**

	<b>For the six-month period ended</b>	
	<b>30 June 2025</b>	30 June 2024
	<b>(Unaudited)</b>	(Unaudited)
Number of ordinary shares	<b>3,659,997</b>	3,659,997
Effect of treasury shares (note 11)	<b>(364,793)</b>	(365,997)
Weighted average number of ordinary shares	<b>3,295,204</b>	3,294,000

**24. SEGMENTS REPORTING**

In line with the internal reporting process, management has adopted two primary segments for monitoring and preparing financial reporting, as follows:

<b><u>Segment Name</u></b>	<b><u>Segment activities' description</u></b>
Consulting services	<ul style="list-style-type: none"> <li>Formulating strategies and designing initiatives in order to raise the experience quality for the citizen and users of the government and quasi government services using one of the innovation and design approaches.</li> <li>Managing implementation of the government and quasi government programs and initiatives as per the approved strategies that contribute to achieving success indicators of the transformation plans of the various entities.</li> </ul>
Digital solutions	Designing, implementing and managing the operation of digital programs and products enables the government and quasi government segment to automate communication and community engagement, explore and improve talents, and manage the government support for all segments of the community.

These divisions offer different products and services and are managed separately because they require different technology and marketing strategies.

**Tam Development Company**  
(A Saudi Joint Stock Company)  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the six-month period ended 30 June 2025**  
(All amounts are in Saudi Riyals ﷻ unless otherwise stated)

**24. SEGMENTS REPORTING (CONTINUED)**

**As at and for the period ended 30 June 2025 (unaudited):**

	<b>Consulting services</b>	<b>Digital solutions</b>	<b>Total</b>
<b>Revenue</b>	<b>58,616,169</b>	<b>21,357,697</b>	<b>79,973,866</b>
<b>Net profit for the period</b>	<b>8,511,957</b>	<b>3,101,461</b>	<b>11,613,418</b>

**As at and for the period ended 30 June 2024 (unaudited):**

	<b>Consulting services</b>	<b>Digital solutions</b>	<b>Total</b>
<b>Revenue</b>	<b>104,439,297</b>	<b>16,261,632</b>	<b>120,700,929</b>
<b>Net profit for the period</b>	<b>9,890,009</b>	<b>1,539,915</b>	<b>11,429,924</b>

The chief decision maker uses the above results which are reviewed at monthly Executive Committee and Performance meetings. Revenue and Segmental profits are used as a consistent measure within the Group as it reflects the segment's performance for the period under evaluation.

The Group's revenue entirely originates from Saudi Arabia. During the period ended 30 June 2025, approximately 89% of total revenues were derived from four customers in digital services and 86% from three customers in advisory services (2024: approximately 95% from three customers in digital services and 81% from one customer in advisory services)

**25. FAIR VALUE**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

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**25. FAIR VALUE (CONTINUED)**

Accounting classification and fair values

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. This is described as follows based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis using level 1 or level 2 indicators, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

All financial assets and liabilities are held at amortized cost by the Group.

**26. SUBSEQUENT EVENTS**

On 22 July 2025, the group entered into a Simple Agreement for Future Equity (“SAFE”) with a company operating in the field of artificial intelligence. Under this agreement, the first tranche amounting to ﷻ 656,250 was transferred on 30 July 2025

**27. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The interim condensed consolidated financial statements of the Group have been approved by the Board of Directors on 27 August 2025 (corresponding to 4 Rabi ul Awal 1447H).