

**PERFECT PRESENTATION FOR COMMERCIAL
SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

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Independent Auditor's Report

To the Shareholders

Perfect Presentation for Commercial Services Company

(A Saudi Joint Stock Company)

Riyadh, Kingdom of Saudi Arabia

Opinion

We have audited the financial statements of Perfect Presentation for Commercial Services Company, (the "Company"), which comprise the statement of financial position as at December 31, 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants and endorsed in the Kingdom of Saudi Arabia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Below is a description of the key audit matter and how we addressed it.

Independent Auditor's Report (Continued)

To the Shareholders,

Perfect Presentation for Commercial Services Company

Key audit matters (Continued)

Key audit matter: Revenue recognition	
The key audit matter	How the matter was addressed in our audit
<p>The Company's contracts with customers include multiple services which include maintenance and operation services, call center services, licensing, and development services, amounted to SR 927,170,895 for the year ended December 31, 2022 (December 31 2021: SR 655,478,211).</p> <p>As required under IFRS 15 "Revenue from Contracts with Customers", Management identifies customer contracts relating to services provided, and for each type of contract identified, Management determines the performance obligations that exist under the contract. Revenue is then allocated to the performance obligations under the contract using observable market prices for each stand-alone service provided. Management recognizes revenue either at a point in time or over time depending on the assessment made in each case against the requirements of IFRS 15.</p> <p>Due to the variety of contractual arrangements with the customers, Management exercised diligence on some contracts concerning the determination of the appropriate measurement and timing of recognition of different elements of revenue, revenue recognition was identified as a key audit matter.</p>	<p>Our audit procedures performed included, among others, the following:</p> <ul style="list-style-type: none"> • Assessed the design and implementation of relevant controls in relation to revenue recognition, • Reviewed the revenue recognition policy applied by the company to ensure compliance with IFRS 15 requirements, • Obtaining the study prepared by the Management, which includes the appropriate level of revenue to be recognize. A sample is selected, and the following procedures are performed, on a sample basis: <ul style="list-style-type: none"> - Traced the transaction price to the underlying contract executed with the customer. - Assessed whether the transaction price allocated to identify performance obligations is in line with IFRS 15. - Assess the timing of revenue recognition at a point in time or over period as per the requirements of IFRS 15. • We examined a sample of the revenues during the year and verified the supporting documents. • Assessed the adequacy of the relevant disclosures in the company's financial statements to comply with IFRS requirements.
<p>Refer to note (4) on accounting policies for revenue, and note (23) on revenue details</p>	

Independent Auditor's Report (Continued)

To the Shareholders,

Perfect Presentation for Commercial Services Company

Other information included in the Company's 2022 Annual Report

Management is responsible for the other information in its annual report. The other information consists of the information included in the Company's 2022 annual report other than the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report (Continued)

To the Shareholders,

Perfect Presentation for Commercial Services Company

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


- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

BAKER TILLY MKM & CO.
Certified Public Accountants


Majed Muneer Alnemer
(Certified Public Accountant - License No. 381)
Riyadh on Sha'ban 27, 1444H
Corresponding to March 19, 2023G



PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	Note	December 31, 2022 SR	December 31, 2021 SR
ASSETS			
Non-current assets			
Property and equipment	6	131,124,467	116,674,725
Intangible assets	7	1,201,441	-
Investments at fair value through other comprehensive income	8	2,052,242	1,501,504
Total Non-current assets		134,378,150	118,176,229
Current assets			
Inventory	9	294,737	891,775
Due from related parties	10	2,332,534	1,606,871
Contracts assets	11	299,993,022	192,098,326
Trade receivables	12	286,489,810	97,829,429
Prepayments and other debit balances	13	16,496,287	21,290,013
Cash and cash equivalents	14	67,212,171	69,459,058
Total current assets		672,818,561	383,175,472
TOTAL ASSETS		807,196,711	501,351,701
EQUITY AND LIABILITIES			
Equity			
Share capital	15-A	150,000,000	20,000,000
Additional share capital	15-B	-	6,670,311
Statutory reserve	16	13,145,523	6,000,000
Retained earnings		90,453,988	127,046,679
Total equity		253,599,511	159,716,990
Liabilities			
Non-current liabilities			
Employees' defined benefits obligations	17	26,421,654	20,915,940
Non-current portion of long-term loans	18-A	5,364,766	7,256,103
Total non-current liabilities		31,786,420	28,172,043
Current liabilities			
Trade payables		144,450,439	67,425,738
Due to related parties	10	21,649,057	5,957,688
Short-term loans	18-B	152,016,870	84,033,300
Current portion of long-term loans	18-A	2,179,721	2,697,331
Contract liabilities	19	70,693,746	58,337,143
Accrued expenses and other credit balances	20	115,055,546	91,538,079
Dividends payable	22	10,500,000	-
Zakat payable	21	5,265,401	3,473,389
Total current liabilities		521,810,780	313,462,668
Total liabilities		553,597,200	341,634,711
TOTAL EQUITY AND LIABILITIES		807,196,711	501,351,701

Chairman of Board of Directors

Nasser AL Bassam



Chief Executive Officer

Ehsan Doughman



Chief Financial Officer

Maher Bayadi



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

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Note</u>	<u>December 31, 2022</u> SR	<u>December 31, 2021</u> SR
Revenue	23	927,170,895	655,478,211
Cost of revenue	24	(746,745,080)	(539,472,411)
Gross profit		180,425,815	116,005,800
Selling and marketing expenses	25	(9,040,438)	(7,803,550)
General and administrative expenses	26	(28,915,368)	(20,454,050)
Impairment loss on contract assets and trade receivables	12	(4,404,632)	(1,504,430)
Income from main operations		138,065,377	86,243,770
Finance cost	27	(3,858,045)	(3,774,493)
Other income, net	28	2,099,547	1,719,919
Dividends from investments at fair value		30,235	39,073
Profit before zakat		136,337,114	84,228,269
Zakat	21	(4,881,880)	(3,612,703)
Profit for the year		131,455,234	80,615,566
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent years:			
Remeasurements of employees' defined benefit obligations	17	(1,623,451)	(126,915)
Revaluation of investment at fair value through other comprehensive income	8	550,738	487,477
Total other comprehensive (loss) / income for the year		(1,072,713)	360,562
Total comprehensive income for the year		130,382,521	80,976,128
Earnings per share:			
Basic and diluted	29	8.76	5.37

Chairman of Board of Directors

Nasser Al. Bassam



Chief Executive Officer

Ehsan Doughman



Chief Financial Officer

Maher Bawadi



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

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	Share capital	Additional share capital	Statutory reserve	Retained earnings	Total equity
		SR	SR	SR	SR	SR
For the year ended December 31, 2021:						
Balance as at January 1, 2021		20,000,000	6,670,311	6,000,000	78,447,113	111,117,424
Profit for the year		-	-	-	80,615,566	80,615,566
Other comprehensive income for the year		-	-	-	360,562	360,562
Total comprehensive income for the year		-	-	-	80,976,128	80,976,128
Dividends	22	-	-	-	(32,376,562)	(32,376,562)
Balance as at December 31, 2021		20,000,000	6,670,311	6,000,000	127,046,679	159,716,990
For the year ended December 31, 2022:						
Balance as at January 1, 2022		20,000,000	6,670,311	6,000,000	127,046,679	159,716,990
Profit for the year		-	-	-	131,455,234	131,455,234
Other comprehensive loss for the year		-	-	-	(1,072,713)	(1,072,713)
Total comprehensive income for the year		-	-	-	130,382,521	130,382,521
Transfer to capital share	15-G	130,000,000	(6,670,311)	(6,000,000)	(117,329,689)	-
Transfer to statutory reserve	16	-	-	13,145,523	(13,145,523)	-
Dividends	22	-	-	-	(36,500,000)	(36,500,000)
Balance as at December 31, 2022		150,000,000	-	13,145,523	90,453,988	253,599,511

Chairman of Board of Directors
Nasser Al. Bassam

Chief Executive Officer
Ehsan Doughman

Chief Financial Officer
Maier Bawadi

The accompanying notes form an integral part of these financial statements

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	SR	SR
Operating activities		
Profit before zakat	136,337,114	84,228,269
Adjustments for:		
Depreciation and amortization	4,336,349	2,890,697
Impairment loss on contract assets and trade receivables	4,404,632	1,504,430
Losses on disposal of property and equipment	-	296,355
Employees' defined benefit obligation cost	12,492,204	11,671,738
Financing costs for defined employee benefits	461,792	283,141
Changes in operating assets and liabilities:		
Inventory	597,038	4,521,503
Due from/to related parties	14,965,706	(6,350,729)
Contracts assets	(109,382,636)	(130,391,091)
Trade receivables	(191,577,073)	22,018,707
Prepayments and other debit balances	4,793,726	(6,742,630)
Trade payables	77,024,701	40,040,908
Contract liabilities	12,356,603	28,878,231
Accrued expenses and other credit balances	23,517,467	50,943,190
Cash (used in) from operations	<u>(9,672,377)</u>	<u>103,792,719</u>
Employees' defined benefits obligation paid	(9,071,733)	(4,983,013)
Zakat paid	(3,089,868)	(1,884,616)
Net cash (used in) from operating activities	<u>(21,833,978)</u>	<u>96,925,090</u>
Investing activities		
Purchases of property and equipment	(18,592,310)	(21,802,323)
Purchases of intangible assets	(1,395,222)	-
Disposal of investment in a subsidiary	-	19,089
Net cash used in investing activities	<u>(19,987,532)</u>	<u>(21,783,234)</u>
Financing activities		
Net change in banking facilities	65,574,623	16,145,573
Dividends paid	(26,000,000)	(32,376,562)
Net cash from (used in) financing activities	<u>39,574,623</u>	<u>(16,230,989)</u>
Net change in cash and cash equivalents	<u>(2,246,887)</u>	<u>58,910,867</u>
Cash and cash equivalents at beginning of the year	<u>69,459,058</u>	<u>10,548,191</u>
Cash and cash equivalents at end of the year	<u>67,212,171</u>	<u>69,459,058</u>
Non- Cash transactions:		
Capital increase – Note 15-G	130,000,000	-
Unpaid dividends – Note 22	10,500,000	-

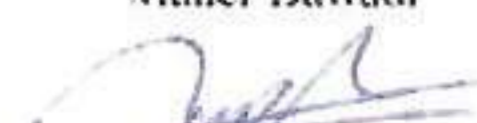
Chairman of Board of Directors
Nasser Al Bassam



Chief Executive Officer
Ehsan Doughman



Chief Financial Officer
Maher Bawadi



The accompanying form an integral part of these financial statements

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. Company Information

Perfect Presentation for Commercial Services Company (the "Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration No. 1010203693 issued in Riyadh on Shawwal 25, 1425H (corresponding to December 8, 2004G).

The registered address of the Company is Al Imam Muhammad Ibn Saud road khozama district, P.O. Box 10552, Riyadh 11651, Kingdom of Saudi Arabia.

During the year 2021, the partners in the company met and decided unanimously to transform the legal entity of the company from a limited liability company to a closed joint stock company. The approval of the Ministry of Commerce was obtained by virtue of Resolution No. 766 dated Jumada Al-Awwal 11, 1443H and announced it according to Resolution No. 772, dated Jumada Al-Ula 16, 1443H.

On Safar 16, 1444H (corresponding to September 12, 2022G). The Capital Market Authority Board has issued its resolution approving Perfect Presentation for Commercial Services Company application for Registration and the offering of 4,500,000 shares representing (30%) of the Company's share capital.

On Rabi' Al-Thani 22, 1444H (corresponding to November 16, 2022G), the Company's shares were traded on the Saudi Stock Exchange (Tadawul) in the Kingdom of Saudi Arabia.

These financial statements include assets, liabilities and the activities of the Company and its following branches:

CR number	Location	Registration date
1010290349	Riyadh	8 Rajab 1431H (corresponding to June 20, 2010G)
4031218300	Makkah	13 Safar 1440H (corresponding to October 22, 2018G)

The Company's main activity is the installation and extension of computer and communications networks, wholesale of computers and their accessories, including (sale of printers and their inks), wholesale of software including import, provision of fixed communications services, provision of wholesale services for infrastructure, design and programming of special software, provision of SMS services and the provision of call center service, the provision of wired and wireless Internet services, systems analysis, the design and programming of special software, the provision of management and control service of communications and information networks, registration for the provision of cloud computing services, the establishment of infrastructure for hosting websites on the network, data processing services and related activities, research and development in the field of engineering and technology, user interface design and experience, robotics and virtual and augmented reality technology, application development, artificial intelligence techniques, biotechnology solutions, financial technology solutions, big data technologies and data analytics, installation of communication equipment, installation of central computers, repair and maintenance of personal computers and portable of all kinds and sizes, repair and maintenance of printers and optical scanners, repair and maintenance of screens, keyboard, mouse, and other similar accessories, repair and maintenance of engines, systems and fixed and portable information storage devices, repair and maintenance of wireless phones, repair and maintenance of military communication equipment, other activities of network gates, other activities of communications not previously mentioned, other computer programming activities, other activities such as installing and extending television, computer and communications networks, cyber security, incoming call center activities, answering customer calls using operators, distributing calls automatically or through phone and computer integration, using interactive voice answering systems, or other similar methods to receive orders, provide information on products and deal with customer assistance requests and complaints.

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

2. Basis of Preparation

The financial statements of the Company for the year ended December 31, 2022 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted in the Kingdom of Saudi Arabia and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). Details of the Company’s significant accounting policies are disclosed in note (4).

These financial statements have been prepared on the historical cost basis except for the employees’ defined benefit obligations which are measured using the projected unit credit method and the actuarial assessments at the end of the reporting period and the investments at fair value through other comprehensive income.

The financial statements are presented in Saudi Riyals, except when otherwise indicated. Saudi Riyal is the functional currency of the Company.

3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risk and uncertainties include:

- Financial instruments - fair values and risk management Note 31
- Sensitivity analysis disclosures Note 17 and 31

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments; however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

The Company assesses whether there are any indications of impairment of non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indications that the carrying value may not be recoverable. When making value in use calculations, management estimates the expected future cash flows from the asset or cash-generating unit and chooses an appropriate discount rate in order to calculate the present value of those cash flows.

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

3. Significant Accounting Judgements, Estimates, and Assumptions (Continued)

Estimated costs at completion

The Company uses the percentage of completion method in accounting for long-term contracts. The use of the percentage of completion method by the company requires an estimate of the total costs to complete the contract. Assuming that the total estimated costs are higher or lower by 5%, the effect will be significant, by increasing or decreasing the amount of revenue.

Long-term assumptions for employees' defined benefits

Employees' defined benefit liabilities represent obligations that will be settled in the future at the termination of employment contracts. Management is required to make further assumptions regarding variables such as discount rates, rate of salary increase, mortality rates, and employee turnover. Periodically, the management of the Company consults with external actuaries regarding these assumptions. Changes in key assumptions can have a significant impact on employee benefit obligations.

Useful lives of property and equipment

The Company determines the estimated useful lives of its property and equipment for calculating depreciation after considering the expected usage of the assets or physical wear and tear. Management has not put any residual value as it was considered insignificant. Management reviews useful lives annually.

Expected credit losses calculation

The Company uses a provision matrix to calculate Expected Credit Losses "ECLs" for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type, and coverage by guarantees and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historically observed default rates forecasts economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecasted economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the trade receivables is disclosed in (Note 12) and contracts assets in (Note 11).

The Company always measures the loss provision on amounts due from customers at an amount equal to the lifetime expected credit losses. There has been no change to the estimation methods or significant assumptions made during the current reporting period.

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

4. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Company in preparing these financial statements:

Classification of the assets and liabilities into current and non-current

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is.

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current.

Foreign currency

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the spot rate ruling at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Gains or losses arising from the translation of non-monetary items measured at fair value are treated in line with the recognition of gains and losses arising from a change in the fair value of that item. That is, translation differences for items whose fair value gains and losses are recognized in other comprehensive income are recognized in other comprehensive income, and items whose fair value gains and losses are recognized in profit or loss are recognized in profit or loss.

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

4. Summary of Significant Accounting Policies (Continued)

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Such cost includes the cost of replacing parts of the property and equipment. When significant parts of property and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Repair and other maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	<u>Depreciation rate</u>
Buildings	3-10%
Vehicles	20%
Furniture and fixtures	14-28%
Computers	14-28%
Constructions and fitting	10-25%
Improvements and decoration	25% or the lease term, whichever is less

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its future use or sale. Any gain or loss arising from the derecognition of the asset is included in the profit or loss when the asset is derecognized.

Expenditures incurred for decoration and construction of the building are capitalized under projects under construction until the related assets are ready for their intended use, at which time they are transferred to the respective principal classes of property and equipment. Projects under construction are not depreciated.

Intangible assets

Intangible assets are presented in the statement of financial position at cost less accumulated amortization and accumulated impairment losses.

Amortization is provided over the economic useful lives of intangible assets, and the estimated useful life and amortization method are reviewed at the end of each financial year, taking into account the effect of any changes estimates on a prospective basis.

- **Computer software:** Computer software licenses are capitalized on the cost basis incurred when purchasing a specific software and preparing it for use. Amortization is charged to the statement of profit or loss on a straight-line basis over the estimated useful life from the date the software is made available for use.

Amortization is calculated using the straight-line method over the estimated useful life of intangible assets as follows:

	<u>Amortization rate</u>
Computer software	10% or the term of the license, whichever is less

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4. Summary of Significant Accounting Policies (Continued)

Projects under construction

Assets in the course of construction or development are capitalized in the projects under construction account. An asset in progress or development is transferred to the appropriate category of property, plant, and equipment as soon as the asset is in the location and/or condition necessary for it to be capable of operating in the manner intended by management. The cost of Projects under construction items includes the purchase price, execution/development cost, and any other cost directly attributable to the construction or purchase of a projects under construction item intended by management.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Inventory

Inventory represents SMS packages that are stated at cost (purchase price) and electronic devices that are measured at cost or market price, whichever is lower.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss.

All financial assets are recognized initially at fair value plus the cost of transactions, except in the case of financial assets are recorded at fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Financial assets at amortized cost

After initial measurement, financial assets at amortized cost are measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss when the asset is derecognized, modified, or impaired.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to profit or loss.

Equity instruments designated at fair value through other comprehensive income

Gains and losses arising from investments in equity instruments carried at fair value through other comprehensive income are never reclassified to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

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4. Summary of Significant Accounting Policies (Continued)

Financial Assets (Continued)

Derecognition of financial assets

A financial asset is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Trade receivables

Trade receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that full amounts due according to the original terms of the receivables will not be collected. Bad debts are written off as incurred.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks.

For the purpose of preparing the statement of cash flow, cash and cash equivalents include bank balances as explained above after deducting overdraft accounts with banks, if any, as they are considered an integral part of the Company's cash management. Cash and cash equivalents are subject to the requirements of IFRS 9 Impairment.

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NOTES TO THE FINANCIAL STATEMENTS
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4. Summary of Significant Accounting Policies (Continued)

Statutory reserve

As required by the Saudi Arabian Regulations for Companies, the Company transfers 10% of its profit for the year to the statutory reserve until the reserve equals 30% of the share capital. The reserve is not available for distribution as dividends.

Employees' defined benefits obligations

Defined benefit programs

Liabilities in the statement of financial position relating to the employee defined benefit program are measured at the present value of the expected future payments at the reporting date, using the projected credit unit method, and are recorded as non-current liabilities. The defined benefit obligation is calculated at the end of each annual reporting period by an independent actuary using the projected credit unit method. The actuarial valuation process takes into account the provisions of the Saudi Labor Law and the Company's policy. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the commission rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and have terms that approximate those of the related obligations (or, if not available, market rates on government bonds are used). The commission cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and this cost is recognized in the statement of profit or loss.

The cost of the defined benefit obligation is calculated using the actuarially determined retirement costs at the end of the previous financial year, after adjusting for significant market fluctuations and for any significant one-time events such as program modification, workforce reduction and repayment. In the absence of significant market fluctuations and one-time events, the actuarial liability is extended based on the assumptions at the beginning of the year. If there are significant changes in assumptions or arrangements during the year, they must be considered to re-measure these obligations and the costs associated with them.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions in the year in which they occur are recognized in other comprehensive income. Changes in the present value of the defined benefit obligation arising from plan modifications or workforce reductions are recognized directly in profit or loss as prior service costs.

Short-term employee obligations

Liabilities related to benefits payable to employees, such as wages, salaries, annual and sick leave, and tickets, and which are expected to be paid during the twelve months after the end of the financial year in which the employees provide the related services, are recognized and measured in the financial statements at the undiscounted amounts expected to be paid when the obligations are settled.

Trade payables and the accrued balances

These amounts represent liabilities related to goods and services provided to the Company before the end of the year that has not been paid and are considered unsecured. Trade payables and notes payable are presented as current liabilities unless payment is not due within 12 months after the reporting date and initially recognized at their fair value and subsequently measured at amortized cost using the effective commission method.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

4. Summary of Significant Accounting Policies (Continued)

Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or derivatives designated as hedging instruments in an effective hedge.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described below:

Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Exclusion of financial liabilities

Financial liabilities are disposed of when the obligation is paid, canceled or the obligation under the contract expires.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only if there is a current enforceable legal right to offset the recognized amounts and an intent to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Contract assets

Contract assets are unbilled receivables that relate to the company's right to obtain consideration for services provided to customers, this is transferred to trade receivables when the contracts become unconditional, when invoices are issued to the customer.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

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4. Summary of Significant Accounting Policies (Continued)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration or the Company had an unconditional right to a consideration amount before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Onerous contracts

If the Company has a contract that is expected to result in a loss, the present obligation under the contract is recognized and measured as a provision. However, before recognizing a separate provision for an impaired contract, the Company recognizes any impairment losses that have occurred in the assets relating to that contract.

The company as a lessee

The Company applies the short-term lease recognition exemption to short-term leases of buildings (i.e. leases that have a term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as an expense on a straight-line basis over the term of the lease.

The company as a lessor

The Company has entered in lease contracts in relation to its investment properties. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the risks and benefits of ownership of these properties, and therefore the Company records these contracts as operating leases. Contract revenue is recognized in the statement of profit or loss using the straight-line method over the term of the lease contracts.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for such transfer.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services provided in the ordinary course of the Company's activities. Revenue is represent net of value-added tax, returns, rebates and discounts and after eliminating sales within the Company. If the Company provides interest-free credit to a buyer, revenue is recognized at the present value of the future payments.

The Company recognizes revenue from contracts with customers based on five-step model as set out in IFRS. The five steps are: identify the contract(s) with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price, and recognize revenue when the performance obligation is satisfied.

The Company recognizes revenue when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the entity, and when specific criteria are met for each of the Company's activities, as mentioned below.

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4. Summary of Significant Accounting Policies (Continued)

Revenue recognition (Continued)

A) Revenue from operation and maintenance services.

Operation and maintenance services are self-distinguishable as they are regularly provided by the Company to its clients on an independent basis and are available to clients of other service providers in the market. Revenue from maintenance and operation services is recognized in the accounting period in which the service is provided over time.

B) Revenues from providing call center services

It is one of the most important business units that make up Perfect Presentation for Commercial Services Company and it specializes in providing services for establishing and operating call centers, customer service and subscribers' care. The most important services provided by this unit are:

- Establishing and equipping call centers, customer service and taking care of subscribers.
- Management and operation of call centers, customer service and subscribers' care.
- Providing trained and qualified human resources to work in call centers and customer service.
- Providing programs and systems for call centers, customer service and subscribers care, such as:
 - Open-source call center systems. "Contact Center System".
 - Interactive response systems through sound and image. "IVR".
 - Call recording systems. "Call Recording Systems".
 - Customer relationship management systems. "CRM"
 - Reporting systems for call center performance and real-time monitoring screens.
 - Specialized training in call centers, customer service, and customer care.
 - Providing advisory services specialized in establishing, managing and operating call centers, customer service, and taking care of subscribers.

Revenues from call center services are recognized in the accounting period in which the service is provided over time.

C) Revenue from licensing and development services (SWD)

Revenue from providing computer software licensing services is recognized in the accounting period in which the service is provided at a specific point in time.

D) Revenue from providing text messaging services and subscriptions

Revenue from providing text messaging services and subscriptions is recognized in the accounting period in which that service is provided, upon actual use by the customer.

E) Revenue from providing Internet services

Revenue from providing Internet services is recognized in the accounting in which the service is provided at a specific point in time.

Dividend

The company recognizes the obligations related to the payment of dividends to the shareholders when the distribution is approved and that the distribution is no longer dependent on the discretion of the company.

Direct costs

Direct costs include all direct materials and labor costs, and those indirect costs related to contract performance.

Expenses

All operating expenses are distributed consistently to the cost of revenue, selling and marketing expenses, and general and administrative expenses using consistent distribution factors that are determined in proportion to the Company's activities.

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4. Summary of Significant Accounting Policies (Continued)

Zakat

Zakat provision is provided for in accordance with the regulations of the Zakat, Tax and Customs Authority (ZATCA) in the kingdom of Saudi Arabia. The provision is charged to profit or loss.

Value-added tax

Revenues and expenses are recognized net of the amount of value added tax, except where the value added tax incurred on a purchase of assets or services is not recoverable from (ZATCA), in this case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Trade receivables and trade payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, (ZATCA) is included as part of other assets or other liabilities in the statement of financial position.

Withholding Tax

The Company withholds tax on certain transactions with non-resident parties in the Kingdom of Saudi Arabia in accordance with the Saudi Arabian Income Tax Law.

5. Application of New and Revised IFRSs

5.1. New and revised IFRSs applied with no material effect on the financial statements.

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments IFRS 3 *Business Combination* updating a reference to the Conceptual Framework.
- Amendments to IAS 16 *Property, Plant and Equipment* prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.
- Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* regarding the costs to include when assessing whether a contract is onerous.
- Annual Improvements to IFRS 2018-2020 Revised Cycle of IFRS 1, 9 and 16 and IAS 41.

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5. Application of New and Revised IFRSs (Continued)

5.2. New and revised IFRSs in issue but not yet effective and not early adopted

The Company has not yet early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
- Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.	Effective date deferred indefinitely
- Amendments to IAS 1 <i>Presentation of Financial Statements</i> regarding the classification of liabilities.	January 1, 2024
- Amendments to IFRS 16 <i>Leases</i> relating to sale transactions and re-lease.	January 1, 2024
-Amendments to IAS 1 <i>Presentation of Financial Statements</i> and IFRS Practices 2 <i>Exercising Jurisprudence on Materiality - Disclosure of Accounting Policies</i>	January 1, 2023
-IFRS 17 <i>Insurance Contracts</i> establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts and supersedes IFRS 4 <i>Insurance Contracts</i> .	January 1, 2023
-Amendments to IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i>	January 1, 2023
-Amendments to IAS 12 <i>Income Tax - Deferred tax relating to assets and liabilities arising from a single transaction</i>	January 1, 2023

Management anticipates that these new standards, interpretations, and amendments will be adopted in the Company's financial statements for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

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6. Property and Equipment

	Land SR	Buildings SR	Vehicles SR	Furniture and Fixtures SR	Computers SR	Construction and Fitting SR	Improvements and Decorations		Project under Construction SR	Total SR
							SR	SR		
Cost										
January 1, 2021	7,028,500	20,444,499	517,860	3,865,492	10,382,898	748,799	1,873,677	1,873,677	70,174,472	115,036,197
Additions	-	-	551,450	1,858,603	1,691,401	149,600	-	-	17,551,269	21,802,323
Disposal	-	-	-	(805,134)	(2,157,779)	-	-	-	-	(2,962,913)
Transfers	45,045,000	38,586,411	-	489,960	114,570	3,489,800	-	-	(87,725,741)	-
December 31, 2021	52,073,500	59,030,910	1,069,310	5,408,921	10,031,090	4,388,199	1,873,677	1,873,677	-	133,875,607
Additions	-	52,953	1,593,787	423,195	609,933	-	-	-	15,912,442	18,592,310
December 31, 2022	52,073,500	59,083,863	2,663,097	5,832,116	10,641,023	4,388,199	1,873,677	1,873,677	15,912,442	152,467,917
Accumulated depreciation										
January 1, 2021	-	5,507,347	315,702	2,052,949	6,654,636	673,919	1,772,190	-	-	16,976,743
Charge for the year	-	1,334,255	71,240	532,303	872,467	79,277	1,155	-	-	2,890,697
Disposal	-	-	-	(724,621)	(1,941,937)	-	-	-	-	(2,666,558)
December 31, 2021	-	6,841,602	386,942	1,860,631	5,585,166	753,196	1,773,345	-	-	17,200,882
Charge for the year	-	2,026,121	205,088	683,526	900,232	327,546	55	-	-	4,142,568
December 31, 2022	-	8,867,723	592,030	2,544,157	6,485,398	1,080,742	1,773,400	-	-	21,343,450
Net book value										
December 31, 2022	52,073,500	50,216,140	2,071,067	3,287,959	4,155,625	3,307,457	100,277	100,277	15,912,442	131,124,467
December 31, 2021	52,073,500	52,189,308	682,368	3,548,290	4,445,924	3,635,003	100,332	100,332	-	116,674,725

• Projects under construction as at December 31, 2022 and 2021 represents the costs incurred for works of the construction, preparation and expansion of the company's new head office in Riyadh.

• This caption includes land and buildings mortgaged as a guarantee of long-term loans amounting to SR 7,350,000. This item includes lands and buildings located in Al-Khuzama District, with a net book value of SR 20.1 million as at December 31, 2022. (2021: SR 20.9 million). Refer to Note (32).

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6. Property and Equipment (Continued)

* Depreciation for the year ended 31 December has been charged as follows:

	December 31, 2022	December 31, 2021
	SR	SR
Cost of revenue (Note 24)	203,381	72,398
General and administrative expenses (Note 26)	3,939,187	2,818,299
	4,142,568	2,890,697

7. Intangible assets

	Computer programs
	SR
Cost	
January 1, 2022	-
Additions	1,395,222
December 31, 2022	1,395,222
Accumulated amortization	
January 1, 2022	-
Charge for the year - (Note 24)	193,781
December 31, 2022	193,781
Net book value	
December 31, 2022	1,201,441
December 31, 2021	-

8. Investments at Fair Value Through other comprehensive income

	December 31, 2022	December 31, 2021
	SR	SR
January 1	1,501,504	1,014,027
Changes in fair value during the year	550,738	487,477
December 31	2,052,242	1,501,504

This investment represents an investment in securities listed on the Saudi Stock Exchange ("Tadawul").

9. Inventory

	December 31, 2022	December 31, 2021
	SR	SR
Bulk messages	150,108	843,284
Fingerprint devices	144,629	48,491
	294,737	891,775

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NOTES TO THE FINANCIAL STATEMENTS
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10. Related Parties' Transaction and Balances

Related parties represent major shareholders of the Company, managers and top management and entities controlled or significantly influenced by them. The nature of the relationship is described as follow:

Related party	Relation
Ideal for Business and Commercial Investment Company	Major Shareholder
Information Technology Belt Company	Affiliate
Perfect Presentation for Commercial Services Company- Egypt	Affiliate
Fawran Smart Logistics	Affiliate
Wahg Energy Establishment	Related to Shareholder
Perfect Presentation for Technology Company- Jordan	Affiliate
Cloud Distribution for Communications and Information Technology Company	Affiliate
Smart Health for Communications and Information Technology Company	Affiliate
Sustainable Energy Company	Affiliate
Nasser Abdullah bin Muhammad Al-Bassam	Major Shareholder
Saleh bin Ibrahim bin Hamad Al Mazrou	Major Shareholder
Prime Technical Contracting Establishment	Related to Shareholder

The following is a summary of the significant transactions carried out with related parties and the associate approximate amounts for the year ended December 31,:

	December 31, 2022	December 31, 2021
	SR	SR
Purchases	(69,849,838)	-
Sales	51,349,234	5,517,862
Dividends	(26,000,000)	(32,376,562)
Expenses paid on behalf of related parties	(367,476)	(660,202)
Financing, net	-	6,000,000

The balances due from related parties as at December 31, consists of the following:

	December 31, 2022	December 31, 2021
	SR	SR
Information Technology Belt Company	2,201,997	1,570,858
Sustainable Energy Company	77,752	-
Prime Technical Contracting Establishment	52,785	-
Wahg Energy Establishment	-	26,672
Fawran Smart Logistics	-	9,341
	2,332,534	1,606,871

The amounts due from related parties are non-interest bearing.

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10. Related Parties' Transaction and Balances (Continued)

The balances due to related parties as at December 31, consists of the following:

	December 31, 2022	December 31, 2021
	SR	SR
Cloud Distribution for Communications and Information Technology Company	21,649,057	12,140
Ideal for Business and Commercial Investment Company	-	4,083,610
Sustainable Energy Company	-	1,861,938
	21,649,057	5,957,688

The amounts due to related parties are non-interest bearing.

Key Management Personal Remunerations

	December 31, 2022	December 31, 2021
	SR	SR
Key Management Personal Remunerations	8,459,488	7,666,609

Key Management Personal Remunerations consists of salaries, benefits, end of service benefits and other provisions.

11. Contracts Assets

	December 31, 2022	December 31, 2021
	SR	SR
Total contract assets	301,480,962	192,098,326
Less: Impairment loss on contract assets	(1,487,940)	-
	299,993,022	192,098,326

Contract assets mainly relate to the company's right to obtain consideration for services provided to customers, which have not yet been billed at the reporting date and are transferred to trade receivables when the contracts become unconditional, when the company issues the invoice to the customer.

As of December 31, 2022, the Company's contract assets are mainly concentrated from government agencies with an amount of SR 241,578,830 representing 80% of total contract assets (December 31, 2021: SR 178,690,922 representing 93% of total contract assets).

The movement in the contract assets impairment losses for the years ended December 31, is as follows:

	December 31, 2022	December 31, 2021
	SR	SR
January 1	-	-
Additions	1,487,940	-
December 31	1,487,940	-

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12. Trade Receivables

	December 31, 2022	December 31, 2021
	SR	SR
Trade receivables	291,558,137	99,981,064
Less: impairment loss on trade receivables	(5,068,327)	(2,151,635)
	286,489,810	97,829,429

As of December 31, 2022, the Company's trade receivables are mainly concentrated from government agencies with an amount of SR 270,950,112 representing 93% of total trade receivables (December 31, 2021: SR 79,802,419 representing 80% of total trade receivables).

The movement in the impairment losses for the trade receivables for the years ended December 31, is as follows:

	December 31, 2022	December 31, 2021
	SR	SR
January 1	2,151,635	647,205
Additions	2,916,692	1,504,430
December 31	5,068,327	2,151,635

The aging analysis of trade receivables as at December 31, it is as follows:

	Balances that are past due but not impaired						
	Total	Not due and	31-60 days	61-90	91-180	181-360	More than
	SR	not impaired	SR	days	days	days	360 days
	SR	SR	SR	SR	SR	SR	SR
December 31, 2022	291,558,137	83,651,957	74,543,713	24,336,567	31,430,459	55,993,126	21,602,315
December 31, 2021	99,981,064	16,252,488	9,903,009	29,247,062	18,797,570	13,824,455	11,956,480

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13. Prepayments and Other Debit Balances

	<u>December 31, 2022</u> SR	<u>December 31, 2021</u> SR
Bank margin against letters of credit and letters of guarantee	7,004,273	9,542,337
Prepaid expenses	3,808,880	7,472,790
Advances to suppliers	3,482,363	2,759,378
Others	1,391,688	718,982
Employee's receivables	809,083	796,526
	<u>16,496,287</u>	<u>21,290,013</u>

14. Cash and Cash Equivalents

	<u>December 31, 2022</u> SR	<u>December 31, 2021</u> SR
Cash at banks	64,727,519	69,119,640
Cash on hand	2,484,652	339,418
	<u>67,212,171</u>	<u>69,459,058</u>

15. Share Capital and Additional Share Capital

A) Share Capital

The Company share capital amounting to SR 150,000,000 as at December 31, 2022 consist of 15,000,000 nominal shares of SR 10 each, all of which are common shares (December 31, 2021: SR 20,000,000 consisting of 2,000,000 nominal shares of SR 10 each, all of which are common shares).

B) Additional Share Capital

The additional share capital of SAR 6,670,311 as at December 31, 2021 represents the paid amount contributed by the partners/founders to support and finance the operations of the company and it was waived in favor of the Company for the purpose of increasing the Company's share capital. The amount was transferred to the share capital during 2022.

C) Capital Increase

On February 21, 2022, the Company's Board of Directors recommended to the extraordinary general assembly to approve an increase in the company's share capital by an amount of SR 130,000,000 by transferring an amount of SR 6,000,000 from the statutory reserve account and transferring an amount of SR 6,670,311 from the additional share capital account and transferring the amount of SR 117,329,689 from the retained earnings account. The legal formalities required to increase the share capital were completed during the year.

16. Statutory Reserve

In accordance with the Company's by-laws, the Company establishes a statutory reserve by appropriation of 10% of the annual net profit until the reserve reaches 30% of the share capital. This reserve is not available for distribution as dividends.

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17. Employees' Defined Benefit Obligation

The Company is required to pay post-employment benefits to all employees in accordance with Saudi Labor Laws on termination of their employment. The employees' defined benefit obligation is estimated through actuarial method using the projected unit credit method.

Reconciliation of the present value of the employees' defined benefit obligation

	<u>December 31, 2022</u> SR	<u>December 31, 2021</u> SR
January 1	20,915,940	13,817,159
Current service cost	12,492,204	11,671,738
Finance cost	461,792	283,141
Total charged to profit or loss	<u>12,953,996</u>	<u>11,954,879</u>
Actuarial re-measurement loss	1,623,451	126,915
Total charged to other comprehensive income	<u>1,623,451</u>	<u>126,915</u>
Paid	(9,071,733)	(4,983,013)
December 31	<u>26,421,654</u>	<u>20,915,940</u>

Principal actuarial assumptions

The following significant actuarial assumptions were used by the Company for the valuation of the employees' defined benefit obligation:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate	4.40%	2.75%
Salary growth rate	4.40%	2.75%
Employee turnover	High	High

The sensitivity analysis of principal actuarial assumptions is as follows:

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	%	SR	%	SR
Discount rate				
Increase	+1%	24,389,913	+1%	19,256,234
Decrease	-1%	28,772,776	-1%	22,845,103
Salary growth rate				
Increase	+1%	28,748,769	+1%	22,845,103
Decrease	-1%	24,371,636	-1%	19,241,094

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18. Bank Facilities

A) Long-term loans

Long-term loans comprise the following:

	December 31, 2022	December 31, 2021
	SR	SR
Non-current portion	5,364,766	7,256,103
Current portion	2,179,721	2,697,331
	7,544,487	9,953,434

The Company obtained loans from various commercial banks. These loans generally bear finance costs based on inter-bank offer rates which charge finance fees at the prevailing inter-bank rate in the kingdom of Saudi Arabia ("SIBOR") plus a fixed margin agreed upon between the parties. Certain of these loans are secured by a mortgage on property and equipment (Note 6).

The maturity schedule of long-term loans is as follows:

	December 31, 2022	December 31, 2021
	SR	SR
For years ended December 31		
2022	-	2,697,331
2023	2,812,080	2,812,080
2024	2,931,711	2,931,711
2025	1,800,696	1,512,312
	7,544,487	9,953,434

B) Short-term loans

These loans represent credit facilities obtained from various commercial banks and bear financial charges at prevailing market rates which are based on inter-bank offer rates which charge finance fees at prevailing inter-bank rate in the kingdom of Saudi Arabia ("SIBOR") plus a margin agreed upon between the parties. Certain of these loans are secured by promissory notes, and assignment of trade receivables for projects funded through these facilities.

C) Loan covenants

The covenants of certain of short-term and long-term loans require the Company to maintain certain level of financial conditions, require lenders' prior approval for dividends distribution above a certain amount and limit the amount of annual capital expenditures and certain other requirements.

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19. Contract liabilities

	December 31, 2022	December 31, 2021
	SR	SR
Billing in excess of works performed	56,673,410	39,905,544
Unearned revenues - Text messages (Yamamah)	14,020,336	18,431,599
	70,693,746	58,337,143

20. Accrued Expenses and Other Credits Balances

	December 31, 2022	December 31, 2021
	SR	SR
Accrued salaries and wages	31,312,469	35,289,032
Value added tax, net	25,914,299	9,262,565
Accrued vacations	17,486,544	20,313,107
Accrued commissions	9,385,241	2,781,024
Advances from customers	6,868,404	4,492,619
Accrued finance cost	5,099,056	-
Social security	3,197,595	3,451,258
Projects' provisions	-	9,664,077
Others	15,791,938	6,284,397
	115,055,546	91,538,079

21. Zakat Payable

The principal elements of the Zakat base are as follows:

	December 31, 2022	December 31, 2021
	SR	SR
Equity, opening balance	133,716,990	78,740,862
Adjusted net income before zakat	153,695,742	107,351,655
Non-current liabilities and others	40,436,805	68,565,905
Non-current assets and others	(133,827,412)	(116,674,725)

Some of these balances are adjusted to reach for zakat base.

Zakat is calculated based on 2.5% of zakat base or net adjusted income for the year whichever is higher.

The movement of Zakat payable for the year ended December 31 is as follows:

	December 31, 2022	December 31, 2021
	SR	SR
January 1	3,473,389	1,745,302
Charge for the year	4,881,880	3,466,921
Shortage in prior years' provision	-	145,782
Paid during the year	(3,089,868)	(1,884,616)
December 31	5,265,401	3,473,389

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21. Zakat Payable (Continued)

Zakat status

The Company has filed its zakat returns up to the year ended December 31, 2021 to the Zakat, Tax and Customs Authority and received a final certificate. The Company finalized its zakat status up to year 2015, and the remaining years are still under review by the Authority.

22. Dividends

- The Board of Directors in their meeting held on Ramadan 10, 1443H (corresponding to April 12, 2022G) resolved to distribute interim cash dividends to shareholders for the first quarter of 2022 amounting to SR 1.13 per share aggregating to SR 17,000,000 representing 11.33% of the company's share capital. The preference is for the shareholders who own shares in the company's shareholder register.
- The Board of Directors in their meeting held on Safar 3, 1444H (corresponding to August 30, 2022G) resolved to distribute interim cash dividends to shareholders for the second quarter of 2022 amounting to SR 0.6 per share aggregating to SR 9,000,000 representing 6% of the company's share capital. The preference is for the shareholders who own shares in the company's shareholder register.
- The Board of Directors in their meeting held on Jumada Al-Awwal 11, 1444H (corresponding to December 5, 2022G) resolved to distribute interim cash dividends to shareholders for the third quarter of 2022 amounting to SR 0.7 per share aggregating to SR 10,500,000 representing 7% of the company's share capital. The preference is for the shareholders who own shares in the company's shareholder register on 21 Jumada Al-Awwal 1444H (corresponding to December 15, 2022G), and the distribution date will be on Jumada II 19, 1444H (corresponding to January 12, 2023G).
- During 2021, the General Assembly of Partners approved to distribute dividends amounting to SR 32,376,562.

23. Revenue

Set out below is the disaggregation of the Company's revenue from contracts by type of products or services, timing of revenue recognition and type of customers:

	December 31, 2022	December 31, 2021
	SR	SR
<u>Timing of revenue recognition</u>		
Products transferred at a point in time	30,851,779	10,097,725
Services transferred overtime	896,319,116	645,380,486
	927,170,895	655,478,211
	December 31, 2022	December 31, 2021
	SR	SR
<u>Type of customers</u>		
Government and government-controlled entities	769,151,370	565,651,105
Private sector	158,019,525	89,827,106
	927,170,895	655,478,211

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23. Revenue (Continued)

	<u>December 31, 2022</u> SR	<u>December 31, 2021</u> SR
<u>Products or services</u>		
Operation and maintenance services	353,910,986	212,473,006
Call Center services	344,020,782	301,666,363
Software licenses and development services (SWD)	229,239,127	141,338,842
	<u>927,170,895</u>	<u>655,478,211</u>

24. Cost of Revenue

	<u>December 31, 2022</u> SR	<u>December 31, 2021</u> SR
Salaries, wages, and other benefits	378,379,086	334,508,829
Cost of equipment, software, services, and support	310,477,928	169,656,834
Insurance	23,721,645	11,980,206
Borrowing cost	18,957,743	6,756,384
Government fees	8,586,711	7,562,474
Maintenance and repair	1,644,916	2,359,405
Travel and transportation	1,227,798	676,831
Subscriptions	635,212	519,083
Depreciation	203,381	72,398
Amortization	193,781	-
Others	2,716,879	5,379,967
	<u>746,745,080</u>	<u>539,472,411</u>

25. Selling and Marketing Expenses

	<u>December 31, 2022</u> SR	<u>December 31, 2021</u> SR
Salaries, wages, and other benefits	5,744,596	3,787,289
Bank guarantee fees	2,211,060	2,451,562
Tenders fees	402,850	688,078
Travel and transportation	391,076	215,819
Others	290,856	660,802
	<u>9,040,438</u>	<u>7,803,550</u>

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26. General and Administrative Expenses

	<u>December 31, 2022</u> SR	<u>December 31, 2021</u> SR
Salaries, wages and other benefits	19,966,161	11,496,001
Depreciation	3,939,187	2,818,299
Professional fees	1,643,340	571,495
Government fees	898,090	586,339
Utilities expenses	563,043	1,220,434
Repair and maintenance	262,170	592,194
Hospitality	219,755	89,307
Travel and transportation	138,050	239,379
Telephone, postage, and internet	135,707	261,187
Donations	100,800	100,800
Subscriptions	53,356	19,533
Others	995,709	2,459,082
	<u>28,915,368</u>	<u>20,454,050</u>

27. Finance Cost

	<u>December 31, 2022</u> SR	<u>December 31, 2021</u> SR
Bank expenses and others	3,396,253	3,491,352
Finance cost-Employees' Defined Benefit Obligation (Note 17)	461,792	283,141
	<u>3,858,045</u>	<u>3,774,493</u>
Borrowing cost (Note 24)	18,957,743	6,756,384
Bank expenses and others (Note 25)	2,211,060	2,451,562
	<u>25,026,848</u>	<u>12,982,439</u>

28. Other Income, Net

	<u>December 31, 2022</u> SR	<u>December 31, 2021</u> SR
Bad debts collection	1,108,790	113,431
Rentals income	989,650	1,263,025
Training revenue	-	517,000
Loss on disposal of property and equipment	-	(296,355)
Others	1,107	122,818
	<u>2,099,547</u>	<u>1,719,919</u>

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29. Earnings Per Share

	December 31, 2022	December 31, 2021
	SR	SR
Net profit for the year	131,455,234	80,615,566
Weighted average number of ordinary shares	15,000,000	15,000,000
Earnings per share – basic and diluted	8.76	5.37

There is no reduced effect on the Company's basic earnings per share.

Basic earnings per share have been calculated by dividing the net profit for the year attributable to shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of shares outstanding during 2021 has been adjusted retrospectively as a result of the share capital increase through other equity reserves during 2022 (Note 15).

30. Contingent Liabilities

The Company is contingently liable for bank guarantees issued in the normal course of business as at December 31

	December 31, 2022	December 31, 2021
	SR	SR
Letters of guarantees	271,155,152	206,067,884
	271,155,152	206,067,884

- During the company's normal business cycle, some immaterial cases against the Company arise, and are currently being defended, but the final outcome of these cases cannot be determined with certainty. Management believes that the results of these cases will not have a material impact on the Company's financial statements for the year ended December 31, 2022.

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31. Financial Instruments – Fair value and Risk Management

The following table shows the book values and the fair values of the financial assets and liabilities, including their stages in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities that are not measured at fair value if the book value reasonably approximates fair value.

	December 31, 2022				
	Carrying value		Fair value		
	Fair value SR	Amortized cost SR	Stage 1 SR	Stage 2 SR	Stage 3 SR
Financial assets at amortized cost					
Trade receivables	-	286,489,810	-	-	-
Due from related parties	-	2,332,534	-	-	-
Bank margins	-	7,004,273	-	-	-
Cash and cash equivalents	-	67,212,171	-	-	-
Financial assets at fair value					
Investments at fair Value	2,052,242	-	2,052,242	-	-
Total financial assets	2,052,242	363,038,788	2,052,242	-	-
Financial liabilities at amortized cost					
Loans	-	159,561,357	-	-	-
Due to related parties	-	21,649,057	-	-	-
Trade payables	-	144,450,439	-	-	-
Total financial liabilities	-	325,660,853	-	-	-
December 31, 2021					
	Carrying value		Fair value		
	Fair value SR	Amortized cost SR	Stage 1 SR	Stage 2 SR	Stage 3 SR
	SR	SR	SR	SR	SR
Financial assets at amortized cost					
Trade receivables	-	97,829,429	-	-	-
Due from related parties	-	1,606,871	-	-	-
Bank margins	-	9,542,337	-	-	-
Cash and cash equivalents	-	69,459,058	-	-	-
Financial assets at fair value					
Investments at fair Value	1,501,504	-	1,501,504	-	-
Total financial assets	1,501,504	178,437,695	1,501,504	-	-
Financial liabilities at amortized cost					
Loans	-	93,986,734	-	-	-
Due to related parties	-	5,957,688	-	-	-
Trade payables	-	67,425,738	-	-	-
Total financial liabilities	-	167,370,160	-	-	-

The Company's activities expose it to various financial risk, such as credit risk, liquidity risk, market price risk, currency risk, commission price risk and equity price risk.

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31. Financial Instruments – Fair value and Risk Management (Continued)

Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its trade receivables and bank balances. The Company manages credit risk in relation to contract assets and trade receivables through the credit limits for each customer and monitor the uncollected receivables on continuously. Receivable balances are monitored so that the Company does not incur significant bad debts. Cash balances in the banks are maintained with high credit rating financial institutions.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date December 31, as summarized below:

	December 31, 2022	December 31, 2021
	SR	SR
Cash at banks	64,727,519	69,119,640
Due from related parties	2,332,534	1,606,871
Contracts assets	299,993,022	192,098,326
Trade receivables	286,489,810	97,829,429
Other receivables	9,205,044	11,057,845
	662,747,929	371,712,111

Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may also result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

The Company has assessed the concentration of risk in relation to its debt refinancing and has concluded that it is low. Adequate access to funding sources is available, and there is a possibility to renew debts maturing within 12 months with existing lenders.

The table below summarizes the maturity of the Company's undiscounted contractual obligations related to the financial obligations:

	Saudi riyals			Total
	Less than one year	More than one year and less than five years	More than five years	
<u>December 31, 2022</u>				
Trade payables	144,450,439	-	-	144,450,439
Due to related parties	21,649,057	-	-	21,649,057
Accrued expenses and other credit balances	115,055,546	-	-	115,055,546
Loans	154,196,591	5,364,766	-	159,561,357
Zakat payable	5,265,401	-	-	4,836,260
Dividends payable	10,500,000	-	-	10,500,000
	451,117,034	5,364,766	-	456,481,800

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31. Financial Instruments – Fair value and Risk Management (Continued)
Liquidity risk (Continued)

	Saudi riyals			Total
	Less than one year	More than one year and less than five years	More than five years	
<u>December 31, 2021</u>				
Trade payables	67,425,738	-	-	67,425,738
Due to related parties	5,957,688	-	-	5,957,688
Accrued expenses and other credit balances	91,538,079	-	-	91,538,079
Loans	86,730,631	7,256,103	-	93,986,734
Zakat payable	3,473,389	-	-	3,473,389
	<u>255,125,525</u>	<u>7,256,103</u>	<u>-</u>	<u>262,381,628</u>

Market risk

Market price risk is the risk that value of a financial instrument will fluctuate as a result of changes in market prices, such as foreign exchange rates and interest rates, and will affect the Company profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company functional currency. The Company's exposure to foreign exchange risks is primarily limited to transactions in US dollars, and the Company's management believes that its exposure to currency risks linked to the US dollar is limited because the exchange rate of the Saudi riyal is pegged to the US dollar. The fluctuation in exchange rates against foreign currencies is monitored on a continuous basis.

Commission rate risk

Commission rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in commission rates prevailing in the market. The risks of changes in commission rates prevailing in the market to which the Company is exposed mainly relate to the Company's long-term loan commitments, which are linked to a floating rate. The Company manages commission rate risk by monitoring commission rates on loans and facilities linked to variable commission rates. In the event of a change in the value of the commission rates by 1%, the effect will be SR 1.3 Million, increasing or decreasing the amount of financing costs.

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32. Operating segments

The company operates within one geographical sector in the Kingdom of Saudi Arabia and represented by three operating segments, which are as follows:

1. Operation and maintenance services.
2. Call Center services.
3. Software licenses and development services (including providing text messaging services and subscriptions and providing internet services).

The tables below summarize some of the financial information by business sectors as at December 31, 2022 and 2021, and for the two years ending on these dates:

For the year ended December 31, 2022:

	<u>Segment 1</u>	<u>Segment 2</u>	<u>Segment 3</u>	<u>Common items</u>	<u>Total</u>
	SR	SR	SR	SR	SR
Revenues	353,910,986	344,020,782	229,239,127	-	927,170,895
Profit before zakat	50,447,528	89,206,839	40,771,448	(44,088,701)	136,337,114
Total assets	-	-	-	807,196,711	807,196,711
Total liabilities	-	-	-	553,597,200	553,597,200

For the year ended December 31, 2021:

	<u>Segment 1</u>	<u>Segment 2</u>	<u>Segment 3</u>	<u>Common items</u>	<u>Total</u>
	SR	SR	SR	SR	SR
Revenues	212,473,006	301,666,363	141,338,842	-	655,478,211
Profit before zakat	31,540,341	79,997,706	10,176,474	(37,486,252)	84,228,269
Total assets	-	-	-	501,351,701	501,351,701
Total liabilities	-	-	-	341,634,711	341,634,711

The following table shows the information related to the total trade receivables for the Company's operating segments as at 31 December:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	SR	SR
<u>Products or services</u>		
Operation and maintenance services	110,799,784	44,543,279
Call Center services	94,948,841	28,310,929
Software licenses and development services (SWD)	85,809,512	27,126,856
	<u>291,558,137</u>	<u>99,981,064</u>

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32. Subsequent Events

On January 22, 2023, the Company received a notification of estimation for the two properties included in the expropriation decision in favor of a government agency (refer to note 6). According to the valuation received from the government agency, it is expected that the expropriation process will result in capital gains of SR 33.8 million, which will be recognized upon transfer of ownership in favor of the government agency.

In the opinion of the management, except for what is stated in the above paragraph, there are no significant subsequent events after the year ended December 31 , 2022 that may have a material impact on the Company's financial position or results of its operations.

33. Approval of the Financial Statements

The financial statements were approved by the Company's Board of Directors on Sha'ban 27, 1444H (corresponding to March 19, 2023G).