

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

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) AND**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**

**FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2022**

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

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**AND INDEPENDENT AUDITOR'S REVIEW REPORT**  
**FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2022**

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**Independent Auditor's Review Report****To the Shareholders****Perfect Presentation for Commercial Services Company**

(A Saudi closed Joint Stock Company)

Riyadh, Kingdom of Saudi Arabia

**Introduction**

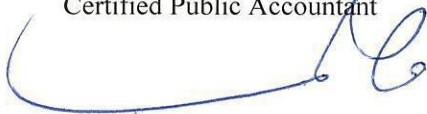
We have reviewed the accompanying interim condensed statement of financial position of **Perfect Presentation for Commercial Services Company** (the "**Company**") as at June 30, 2022, and the related interim condensed statements of profit or loss and other comprehensive income for the three and six-months periods ended June 30, 2022, the interim condensed statements of changes in equity, and cash flows for the six-months period then ended, and a summary of significant accounting policies 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 Accountant**Majed Moneer AlNemer**  
(License No. 381)  
Riyadh, on Safar 3, 1444H  
Corresponding to August 30, 2022

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

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

		June 30, 2022	December 31, 2021
	Note	SAR (Unaudited)	SAR (Audited)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant, and equipment		120,493,444	116,674,725
Investments at fair value through OCI		1,802,921	1,501,504
<b>Total Non-Current Assets</b>		<b>122,296,365</b>	<b>118,176,229</b>
<b>Current Assets</b>			
Inventory		543,948	891,775
Due from related parties	5	4,471,456	1,606,871
Contracts assets		239,417,051	192,098,326
Trade receivables	6	237,637,837	97,829,429
Prepaid expenses and other debit balances		30,442,938	21,290,013
Cash and cash equivalents		65,068,092	69,459,058
<b>Total Current Assets</b>		<b>577,581,322</b>	<b>383,175,472</b>
<b>TOTAL ASSETS</b>		<b>699,877,687</b>	<b>501,351,701</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	7	150,000,000	20,000,000
Additional share capital	7	-	6,670,311
Statutory reserve		-	6,000,000
Retained earning		45,814,177	127,046,679
<b>Total Equity</b>		<b>195,814,177</b>	<b>159,716,990</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Employees' defined benefits obligations		24,059,085	20,915,940
Non-current portion of long-term loans		5,666,832	7,256,103
<b>Total Non-Current Liabilities</b>		<b>29,725,917</b>	<b>28,172,043</b>
<b>Current Liabilities</b>			
Trade payables		110,102,885	67,425,738
Due to related parties	5	2,281,886	5,957,688
Short-term loans		171,087,704	84,033,300
Current portions of long-term loans		2,951,984	2,697,331
Unearned revenues	8	62,470,360	58,337,143
Accrued expenses and other credit balances		122,106,514	91,538,079
Zakat payable		3,336,260	3,473,389
<b>Total Current Liabilities</b>		<b>474,337,593</b>	<b>313,462,668</b>
<b>Total Liabilities</b>		<b>504,063,510</b>	<b>341,634,711</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>699,877,687</b>	<b>501,351,701</b>

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

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

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER OMPREHENSIVE INCOME**  
(UNAUDITED)  
**FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2022**

	Note	Three-months period ended June 30		Six-months period ended June 30	
		2022	2021	2022	2021
		SAR	SAR	SAR	SAR
Revenue	9	238,250,691	142,259,306	431,743,820	266,581,868
Cost of revenue		(196,910,468)	(125,868,212)	(358,708,025)	(227,889,436)
<b>Gross profit</b>		<b>41,340,223</b>	<b>16,391,094</b>	<b>73,035,795</b>	<b>38,692,432</b>
Selling and distribution expenses		(2,155,695)	(1,296,028)	(3,591,412)	(4,232,993)
General and administrative expenses		(5,935,241)	(5,491,640)	(11,589,630)	(9,555,854)
Impairment loss on trade receivables	6	(219,139)	(839,884)	(1,429,715)	(839,884)
<b>Operating income</b>		<b>33,030,148</b>	<b>8,763,542</b>	<b>56,425,038</b>	<b>24,063,701</b>
Finance cost		(480,560)	(624,267)	(1,209,203)	(1,135,335)
Other income, net		259,220	146,082	518,440	301,179
Dividends from Investments at fair value		14,234	26,048	14,234	26,048
<b>Profit before zakat</b>		<b>32,823,042</b>	<b>8,311,405</b>	<b>55,748,509</b>	<b>23,255,593</b>
Zakat		(2,102,739)	(1,422,775)	(2,952,739)	(1,872,775)
<b>Profit for the period</b>		<b>30,720,303</b>	<b>6,888,630</b>	<b>52,795,770</b>	<b>21,382,818</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>					
Revaluation of investment at fair value through OCI		31,630	366,538	301,417	506,083
<b>Total other comprehensive income for the period</b>		<b>31,630</b>	<b>366,538</b>	<b>301,417</b>	<b>506,083</b>
<b>Total comprehensive income for the period</b>		<b>30,751,933</b>	<b>7,255,168</b>	<b>53,097,187</b>	<b>21,888,901</b>
<b>Earning per share attributable to the Shareholders:</b>					
Profit for the period	11	2,05	0,46	3,52	1,43

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

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

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2022**

	Note	Share Capital SAR	Additional Share Capital SAR	Statutory Reserve SAR	Retained Earnings SAR	Total SAR
Balance as at January 1, 2021		20,000,000	6,670,311	6,000,000	78,447,113	111,117,424
Profit for the period		-	-	-	21,382,818	21,382,818
Other comprehensive income for the period		-	-	-	506,083	506,083
Total comprehensive income for the period		-	-	-	21,888,901	21,888,901
Dividends		-	-	-	(2,376,562)	(2,376,562)
<b>Balance as at June 30, 2021</b>		<b>20,000,000</b>	<b>6,670,311</b>	<b>6,000,000</b>	<b>97,959,452</b>	<b>130,629,763</b>
Balance as at January 1, 2022		<b>20,000,000</b>	<b>6,670,311</b>	<b>6,000,000</b>	<b>127,046,679</b>	<b>159,716,990</b>
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		-	-	-	53,097,187	53,097,187
Increase in share capital	7	130,000,000	(6,670,311)	(6,000,000)	(117,329,689)	-
Dividends		-	-	-	(17,000,000)	(17,000,000)
<b>Balance as at June 30, 2022</b>		<b>150,000,000</b>	<b>-</b>	<b>-</b>	<b>45,814,177</b>	<b>195,814,177</b>

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

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

**NOTES TO THE INTERIM CONDENSED STATEMENTS(UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2022`**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
	SR	SR
<b>Cash flows from operating activities</b>		
Profit before zakat	55,748,509	23,255,593
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	2,061,335	1,457,365
Impairment loss on trade receivables	1,429,715	9,555,854
Current service on employees' defined benefit obligations	6,521,487	6,674,198
<b>Changes in operating assets and liabilities:</b>		
Inventory	347,827	22,139
Due from / to related parties	(23,540,387)	1,653,165
Contracts assets	(47,318,725)	(26,416,072)
Trade receivables	(141,238,123)	(93,549,234)
Prepaid expenses and other debit balances	(9,152,925)	(4,781,357)
Trade payables	42,677,147	9,458,664
Unearned revenues	4,133,217	21,443,702
Accrued expenses and other credit balances	30,568,435	10,486,798
<b>Cash used in operations</b>	<u>(77,762,488)</u>	<u>(40,739,185)</u>
Employees' defined benefits paid	(3,378,342)	(1,173,407)
Zakat paid	(3,089,868)	(1,884,616)
<b>Net cash used in operating activities</b>	<u>(84,230,698)</u>	<u>(43,797,208)</u>
<b>Cash flows from investing activities</b>		
Purchases of property, plant, and equipment	(5,880,054)	(12,135,408)
Proceeds from sale of property, plant and equipment	-	562
<b>Net cash used in investing activities</b>	<u>(5,880,054)</u>	<u>(12,134,846)</u>
<b>Cash flows from financing activities</b>		
Net change in borrowings	85,719,786	50,778,145
Dividends paid	-	(2,376,562)
<b>Net cash from financing activities</b>	<u>85,719,786</u>	<u>48,401,583</u>
<b>Net change in cash and cash equivalents</b>	<u>(4,390,966)</u>	<u>(7,530,471)</u>
Cash and cash equivalents at beginning of the period	69,459,058	10,548,191
<b>Cash and cash equivalents at end of the period</b>	<u>65,068,092</u>	<u>3,017,720</u>
<b>Transaction for non-cash items:</b>		
Increase in share capital	130,000,000	-
Dividends	17,000,000	-

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 STATEMENTS(UNAUDITED)**  
**FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2022**

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**1. Company Information**

Perfect Presentation for Commercial Services Company (the "Company") is a Saudi closed 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 according to Resolution No. 772, dated Jumada Al-Ula 16, 1443H.

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

<b>CR number</b>	<b>Location</b>	<b>Register date</b>
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.



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

**NOTES TO THE INTERIM CONDENSED STATEMENTS(UNAUDITED)**  
**FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2022**

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**2. 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 and other standards and pronouncements issued by the Saudi Organization for Chartered and professional Accountants (“SOCPA”). These interim condensed financial statements should be read along with the company’s financial statements for the previous year ended on December 31, 2021. 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. Accounting policies and specific explanatory notes have been included to explain important events and transactions to understand changes in the financial position and financial performance of the company since the preparation of the financial statements for the previous year.

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

**3. Basis of preparation**

**3-1 General consideration**

These interim condensed financial statements have been prepared using the measurement bases specified by International Financial Reporting Standards for each type of assets, liabilities, income, and expenses. The measurement bases are fully described in the accounting policies.

The principal accounting policies have been adopted in the preparation of these interim condensed financial statements have been consistently applied to all the years presented, unless otherwise stated.

The preparation of interim condensed financial statements in accordance with International Financial Reporting Standards requires the use of some significant accounting estimates. It also requires the company's management to exercise judgments in applying the company's accounting policies. Significant judgments and estimates used in preparing the financial statements and their impact are disclosed, as shown in Note No. (4).

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

**3-2 Functional currency and display currency**

The financial statements are presented in Saudi Riyals, which is the company's functional and presentation currency.

**4. 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, 2021.

**PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY**  
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**NOTES TO THE INTERIM CONDENSED STATEMENTS(UNAUDITED)**  
**FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2022**

**5. Related Parties' Transactions and Balances**

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

<b>Related party</b>	<b>Relation</b>
Ideal for Business and Commercial Investment Company	Shareholder / Partner
Information Technology Belt Company	Affiliate
Fawran Smart Logistics	Affiliate
Wahg Energy Establishment	Related to Shareholder / Partner
Cloud Distribution for Communications and Information Technology Company	Affiliate
Sustainable Energy Company	Affiliate
Nasser Abdullah bin Muhammad Al-Bassam	Shareholder / Partner
Saleh bin Ibrahim bin Hamad Al Mazrou	Shareholder / Partner
Prime Technical Contracting Establishment	Related to Shareholder / Partner

The following is a summary of the significant transactions carried out with related parties for the period ended June 30:

<b>Type</b>	<b>2022</b>	<b>2021</b>
	<b>SAR</b>	<b>SAR</b>
Dividends	<b>17,000,000</b>	-
Financing, net	-	14,512,811
Closing the initial offering expenses in the partners' accounts	<b>5,194,468</b>	-
Purchases from related parties	<b>1,270,524</b>	9,362,425
Expenses paid on behalf of related parties	<b>75,390</b>	68,856

**The balances due from related parties consists of the following:**

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
	<b>SAR</b>	<b>SAR</b>
Information Technology Belt Company	<b>2,139,068</b>	1,570,858
Ideal for Business and Commercial Investment Company	<b>1,915,189</b>	-
Prime Technical Contracting Establishment	<b>417,199</b>	-
Wahg Energy Establishment	-	26,672
Fawran Smart Logistics	-	9,341
	<b>4,471,456</b>	<b>1,606,871</b>

The amounts due from related parties are not subject to any interest and do not have a specific repayment schedule.

**PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2022**

**5. Related Parties' Transactions and Balances (Continued)**

The balances due to related parties consists of the following:

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
	<b>SAR</b>	<b>SAR</b>
Sustainable Energy Company	1,861,938	1,861,938
Nasser Abdullah bin Muhammad Al-Bassam	191,087	-
Saleh bin Ibrahim bin Hamad Al Mazrou	172,596	-
Cloud Distribution for Communications and Information Technology Company	56,265	12,140
Ideal for Business and Commercial Investment Company	-	4,083,610
	<b>2,281,886</b>	<b>5,957,688</b>

The amounts due to related parties are not subject to any interest and do not have a specific schedule for payment.

**Key managements remunerations and benefits**

	<b>June 30, 2022</b>	<b>June 30, 2021</b>
	<b>SAR</b>	<b>SAR</b>
<b>Related party</b>		
Key managements remunerations and benefits	<b>1,760,298</b>	<b>1,288,669</b>

Remunerations and benefits of key managements consists of salaries, benefits, end of service benefits and other provisions.

The company's board of directors decided on 10 Ramadan 1443 AH (corresponding to April 12, 2022) to distribute cash dividends to shareholders for the first quarter of 2022 in the amount of 17 million Saudi riyals, representing 11.33% of the company's capital, provided that the priority is for the shareholders who own the shares in the company's shareholder register.

**6. Trade receivables**

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
	<b>SR</b>	<b>SR</b>
	<b>SAR</b>	<b>SAR</b>
Trade receivables	241,219,187	99,981,064
Less: allowance for expected credit losses	<b>(3,581,350)</b>	<b>(2,151,635)</b>
	<b>237,637,837</b>	<b>97,829,429</b>

As at June 30, 2022, the company's trade receivables are mainly concentrated from government agencies with an amount of SR 207,818,834 representing 86% of total trade receivables (December 31, 2021: SR 79,802,419 representing 80% of total trade receivables).

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

	<b>June 30, 2022</b>	<b>June 30, 2021</b>
	<b>SR</b>	<b>SR</b>
January 1	2,151,635	647,205
Additions	1,429,715	839,884
	<b>3,581,350</b>	<b>1,487,089</b>

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2022**

**7. Share Capital and Additional Share Capital**

**A) Share Capital**

The Company share capital amounting to SR 150,000,000 as at June 30, 2022 (December 31, 2021: SR 20,000,000). On February 21, 2022, the Company's Board of Directors recommended to the extraordinary general assembly approving 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 company's capital consists of 15,000,000 nominal shares, the value of each share is SR 10, all of which are ordinary shares (December 31, 2021: 2,000,000 shares).

**B) Additional Share Capital**

The additional share capital amounting to SR 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 share capital during the year 2022.

**8. Unearned Revenues**

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	SR	SR
Contracts liabilities - Projects	44,831,028	39,905,544
Unearned revenue - Text messages (Yamamah)	17,639,332	18,431,599
	<u>62,470,360</u>	<u>58,337,143</u>

**9. Segment Information**

The information relating to the Company's operating segments is provided below in accordance with IFRS 8 Operating Segments. IFRS 8 requires operating segments to be identified on the basis of internal reports that are reviewed in the system by the chief operating officer as the Company's Chief Operating Decision-Maker and used to allocate resources to the segments and assess their performance. The Company's operating sectors, which are regularly reported to the Company's Chief Operating Officer, are represented by business units according to products and services. They are represented by three operating sectors, which are as follows:

1. Operation and maintenance services.
2. Call Centre services.
3. Software License and development services (including providing text messaging services and subscriptions and providing Internet services).

**Disaggregation of revenue**

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

	<u>Three-months period ended June 30</u>		<u>Six-months period ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>SAR</u>	<u>SAR</u>	<u>SAR</u>	<u>SAR</u>
<b><u>Timing of revenue recognition</u></b>				
Service transferred overtime	232,608,480	141,270,995	425,845,611	264,648,175
Products transferred at a point in time	5,642,211	988,311	5,898,209	1,933,693
	<u>238,250,691</u>	<u>142,259,306</u>	<u>431,743,820</u>	<u>266,581,868</u>

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2022**

**9. Segment Information (Continued)**

	Three-months period ended June 30		Six-months period ended June 30	
	2022	2021	2022	2021
	SAR	SAR	SAR	SAR
<b><u>Types of customers:</u></b>				
Government and government- controlled entities	207,242,669	137,423,884	378,950,932	247,454,962
Private sector	31,008,022	4,835,422	52,792,888	19,126,906
	<u>238,250,691</u>	<u>142,259,306</u>	<u>431,743,820</u>	<u>266,581,868</u>
	Three-months period ended June 30		Six-months period ended June 30	
	2022	2021	2022	2021
	SAR	SAR	SAR	SAR
<b><u>Products or services</u></b>				
Call center services	98,597,869	66,246,654	184,518,730	125,949,045
Operation and maintenance services	70,336,193	43,963,843	137,120,361	76,848,369
Software License and development services (SWD)	69,316,629	32,048,809	110,104,729	63,784,454
	<u>238,250,691</u>	<u>142,259,306</u>	<u>431,743,820</u>	<u>266,581,868</u>

**10. Contingent liabilities**

The Company is contingently liable for bank guarantees issued in the normal course of business as follow:

	June 30, 2022	December 31, 2021
	SAR	SAR
Letters of guarantees	239,207,317	206,067,884
	<u>239,207,317</u>	<u>206,067,884</u>

During the company's normal business cycle, some immaterial litigation cases arise against the Company, and they are currently being pleaded, but the final outcome of these cases cannot be determined with certainty. Management believes that the results of these issues will not have a material impact on the Company's financial statements for the period ended June 30, 2022.

**11. Basic and Diluted Earning per share**

Earnings per share has been calculated by dividing the profit for the period by the number of shares outstanding, amounting to 15 million shares as at June 30, 2022.

In accordance with International Accounting Standard No. (33) the weighted average number of shares for the comparison period has been adjusted, as the company increased its capital by capitalizing SR 130,000,000 from retained earnings, share additional capital and statutory reserve.

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
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**12. Risk Management of Financial Instruments**

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.

**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 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 as summarized below:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	SAR	SAR
Cash and cash equivalents	65,068,092	69,459,058
Due from related parties	4,471,456	1,606,871
Contracts assets	239,417,051	192,098,326
Trade receivables	237,637,837	97,829,429
Investments at FVOCI	1,802,921	1,501,504
Other receivables	13,230,690	13,817,223
	<u>561,628,047</u>	<u>376,312,411</u>

**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 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 through committed credit facilities to meet any future commitments for the company.

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:

	<u>Saudi riyals</u>			
	<u>Less than 1</u>	<u>More than 1</u>	<u>More than</u>	<u>Total</u>
<u>June 30, 2022</u>	<u>year</u>	<u>year and</u>	<u>5 years</u>	
		<u>less than 5</u>		
		<u>years</u>		
Employees' defined benefits obligations	-	24,059,085	-	24,059,085
Trade payables	110,102,885	-	-	110,102,885
Due to related parties	2,281,886	-	-	2,281,886
Accrued expenses and other credit balances	122,106,514	-	-	122,106,514
Long-term Loans	2,951,984	5,666,832	-	8,618,816
Short-term Loans	171,087,704	-	-	171,087,704
Zakat payable	3,336,260	-	-	3,336,260
	<u>411,867,233</u>	<u>29,725,917</u>	<u>-</u>	<u>441,593,150</u>

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2022**

**12. Risk Management of Financial Instruments (Continued)**

	Saudi riyals			Total
	Less than 1 year	More than one year and less than 5 years	More than 5 years	
<u>December 31, 2021</u>				
Employees' defined benefits obligations	-	20,915,940	-	20,915,940
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
Long-term loans	2,697,331	7,256,103	-	9,953,434
Short-term loans	84,033,300	-	-	84,033,300
Zakat payable	3,473,389	-	-	3,473,389
	<u>255,125,525</u>	<u>28,172,043</u>	<u>-</u>	<u>283,297,568</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's 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's not the company 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.

**Interest rate risk**

Interest 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 interest rates prevailing in the market. The risks of changes in interest 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 interest rate risk by monitoring interest rates on loans and facilities linked to variable interest rates. In the event of a change in the value of the interest rates by 1%, the effect will be insignificant, increasing or decreasing the amount of financing costs.

**Equity price risk**

The Company's exposure to equity price risk arises from the investments acquired by the Company that are classified as investments in equity instruments listed at fair value through the statement of profit or loss and other comprehensive income. The Company has no price risk arising from investments in equity instruments, as the Company's investments are classified as investments in equity instruments carried at fair value through other comprehensive income.

**13. Subsequent Events**

The company's board of directors decided, at a meeting held on August 30, 2022, to distribute interim dividends to shareholders in the amount of 9 million Saudi riyals.

**14. Approval of the Financial Statements**

The financial statements were approved by the Company's Board of Directors on Safar 3, 1444H (corresponding to August 30, 2022G).