

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 NINE-MONTHS PERIODS ENDED
SEPTEMBER 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 NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022

<u>INDEX</u>	<u>PAGE</u>
Independent Auditor's Review Report	1
Interim Condensed Statement of Financial Position	2
Interim Condensed Statement of Profit or Loss and Other Comprehensive Income	3
Interim Condensed Statement of Changes in Equity	4
Interim Condensed Statement of Cash Flows	5
Notes to the Interim Condensed Financial Statements	6-14

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 September 30, 2022, and the related interim condensed statements of profit or loss and other comprehensive income for the three and nine-months periods ended September 30, 2022, the interim condensed statements of changes in equity, and cash flows for the nine-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.

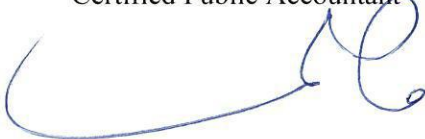
Scope of Review

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 Rabi' Al-Awwal 13,1444H
Corresponding to, October 9, 2022G



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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022
(Saudi Riyals)

	<u>Note</u>	<u>September 30, 2022</u> (Unaudited)	<u>December 31, 2021</u> (Audited)
ASSETS			
Non-Current Assets			
Property, plant, and equipment		122,913,783	116,674,725
Investments at fair value through OCI		1,935,024	1,501,504
Total Non-Current Assets		<u>124,848,807</u>	<u>118,176,229</u>
Current Assets			
Inventory		177,451	891,775
Due from related parties	5	21,215,085	1,606,871
Contracts assets		229,851,917	192,098,326
Trade receivables	6	342,415,554	97,829,429
Prepaid expenses and other debit balances		22,159,736	21,290,013
Cash and cash equivalents		47,138,882	69,459,058
Total Current Assets		<u>662,958,625</u>	<u>383,175,472</u>
TOTAL ASSETS		<u>787,807,432</u>	<u>501,351,701</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	7	150,000,000	20,000,000
Additional share capital	7	-	6,670,311
Statutory reserve		-	6,000,000
Retained earning		69,202,775	127,046,679
Total Equity		<u>219,202,775</u>	<u>159,716,990</u>
Liabilities			
Non-Current Liabilities			
Employees' defined benefits obligations		25,773,539	20,915,940
Non-current portion of long-term loans		5,661,050	7,256,103
Total Non-Current Liabilities		<u>31,434,589</u>	<u>28,172,043</u>
Current Liabilities			
Trade payables		94,415,380	67,425,738
Due to related parties	5	2,225,622	5,957,688
Short-term loans		273,796,681	84,033,300
Current portions of long-term loans		2,394,570	2,697,331
Unearned revenues	8	69,505,206	58,337,143
Accrued expenses and other credit balances		89,996,349	91,538,079
Zakat payable		4,836,260	3,473,389
Total Current Liabilities		<u>537,170,068</u>	<u>313,462,668</u>
Total Liabilities		<u>568,604,657</u>	<u>341,634,711</u>
TOTAL EQUITY AND LIABILITIES		<u>787,807,432</u>	<u>501,351,701</u>

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
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022**
(Saudi Riyals)

	Note	For the three-months period ended September 30		For the nine-months period ended September 30	
		2022	2021	2022	2021
Revenue	9	207,365,359	160,840,489	639,109,179	427,422,357
Cost of revenue		(162,098,395)	(128,707,100)	(520,806,420)	(356,596,536)
Gross profit		45,266,964	32,133,389	118,302,759	70,825,821
Selling and distribution expenses		(2,362,838)	(2,076,849)	(5,954,250)	(6,309,842)
General and administrative expenses		(7,936,096)	(10,682,692)	(19,525,726)	(20,238,546)
Impairment loss on trade receivables	6	(858,527)	(659,445)	(2,288,242)	(1,499,329)
Operating income		34,109,503	18,714,403	90,534,541	42,778,104
Finance cost		(620,229)	(1,325,173)	(1,829,432)	(2,460,508)
Other income, net		259,220	651,641	777,660	952,820
Dividends from Investments at fair value		8,001	6,512	22,235	32,560
Profit before zakat		33,756,495	18,047,383	89,505,004	41,302,976
Zakat		(1,500,000)	(467,061)	(4,452,739)	(2,339,836)
Profit for the period		32,256,495	17,580,322	85,052,265	38,963,140
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent periods:					
Revaluation of investment at fair value through OCI		132,103	98,612	433,520	604,695
Total other comprehensive income for the period		132,103	98,612	433,520	604,695
Total comprehensive income for the period		32,388,598	17,678,934	85,485,785	39,567,835
Earning per share attributable to the Shareholders:					
Profit for the period	11	2,2	1,2	5,7	2,6

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 NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2022
(Saudi Riyals)

	<u>Note</u>	<u>Share Capital</u>	<u>Additional Share Capital</u>	<u>Statutory Reserve</u>	<u>Retained Earnings</u>	<u>Total</u>
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		-	-	-	38,963,140	38,963,140
Other comprehensive income for the period		-	-	-	604,695	604,695
Total comprehensive income for the period		-	-	-	39,567,835	39,567,835
Dividends		-	-	-	(2,376,562)	(2,376,562)
Balance as at September 30, 2021		<u>20,000,000</u>	<u>6,670,311</u>	<u>6,000,000</u>	<u>115,638,386</u>	<u>148,308,697</u>
Balance as at January 1, 2022		20,000,000	6,670,311	6,000,000	127,046,679	159,716,990
Profit for the period		-	-	-	85,052,265	85,052,265
Other comprehensive income for the period		-	-	-	433,520	433,520
Total comprehensive income for the period		-	-	-	85,485,785	85,485,785
Increase in share capital	7	130,000,000	(6,670,311)	(6,000,000)	(117,329,689)	-
Dividends		-	-	-	(26,000,000)	(26,000,000)
Balance as at September 30, 2022		<u>150,000,000</u>	<u>-</u>	<u>-</u>	<u>69,202,775</u>	<u>219,202,775</u>

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 NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2022
(Saudi Riyals)

	<u>September 30,</u> <u>2022</u>	<u>September 30,</u> <u>2021</u>
Cash flows from operating activities		
Profit before zakat	89,505,004	41,302,976
Adjustments for:		
Depreciation of property, plant and equipment	3,158,668	2,082,325
Impairment loss on trade receivables	2,288,242	1,499,329
Current service on employees' defined benefit obligations	11,191,960	9,042,605
Changes in operating assets and liabilities:		
Inventory	714,324	(589,309)
Due from / to related parties	(23,340,280)	5,563,521
Contracts assets	(37,753,591)	(81,368,560)
Trade receivables	(246,874,367)	(29,829,871)
Prepaid expenses and other debit balances	(869,723)	(4,359,466)
Trade payables	26,989,642	(833,978)
Unearned revenues	11,168,063	19,232,226
Accrued expenses and other credit balances	(1,541,730)	8,127,432
Cash used in operations	<u>(165,363,788)</u>	<u>(30,130,770)</u>
Employees' defined benefits paid	(6,334,361)	(1,173,407)
Zakat paid	(3,089,868)	(1,884,616)
Net cash used in operating activities	<u>(174,788,017)</u>	<u>(33,188,793)</u>
Cash flows from investing activities		
Purchases of property, plant, and equipment	(9,399,443)	(16,244,719)
Proceeds from sale of property, plant and equipment	1,717	562
Net cash used in investing activities	<u>(9,397,726)</u>	<u>(16,244,157)</u>
Cash flows from financing activities		
Net change in borrowings	187,865,567	68,181,100
Dividends paid	(26,000,000)	(2,376,562)
Net cash from financing activities	<u>161,865,567</u>	<u>65,804,538</u>
Net change in cash and cash equivalents	<u>(22,320,176)</u>	<u>16,371,588</u>
Cash and cash equivalents at beginning of the period	69,459,058	10,548,191
Cash and cash equivalents at end of the period	<u>47,138,882</u>	<u>26,919,779</u>
Transaction for non-cash items:		
Increase in share capital	<u>130,000,000</u>	<u>-</u>

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)

NOTES TO THE INTERIM CONDENSED STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022

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.

On Safar 16,1444H Corresponding to September 12, 2022. The Capital Market Authority Board ha 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.

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.

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

NOTES TO THE INTERIM CONDENSED STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022

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
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE-MONTHS PERIODS ENDED SEPTEMBER 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:

Related party	Relation
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 September 30:

Type	(Saudi Riyals)	
	2022	2021
Dividends	26,000,000	2,376,562
Financing, net	-	1,000,000
Closing the initial offering expenses in the shareholders' accounts	5,194,468	
Trade transactions with related parties, net	15,400,783	7,049,706
Expenses paid on behalf of related shareholders	330,030	831,237

The balances due from related parties consists of the following:

	(Saudi Riyals)	
	September 30, 2022	December 31, 2021
Cloud Distribution for Communications and Information Technology Company	16,488,993	-
Information Technology Belt Company	2,098,872	1,570,858
Ideal for Business and Commercial Investment Company	1,915,189	-
Prime Technical Contracting Establishment	712,031	-
Wahg Energy Establishment	-	26,672
Fawran Smart Logistics	-	9,341
	21,215,085	1,606,871

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
(A SAUDI CLOSED JOINT STOCK COMPANY)

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

5. Related Parties' Transactions and Balances (Continued)

The balances due to related parties consists of the following:

	(Saudi Riyals)	
	September 30, 2022	December 31, 2021
Sustainable Energy Company	1,861,939	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	-	12,140
Ideal for Business and Commercial Investment Company	-	4,083,610
	2,225,622	5,957,688

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

	(Saudi Riyals)	
	September 30, 2022	September 30, 2021
Related party		
Key managements remunerations and benefits	3,115,435	3,227,659

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 Ramadan 10, 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 and the share will be 1,13% Saudi riyals, and the priority is for the shareholders who own the shares in the company's shareholder register.

The company's board of directors decided on Safar 3, 1443 AH (corresponding to August 30, 2022) to distribute cash dividends to shareholders for the second quarter of 2022 in the amount of 9 million Saudi riyals, representing 6% of the company's capital and the share will be 0.6% Saudi riyals, and the priority is for the shareholders who own the shares in the company's shareholder register.

6. Trade receivables

	(Saudi Riyals)	
	September 30, 2022	December 31, 2021
Trade receivables	346,855,431	99,981,064
Less: allowance for expected credit losses	(4,439,877)	(2,151,635)
	342,415,554	97,829,429

As at September 30, 2022, the company's trade receivables are mainly concentrated from government agencies with an amount of SR 318,705,735 representing 92% of total trade receivables (December 31, 2021: SR 79,802,419 representing 80% of total trade receivables).

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

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

6. Trade receivables (Continued)

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

	(Saudi Riyals)	
	September 30, 2022	September 30, 2021
January 1	2,151,635	647,205
Additions for the period	2,288,242	1,499,329
	<u>4,439,877</u>	<u>2,146,534</u>

7. Share Capital and Additional Share Capital

A) Share Capital

The Company share capital amounting to SR 150,000,000 as at September 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

	(Saudi Riyals)	
	September 30, 2022	December 31, 2021
Contracts liabilities – Projects	51,570,245	39,905,544
Unearned revenue - Text messages (Yamamah)	17,934,961	18,431,599
	<u>69,505,206</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).

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

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

9. Segment Information (Continued)

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:

	(Saudi Riyals)		(Saudi Riyals)	
	For the three-months period ended September 30		For the nine-months period ended September 30	
	2022	2021	2022	2021

Timing of revenue

Service transferred overtime	203,539,108	160,521,719	629,384,719	425,169,894
Products transferred at a point in time	3,826,251	318,770	9,724,460	2,252,463
	<u>207,365,359</u>	<u>160,840,489</u>	<u>639,109,179</u>	<u>427,422,357</u>

	(Saudi Riyals)		(Saudi Riyals)	
	For the three-months period ended September 30		For the nine-months period ended September 30	
	2022	2021	2022	2021

Types of customers:

Government and government- controlled entities	195,464,188	152,003,836	574,415,120	399,458,798
Private sector	11,901,171	8,836,653	64,694,059	27,963,559
	<u>207,365,359</u>	<u>160,840,489</u>	<u>639,109,179</u>	<u>427,422,357</u>

	(Saudi Riyals)		(Saudi Riyals)	
	For the three-months period ended September 30		For the nine-months period ended September 30	
	2022	2021	2022	2021

Products or services

Call center services	86,606,689	81,063,112	271,125,419	207,012,157
Operation and maintenance services	76,186,022	51,209,872	213,306,383	128,058,241
Software License and development services (SWD)	44,572,648	28,567,505	154,677,377	92,351,959
	<u>207,365,359</u>	<u>160,840,489</u>	<u>639,109,179</u>	<u>427,422,357</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 NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022

10. Contingent liabilities

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

	(Saudi Riyals)	
	<u>September 30, 2022</u>	<u>December 31, 2021</u>
Letters of credit	25,332,169	-
Letters of guarantee	220,507,228	206,067,884
	<u>245,839,397</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 September 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 September 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.

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 cash on bank and due from related parties and contract assets and trade receivables and investments at FVOCI and prepaid expenses and other debit balances.

The Company manages credit risk in relation to contract assets and trade receivables through 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:

	(Saudi Riyals)	
	<u>September 30, 2022</u>	<u>December 31, 2021</u>
Cash at banks	44,551,204	69,119,640
Due from related parties	21,215,085	1,606,871
Contracts assets	229,851,917	192,098,326
Trade receivables	342,415,554	97,829,429
Investments at FVOCI	1,935,024	1,501,504
Prepaid expenses and other debit balances	10,027,861	13,817,223
	<u>649,996,645</u>	<u>375,972,993</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 NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022

12. Risk Management of Financial Instruments (Continued)

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:

	(Saudi riyals)			Total
	Less than 1 year	More than 1 year and less than 5 years	More than 5 years	
September 30, 2022				
Employees' defined benefits obligations	-	25,773,539	-	25,773,539
Trade payables	94,415,380	-	-	94,415,380
Due to related parties	2,225,622	-	-	2,225,622
Accrued expenses and other credit balance	89,996,349	-	-	89,996,349
Long-term Loans	2,394,570	5,661,050	-	8,055,620
Short-term Loans	273,796,681	-	-	273,796,681
Zakat payable	4,836,260	-	-	4,836,260
	467,664,862	31,434,589	-	499,099,451

	(Saudi riyals)			Total
	Less than 1 year	More than one year and less than 5 years	More than 5 years	
December 31, 2021				
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 balance	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
	255,125,525	28,172,043	-	283,297,568

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.

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

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

12. Risk Management of Financial Instruments (Continued)

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

In the Management's opinion, there are no significant subsequent events after the period ended September 30, 2022, that could have a material impact on the Company's financial position or results of operations.

14. Approval of the Financial Statements

The financial statements were approved by the Company's Board of Directors on Rabi' Al-Awwal 13,1444H, (corresponding to October 9, 2022G)