

**PERFECT PRESENTATION FOR COMMERCIAL
SERVICES COMPANY**

(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE AND SIX-MONTH PERIODS
ENDED JUNE 30, 2023**

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(A SAUDI JOINT STOCK COMPANY)

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AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2023

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Independent Auditor's Review Report

To the Shareholders

Perfect Presentation for Commercial Services Company

(A Saudi Joint Stock Company)

Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Perfect Presentation for Commercial Services Company (the "Company") as at June 30, 2023, and the related interim condensed statement of profit or loss and other comprehensive income for the three and six-month periods ended June 30, 2023, and the related interim condensed statements of changes in equity, and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 'Interim Financial Reporting ("IAS 34")', as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed 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, as endorsed in the Kingdom of Saudi Arabia. A review of interim condensed 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 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as endorsed in the Kingdom of Saudi Arabia.

Baker Tilly MKM & Co.

Certified Public Accountants



Majed Moneer AlNemer

(License No. 381)

Riyadh, on Muharram 16, 1445H

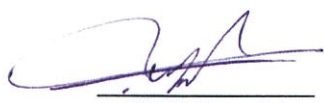
Corresponding to August 3, 2023G



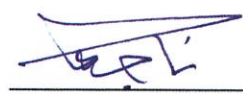
PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	June 30, 2023 Saudi Riyals (Unaudited)	December 31, 2022 Saudi Riyals (Audited)
ASSETS			
Non-Current Assets			
Property and equipment		138,565,905	131,124,467
Intangible assets		1,438,780	1,201,441
Investments at fair value through OCI		-	2,052,242
		<u>140,004,685</u>	<u>134,378,150</u>
Current Assets			
Inventory		471,409	294,737
Due from related parties	4	413,233	2,332,534
Contract assets	5	384,966,299	299,993,022
Trade receivables	6	354,448,541	286,489,810
Prepayments and other debit balances		28,652,312	16,496,287
Cash and cash equivalents		45,212,964	67,212,171
		<u>814,164,758</u>	<u>672,818,561</u>
TOTAL ASSETS		<u>954,169,443</u>	<u>807,196,711</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	7	150,000,000	150,000,000
Statutory reserve		13,145,523	13,145,523
Fair value reserve		-	1,535,592
Retained earnings		147,728,530	88,918,396
Total Equity		<u>310,874,053</u>	<u>253,599,511</u>
Liabilities			
Non-Current Liabilities			
Employees' defined benefits obligations		29,541,078	26,421,654
Non-current portion of long-term loans	8(a)	4,058,185	5,364,766
		<u>33,599,263</u>	<u>31,786,420</u>
Current Liabilities			
Trade payables		106,075,709	144,450,439
Due to related party	4	11,639,343	21,649,057
Short-term loans	8(b)	327,557,789	152,016,870
Current portions of long-term loans	8(a)	2,462,923	2,179,721
Contract liabilities	9	67,674,016	70,693,746
Accrued expenses and other credit balances		91,385,436	115,055,546
Dividends payable		-	10,500,000
Zakat payable		2,900,911	5,265,401
		<u>609,696,127</u>	<u>521,810,780</u>
Total Liabilities		<u>643,295,390</u>	<u>553,597,200</u>
TOTAL EQUITY AND LIABILITIES		<u>954,169,443</u>	<u>807,196,711</u>


Chief Financial Officer
Maher Bawadi


Chief Executive Officer
Ehsan Doughman


Chairman of Board of Directors
Nasser Al Bassam

The accompanying notes form an integral part of these interim condensed financial statements

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

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023

	Note	For the three-month period		For the six-month period	
		ended June 30		ended June 30	
		2023	2022	2023	2022
		Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals
Revenue	10	246,363,410	238,250,691	471,446,837	431,743,820
Cost of revenue		(194,177,069)	(194,736,281)	(377,134,630)	(353,121,319)
Gross profit		52,186,341	43,514,410	94,312,207	78,622,501
Selling and marketing expenses		(1,729,845)	(897,284)	(2,851,883)	(1,749,687)
General and administrative expenses		(7,109,802)	(5,935,241)	(12,778,503)	(11,589,630)
Expected credit loss on contract assets and trade receivables	5&6	(4,510,000)	(219,139)	(6,795,680)	(1,429,715)
Profit from operations		38,836,694	36,462,746	71,886,141	63,853,469
Finance cost		(7,814,011)	(3,913,158)	(13,375,244)	(8,637,634)
Other income, net		234,275	259,220	476,148	518,440
Dividends from investments at fair value		-	14,234	-	14,234
Profit before zakat		31,256,958	32,823,042	58,987,045	55,748,509
Zakat		(500,000)	(2,102,739)	(2,025,989)	(2,952,739)
Profit for the period		30,756,958	30,720,303	56,961,056	52,795,770

Other comprehensive income

Items that will not be reclassified to profit or loss in subsequent periods:

Remeasurements on employees' defined benefit obligations		1,314,005	-	(44,467)	-
Revaluation of investment at fair value through OCI		-	31,630	357,953	301,417
Total other comprehensive income for the period		1,314,005	31,630	313,486	301,417
Total comprehensive income for the period		32,070,963	30,751,933	57,274,542	53,097,187

Earnings per share

Basic and diluted		0.21	0.20	0.38	0.35
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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

	Share Capital	Additional Share Capital	Statutory Reserve	Fair Value Reserve	Retained Earnings	Total Equity
	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals
For the six months ended June 30, 2023						
Balance as at January 1, 2023	150,000,000	-	13,145,523	1,535,592	88,918,396	253,599,511
Profit for the period	-	-	-	-	56,961,056	56,961,056
Other comprehensive income for the period	-	-	-	357,953	(44,467)	313,486
Total comprehensive income for the period	-	-	-	357,953	56,916,589	57,274,542
Transfer from fair value reserve to retained earnings	-	-	-	(1,893,545)	1,893,545	-
Balance as at June 30, 2023	150,000,000	-	13,145,523	-	147,728,530	310,874,053

For the six months ended June 30, 2022

Balance as at January 1, 2022	20,000,000	6,670,311	6,000,000	984,854	126,061,825	159,716,990
Profit for the period	-	-	-	-	52,795,770	52,795,770
Other comprehensive income for the period	-	-	-	301,417	-	301,417
Total comprehensive income for the period	-	-	-	301,417	52,795,770	53,097,187
Capital Increase	130,000,000	(6,670,311)	(6,000,000)	-	(117,329,689)	-
Dividend	-	-	-	-	(17,000,000)	(17,000,000)
Balance as at June 30, 2022	150,000,000	-	-	1,286,271	44,527,906	195,814,177


Chief Financial Officer
Maher Bawadi


Chief Executive Officer
Ehsan Doughman

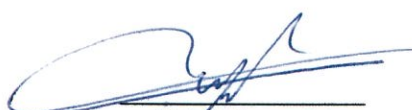

Chairman of Board of Directors
Nasser Al Bassam

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PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
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INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

	For the six-month period ended June 30, 2023	For the six-month period ended June 30, 2022
	Saudi Riyals	Saudi Riyals
Operating activities		
Profit before zakat	58,987,045	55,748,509
Adjustments for non-cash items:		
Depreciation and amortization	2,002,180	2,061,335
Expected credit loss on contract assets and trade receivables	6,795,680	1,429,715
Current service cost on employees' defined benefit obligations	6,686,313	6,521,487
Financing cost on employees' defined benefits	555,235	-
Changes in operating assets and liabilities:		
Inventory	(176,672)	347,827
Due from / to related parties	(8,090,413)	(23,540,387)
Contract assets	(88,350,376)	(47,318,725)
Trade receivables	(71,377,312)	(141,238,123)
Prepayments and other debit balances	(12,156,025)	(9,152,925)
Trade payables	(38,374,730)	42,677,147
Contract liabilities	(3,019,730)	4,133,217
Accrued expenses and other credit balances	(23,670,111)	30,568,435
Cash used in operations	(170,188,916)	(77,762,488)
Employees' defined benefits obligations paid	(4,166,591)	(3,378,342)
Zakat paid	(4,390,478)	(3,089,868)
Net cash used in operating activities	(178,745,985)	(84,230,698)
Investing activities		
Purchase of property, and equipment	(9,211,081)	(5,880,054)
Purchase of intangible assets	(469,876)	-
Proceed from investment at fair value through OCI	2,410,195	-
Net cash used in investing activities	(7,270,762)	(5,880,054)
Financing activities		
Net change in bank facilities	174,517,540	85,719,786
Dividends paid	(10,500,000)	-
Net cash generated from financing activities	164,017,540	85,719,786
Net change in cash and cash equivalents	(21,999,207)	(4,390,966)
Cash and cash equivalents at beginning of the period	67,212,171	69,459,058
Cash and cash equivalents at end of the period	45,212,964	65,068,092
Non-cash transactions		
Increase in share capital	-	130,000,000
Dividends	-	17,000,000



**Chief Financial
Officer**
Maher Bawadi



**Chief Executive
Officer**
Ehsan Doughman



**Chairman of Board of
Directors**
Nasser Al Bassam

The accompanying notes form an integral part of these interim condensed financial statements

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

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.

On Safar 16, 1444H (corresponding to September 12, 2022G), the Capital Market Authority Board 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 market (Tadawul) in the Kingdom of Saudi Arabia.

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

CR number	Location	Register date
1010290349	Riyadh	Rajab 8, 1431H (corresponding to June 20, 2010G)
4031218300	Makkah	Safar 13, 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.

2. Basis of Preparation and Change in Accounting Policies

2.1 Statement of compliance with International Financial Reporting Standards.

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Report" as endorsed in the Kingdom of Saudi Arabia. These interim condensed financial statements do not include all the information required to prepare a complete set of financial statements prepared in accordance with International Financial Reporting Standards. Thus These interim condensed financial statements should be read along with the company's financial statements for the previous year ended on December 31, 2022.

The interim period is considered an integral part of the full fiscal year, still, the results of the operations for the interim period may not be a fair indication of the results of operations for the full year.

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

2.2 General Consideration

The accounting policies and calculation methods applied in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements of the Company for the year ended December 31, 2022, except for the application of the new standards that became effective as at January 1, 2023. The Company has not made early application of any other standard, interpretation or amendment issued but not yet effective. Some amendments to the international Financial Reporting Standards are effective as at January 1, 2023 and none of these amendments have an impact on the Company's financial statements.

These financial statements have been prepared on historical cost basis except the investments at fair value through other comprehensive income.

The condensed financial statements are presented in Saudi riyals, which is the functional currency of the Company, and all amounts are rounded to the nearest Saudi riyal, unless otherwise stated.

3. Use of Judgments and Estimates

The Company makes certain judgments and estimates regarding the future. Judgments and estimates are continually evaluated based on past experience and other factors, including anticipation of future events that are believed to be reasonable in the circumstances. In the future, actual results may differ from these estimates and assumptions.

The significant estimates made by management in applying the Company's accounting policies and the primary sources of estimation of uncertainty were the same as those that were applied in the financial statements for the year ended December 31, 2022.

4. Related Parties' Transactions 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 Technology 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 for the period ended June 30:

	2023	2022
	Saudi Riyals	Saudi Riyals
Purchases	8,267,523	1,270,524
Sales	538,833	-
Expenses paid on behalf of related parties	177,405	75,390
Closing IPO expenses in the shareholders' accounts	-	5,194,568

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

4. Related Parties' Transactions and Balances (Continued)

The balances due from related parties consist of the following:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	Saudi Riyals	Saudi Riyals
Information Technology Belt Company	266,710	2,201,997
Sustainable Energy Technology Company	77,752	77,752
Prime Technical Contracting Establishment	68,771	52,785
	<u>413,233</u>	<u>2,332,534</u>

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

The balances due to related parties consists of the following:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	Saudi Riyals	Saudi Riyals
Cloud Distribution for Communications and Information Technology Company	<u>11,639,343</u>	<u>21,649,057</u>

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

Key managements remunerations and benefits

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
	Saudi Riyals	Saudi Riyals
Key managements remunerations and benefits	<u>2,272,816</u>	<u>1,760,298</u>

Key management's personal remunerations and benefits consists of salaries, benefits, end of service benefits and other provisions.

5. Contract Assets

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	Saudi Riyals	Saudi Riyals
Total contract assets	389,831,338	301,480,962
Less: Expected credit loss provision on contract assets	<u>(4,865,039)</u>	<u>(1,487,940)</u>
	<u>384,966,299</u>	<u>299,993,022</u>

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 at June 30, 2023, the Company's contract assets are mainly concentrated from government agencies with an amount of SR 326,932,080 representing 84% of total contract assets (December 31, 2022: SR 241,578,830 representing 80% of total contract assets).

The movement in the expected credit loss provision on contract assets is as follows:

	<u>For the six-month</u>	<u>For the year ended</u>
	<u>period ended June</u>	<u>December 31, 2022</u>
	<u>30, 2023</u>	<u>Saudi Riyals</u>
	Saudi Riyals	Saudi Riyals
Balance at the beginning of the period/year	1,487,940	-
Additions	3,377,099	1,487,940
Balance at the end of the period/year	<u>4,865,039</u>	<u>1,487,940</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
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6. Trade Receivables

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	Saudi Riyals	Saudi Riyals
Trade receivables	362,935,449	291,558,137
Less: Expected credit loss provision	<u>(8,486,908)</u>	<u>(5,068,327)</u>
	<u>354,448,541</u>	<u>286,489,810</u>

As at June 30, 2023, the company's trade receivables are mainly concentrated from government agencies with an amount of SR 322,468,110 representing 89% of total trade receivables (December 31, 2022: SR 270,950,112 representing 93% of total trade receivables).

The movement in the allowance for expected credit losses for the trade receivables as follows:

	<u>For the six-month period ended June 30, 2023</u>	<u>For the year ended December 31, 2022</u>
	Saudi Riyals	Saudi Riyals
Balance at the beginning of the period/year	5,068,327	2,151,635
Additions	<u>3,418,581</u>	<u>2,916,692</u>
Balance at the end of the period/year	<u>8,486,908</u>	<u>5,068,327</u>

7. Share Capital

On Dhu al-Qi'dah 18, 1444H (corresponding to June 7, 2023), the extraordinary general assembly of the company's shareholders approved the recommendation of the Board of Directors to divide the nominal value of the share from 10 Saudi riyals per share to 1 Saudi riyal per share. As a result, the number of shares of the company increased from 15 million shares to 150 million shares. Legal procedures have been completed to reflect the above.

The company's capital at at June 30, 2023, consists of 150,000,000 shares with a nominal value of 1 Saudi riyal per share (December 31, 2022: 15,000,000 shares with a nominal value of 10 Saudi riyals per share).

8. Bank Facilities

A. Long term Loans

Long-term loans comprise of the following: -

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	Saudi Riyals	Saudi Riyals
Non-current portion	4,058,185	5,364,766
Current portion	<u>2,462,923</u>	<u>2,179,721</u>
	<u>6,521,108</u>	<u>7,544,487</u>

The Company obtained several loans (Murabaha and Tawrruq) 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 loans of these loans are secured by a mortgage on property and equipment.

B. Short-term loans

Those loans represent credit facilities (Murabaha and Tawrruq) 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 loans 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 short-term and long-term loans require the Company to maintain certain level of financial conditions, require lenders' prior approval for dividends payment above certain amount and limit the amount of annual capital expenditures and certain other requirements.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

9. Contract Liabilities

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	Saudi Riyals	Saudi Riyals
Billing in excess of works performed	56,156,716	56,673,410
Advance payment from customers	11,517,300	14,020,336
	<u>67,674,016</u>	<u>70,693,746</u>

10. Revenue

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

	<u>Three-month period ended June 30</u>		<u>Six-month period ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals
<u>Timing of revenue recognition</u>				
Service transferred over time	241,294,612	232,608,480	455,358,430	425,845,611
Products transferred at a point in time	5,068,798	5,642,211	16,088,407	5,898,209
	<u>246,363,410</u>	<u>238,250,691</u>	<u>471,446,837</u>	<u>431,743,820</u>

	<u>Three-month period ended June 30</u>		<u>Six-month period ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals
<u>Types of customers</u>				
Government and government-controlled entities	231,500,413	207,242,669	431,375,568	378,950,932
Private sector	14,862,997	31,008,022	40,071,269	52,792,888
	<u>246,363,410</u>	<u>238,250,691</u>	<u>471,446,837</u>	<u>431,743,820</u>

	<u>Three-month period ended June 30</u>		<u>Six-month period ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals
<u>Products or services</u>				
Customer experience	83,493,727	98,597,869	149,997,914	184,518,730
Operation and maintenance services	81,786,229	70,336,193	162,210,839	137,120,361
Software license and development services (SWD)	77,767,584	69,316,629	155,922,215	110,104,729
Management services	3,315,870	-	3,315,869	-
	<u>246,363,410</u>	<u>238,250,691</u>	<u>471,446,837</u>	<u>431,743,820</u>

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11. Earnings Per Share

	Three-month period ended June 30		Six-month period ended June 30	
	2023	2022	2023	2022
	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals
Profit for the period	30,756,958	30,720,303	56,961,056	52,795,770
Weighted average number of ordinary shares (Share)	150,000,000	150,000,000	150,000,000	150,000,000
Earnings per share – basic and diluted	0.21	0.20	0.38	0.35

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

Basic earnings per share have been calculated by dividing the net profit for the period attributable to shareholders by the weighted average number of ordinary shares outstanding during the period.

Number of shares for the period ending on June ,30 2022 has been retrospectively adjusted to reflect the share split (note 7). since It represents a change in the number of shares without any change in resources.

12. Contingent Assets and Liabilities

Contingent Assets:

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. 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 title deed ownership in favor of the government agency.

Contingent Liabilities:

The Company has contingent liabilities for bank guarantees issued in the normal course of business as follow:

	June 30, 2023	December 31, 2022
	Saudi Riyals	Saudi Riyals
Letters of guarantees	348,558,125	271,155,152

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13. Fair Value of Financial Instruments

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.

	June 30, 2023				
	Carrying value		Fair value		
	Fair value	Amortized cost	Level 1	Level 2	Level 3
	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals
<i>Financial assets at amortized cost</i>					
Trade receivables	-	354,448,541	-	-	-
Due from related parties	-	413,233	-	-	-
Bank margins	-	4,079,538	-	-	-
Cash and cash equivalents	-	45,212,964	-	-	-
Total financial assets	-	404,154,276	-	-	-
<i>Financial liabilities at amortized cost</i>					
Loans	-	334,078,897	-	-	-
Due to related party	-	11,639,343	-	-	-
Trade payables	-	106,075,709	-	-	-
Accrued expenses and other credit balances	-	91,385,436	-	-	-
Total financial liabilities	-	543,179,385	-	-	-
December 31, 2022					
	Carrying value		Fair value		
	Fair value	Amortized cost	Level 1	Level 2	Level 3
	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals
<i>Financial assets at amortized cost</i>					
Trade receivables	-	286,489,810	-	-	-
Due from related parties	-	2,332,534	-	-	-
Bank margin	-	7,004,273	-	-	-
Cash and cash equivalents	-	67,212,171	-	-	-
<i>Financial assets at fair value</i>					
Investments at fair Value	2,052,242	-	2,052,242	-	-
Total financial assets	2,052,242	363,038,788	2,052,242	-	-
<i>Financial liabilities at amortized cost</i>					
Loans	-	159,561,357	-	-	-
Due to related party	-	21,649,057	-	-	-
Trade payables	-	144,450,439	-	-	-
Accrued expenses and other credit balances	-	115,055,546	-	-	-
Total financial liabilities	-	440,716,399	-	-	-

There has been no change in the risk management policies related to financial instruments during the period from those followed by the management during the year ending on December 31, 2022.

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14. Operating Segments

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

Segment 1: Operation and maintenance services.

Segment 2: Customer experience.

Segment 3: Software licenses and development services (including providing text messaging services and subscriptions and providing internet services).

Segment 4: Management services

The following is a summary of some financial information by operating segments:

For the three-month period ended June 30, 2023:

	Segment 1	Segment 2	Segment 3	Segment 4	Shared items	Total
Revenue	Saudi Riyals 81,786,229	Saudi Riyals 83,493,727	Saudi Riyals 77,767,584	Saudi Riyals 3,315,870	Saudi Riyals -	Saudi Riyals 246,363,410
Profit before zakat	8,889,542	19,912,231	17,183,903	327,090	(15,055,808)	31,256,958

For the three-month period ended June 30, 2022:

	Segment 1	Segment 2	Segment 3	Segment 4	Shared items	Total
Revenue	Saudi Riyals 70,336,193	Saudi Riyals 98,597,869	Saudi Riyals 69,316,629	Saudi Riyals -	Saudi Riyals -	Saudi Riyals 238,250,691
Profit before zakat	12,541,162	22,888,482	5,910,579	-	(8,517,181)	32,823,042

For the six-month period ended June 30, 2023:

	Segment 1	Segment 2	Segment 3	Segment 4	Shared items	Total
Revenue	Saudi Riyals 162,210,839	Saudi Riyals 149,997,914	Saudi Riyals 155,922,215	Saudi Riyals 3,315,869	Saudi Riyals -	Saudi Riyals 471,446,837
Profit before zakat	21,111,420	34,550,238	29,370,351	327,090	(26,372,054)	58,987,045

For the six-month period ended June 30, 2022:

	Segment 1	Segment 2	Segment 3	Segment 4	Shared items	Total
Revenue	Saudi Riyals 137,120,361	Saudi Riyals 184,518,730	Saudi Riyals 110,104,729	Saudi Riyals -	Saudi Riyals -	Saudi Riyals 431,743,820
Profit before zakat	22,130,361	43,100,730	7,804,704	-	(17,287,286)	55,748,509

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FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2023

14. Operating Segments (Continued)

As of 30 June 2023

	Segment 1	Segment 2	Segment 3	Segment 4	Shared items	Total
	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals
Total Assets	-	-	-	-	954,169,443	954,169,443
Total Liabilities	-	-	-	-	643,295,390	643,295,390

As of 31 December 2022

	Segment 1	Segment 2	Segment 3	Segment 4	Shared items	Total
	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals
Total Assets	-	-	-	-	807,196,711	807,196,711
Total Liabilities	-	-	-	-	553,597,200	553,597,200

The following table shows the information related to the total trade receivables before deducting expected credit loss allowance for the Company's operating segments:

	June 30, 2023	December 31, 2022
	Saudi Riyals	Saudi Riyals
<u>Products or services</u>		
Operation and maintenance services	194,584,124	110,799,784
Software licenses and development services (SWD)	90,464,048	85,809,512
Customer experience	77,271,432	94,948,841
Management services	615,845	-
	<u>362,935,449</u>	<u>291,558,137</u>

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15. Reclassification of Comparative Figures

Comparative figures have been reclassified in order to be in line with the classification of the current period, this reclassification has no impact on total equity or net profit of prior periods as following:

Three-month period ended June 30, 2022:

	Before reclassification	Reclassification	After reclassification
	Saudi Riyals	Saudi Riyals	Saudi Riyals
Cost of revenue	196,910,468	(2,174,187)	194,736,281
Selling and marketing expenses	2,155,695	(1,258,411)	897,284
Finance cost	480,560	3,432,598	3,913,158

Six-month period ended June 30, 2022:

	Before reclassification	Reclassification	After reclassification
	Saudi Riyals	Saudi Riyals	Saudi Riyals
Cost of revenue	358,708,025	(5,586,706)	353,121,319
Selling and marketing expenses	3,591,412	(1,841,725)	1,749,687
Finance cost	1,209,203	7,428,431	8,637,634

16. Approval of the Financial Statements

The interim condensed financial statements were approved by the Company's Board of Directors on Muharram 16, 1445H (corresponding to August 3, 2023G).