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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024

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

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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 September 30, 2024, and the related interim condensed statement of profit or loss and other comprehensive income for the three and nine-month periods then ended, and the interim condensed statements of changes in equity and cash flows for the nine-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 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 that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

BAKER TILLY MKM & CO.
Certified Public Accountants

Majid Muneer Alnemer
License No. 381

Riyadh, Jumada Al-Ula 5, 1446H
Corresponding to November 7, 2024G

Mixed limited liability company | Head Office – Riyadh | Saudi Arabia | Paid-up Capital SR 200,000 | CR 1010428101.
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Baker Tilly MKM & Co. Certified Public Accountants trading as Baker Tilly is independent member of the global network of Baker Tilly International.

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	Note	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
		(Saudi Riyals)	
ASSETS			
Non-current assets			
Property and equipment		**123,885,040**	148,543,977
Intangible assets		**30,026,168**	26,510,904
		153,911,208	175,054,881
Current assets			
Inventory		**4,498,664**	3,904,140
Due from related parties	4	**51,078,092**	176,365
Contracts assets	8-A	**436,578,588**	425,045,794
Trade receivables	5	**609,854,707**	494,969,602
Prepayments and other receivables		**51,278,641**	27,724,282
Cash and cash equivalents		**46,756,043**	51,501,832
		1,200,044,735	1,003,322,015
TOTAL ASSETS		**1,353,955,943**	1,178,376,896
EQUITY AND LIABILITIES			
Equity			
Share capital	6	**300,000,000**	150,000,000
Optional reserve		**26,074,839**	26,074,839
Retained earnings		**179,024,648**	205,948,980
Total equity		**505,099,487**	382,023,819
Liabilities			
Non-current liabilities			
Employee termination benefits		**41,765,245**	34,051,944
Long-term loans	7-A	**-**	2,581,847
		41,765,245	36,633,791
Current liabilities			
Trade payables		**170,253,349**	197,480,900
Due to related parties	4	**1,764,617**	16,959,752
Short-term loans	7-B	**462,062,211**	307,800,960
Current portion of long-term loans	7-A	**3,342,552**	2,782,919
Contract liabilities	8-B	**28,019,792**	61,343,653
Accrued expenses and other payables		**138,636,826**	166,455,838
Zakat payable		**3,011,864**	6,895,264
		807,091,211	759,719,286
Total liabilities		**848,856,456**	796,353,077
TOTAL EQUITY AND LIABILITIES		**1,353,955,943**	1,178,376,896

Chairman of Board of Directors	**Chief Executive Officer**	**Chief Financial Officer**
Nasser Al Bassam	Ehsan Doughman	Maher Bawadi

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 THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024

	Note	For the three-month period ended September 30		For the nine-month period ended September 30	
		2024	2023 (Restated - Note 14)	**2024**	2023 (Restated - Note 14)
		Saudi Riyals	Saudi Riyals	**Saudi Riyals**	Saudi Riyals
Revenues	8-1	**268,603,209**	270,319,314	**775,232,743**	741,766,151
Cost of revenues		**(209,529,904)**	(212,731,769)	**(607,768,391)**	(586,696,813)
Gross profit		**59,073,305**	57,587,545	**167,464,352**	155,069,338
Selling and marketing expenses		**(1,815,510)**	(2,012,718)	**(5,413,056)**	(4,864,601)
General and administrative expenses		**(8,423,341)**	(8,998,773)	**(23,393,755)**	(20,615,990)
Expected credit loss on contract assets and trade receivables	5/8-A	**(8,720,380)**	(1,477,337)	**(15,835,101)**	(8,273,017)
Other income, net		**1,621,582**	658,073	**2,261,767**	1,134,221
Profit from operations		**41,735,656**	45,756,790	**125,084,207**	122,449,951
Finance cost		**(10,155,738)**	(10,007,737)	**(29,083,726)**	(23,382,981)
Gain from disposal of property and equipment	9	**6,116,242**	-	**32,400,624**	-
Profit before zakat		**37,696,160**	35,749,053	**128,401,105**	99,066,970
Zakat		**(750,000)**	(1,099,089)	**(3,000,000)**	(3,125,078)
Profit for the period		**36,946,160**	34,649,964	**125,401,105**	95,941,892
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent periods:					
Remeasurements on Employee termination benefits		**(1,637,719)**	(535,693)	**(2,325,437)**	(580,160)
Revaluation of investment at fair value through OCI		**-**	-	**-**	357,953
Total other comprehensive loss for the period		**(1,637,719)**	(535,693)	**(2,325,437)**	(222,207)
Total comprehensive income for the period		**35,308,441**	34,114,271	**123,075,668**	95,719,685
Earnings per share:					
Basic and diluted	10	**0.12**	0.12	**0.42**	0.32

Chairman of Board of Directors	**Chief Executive Officer**	**Chief Financial Officer**
Nasser Al Bassam	Ehsan Doughman	Maher Bawadi

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 CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2024

	Note	Share Capital	Optional Reserve	Fair Value Reserve	Retained Earnings	Total Equity
		Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals
For the nine-month period ended September 30, 2024						
Balance as at January 1, 2024		**150,000,000**	**26,074,839**	**-**	**205,948,980**	**382,023,819**
Profit for the period		**-**	**-**	**-**	**125,401,105**	**125,401,105**
Other comprehensive Loss for the period		**-**	**-**	**-**	**(2,325,437)**	**(2,325,437)**
Total comprehensive income for the period		**-**	**-**	**-**	**123,075,668**	**123,075,668**
Capital increase	6	**150,000,000**	**-**	**-**	**(150,000,000)**	**-**
Balance as at September 30, 2024		**300,000,000**	**26,074,839**	**-**	**179,024,648**	**505,099,487**
For the nine-month ended September 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 (Restated - Note 14)		-	-	-	95,941,892	95,941,892
Other comprehensive income for the period		-	-	357,953	(580,160)	(222,207)
Total comprehensive income for the period		-	-	357,953	95,361,732	95,719,685
Transfer of fair value reserve		-	-	(1,893,545)	1,893,545	-
Balance as at September 30, 2023		150,000,000	13,145,523	-	186,173,673	349,319,196

Chairman of Board of Directors
Nasser Al Bassam

Chief Executive Officer
Ehsan Doughman

Chief Financial Officer
Maher Bawadi

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

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

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

	For the nine-month period ended September 30	
	2024	2023 (Restated - Note 13)
	(Saudi Riyals)	
Operating activities		
Profit before zakat	**128,401,105**	99,066,970
Adjustments for non-cash items:		
Depreciation and amortization	**4,688,062**	3,171,453
Expected credit loss on contract assets and trade receivables	**15,835,101**	8,273,017
Gain from disposal of property and equipment	**(32,400,624)**	-
Employee termination benefits costs	**11,935,259**	10,029,469
Finance costs	**29,083,726**	23,382,981
Changes in working capital:		
Inventory	**(594,524)**	(240,261)
Due from / to related parties	**(66,096,862)**	(7,170,413)
Contracts assets	**(12,347,943)**	(98,688,192)
Trade receivables	**(129,905,057)**	(131,029,030)
Prepayments and other receivables	**(23,554,359)**	(12,702,082)
Trade payables	**(27,227,551)**	(44,722,358)
Contract liabilities	**(33,323,861)**	(5,091,874)
Accrued expenses and other payables	**(25,183,145)**	16,260,333
	(160,690,672)	(139,459,987)
Employee termination benefits paid	**(7,624,681)**	(6,304,732)
Zakat Paid	**(6,883,400)**	(4,390,479)
Net cash used in operating activities	**(175,198,753)**	(150,155,198)
Investing activities		
Purchases of property and equipment	**(813,729)**	(9,211,081)
Purchases of intangible assets	**(4,182,496)**	(26,518,321)
Proceed from disposal of property and equipment	**53,852,460**	-
Proceed from investment at fair value through OCI	**-**	2,410,195
Net cash generated from (used in) investing activities	**48,856,234**	(33,319,207)
Financing activities		
Finance Costs Paid	**(30,642,307)**	(22,615,094)
Paid from long term loans	**(2,022,214)**	(1,583,899)
Net change in short term loans	**154,261,251**	199,876,494
Dividends paid	**-**	(10,500,000)
Net cash generated from financing activities	**121,596,730**	165,177,501
Net change in cash and cash equivalents	**(4,745,789)**	(18,296,904)
Cash and cash equivalents at beginning of the period	**51,501,832**	67,212,171
Cash and cash equivalents at end of the period	**46,756,043**	48,915,267
Non-Cash transaction		
Bonus Issue of Shares	**150,000,000**	-

Chairman of Board of Directors	**Chief Executive Officer**	**Chief Financial Officer**
Nasser Al Bassam	Ehsan Doughman	Maher Bawadi

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2024

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 Alsheikh Abdullah Bin Gabreen Road, Al Qairawan district, P.O. Box 10552, Riyadh 11651, Kingdom of Saudi Arabia.

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

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)
5900143626	Jizan	Dhu al-Hijjah 29, 1444H (corresponding to July 17, 2023G)

The Company's main activity is in network extensions Installation and extension of computer and communication networks Interface design and user experience Robotics Virtual and augmented reality technologies Application Development Artificial Intelligence Techniques Systems Analysis Cybersecurity Blockchain Technologies Big Data Technologies, Data Science and Analysis Establishment of web hosting infrastructure, data processing services and related activities Validation of documents, documents and data Rehabilitation and restructuring of administrative, financial and operational processes For Establishments Providing senior management consulting services Repair and maintenance of printers and 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 Training Centers Health and Medical Devices Software Design and programming of special software Repair and maintenance of military communication devices Installation and maintenance of security devices Wholesale of security devices Wholesale of security equipment and equipment (for government competitions only) Repair and maintenance of personal computers and portable (of all kinds) Building and operating a geospatial platform/portal Building geospatial databases Web applications and services Geospatial information systems Providing communication services over non-terrestrial networks Providing non-terrestrial network operation services Providing management and monitoring service for communication and information networks Providing SMS services Providing call center service Registration to provide cloud computing services Revenue cycle management.

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. These interim condensed financial statements should be read along with the company's financial statements for the previous year ended on December 31, 2023. The interim condensed financial statements are presented in Saudi Riyals which is also the functional currency of the Company, and all values are rounded to the nearest Riyal (SR), except when otherwise indicated.

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.

2.2 General Consideration

The accounting policies and methods of computation adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the annual financial statements of the Company for the year ended December 31, 2023, except for the adoption of the new standards which became effective as at January 1, 2024.

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, 2024 and none of those amendments have an impact on the Company's financial statements.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2024

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, 2023.

4. Related Parties' Transactions and Balances

Related parties represent major shareholders of the Company, managers, top management and affiliate companies. The nature of the relationship is described as follow:

Related party	Relationship
Perfect Presentation for Commercial Services Company – Egypt	Affiliate
Cloud Distribution for Communications and Information Technology Company	Affiliate
Prime Technology Contracting Establishment	Related to major Shareholder
Ideal for Business and Commercial Investment Company	Major Shareholder
Sustainable Technology Energy Company	Affiliate
Information Technology Belt Company	Affiliate

The transactions with the related parties as following:

The following is a summary of the significant transactions carried out with related parties for the nine-month period ended September 30:

Related party	Nature of transaction	2024	2023
		Saudi Riyals	Saudi Riyals
Perfect Presentation for Commercial Services Company – Egypt	Purchases	**-**	9,860,015
Cloud Distribution for Communications and Information Technology Company	Purchases	**2,372,654**	3,528,506
	Sales	**-**	100,108
Prime Technology Contracting Establishment	Purchases	**131,872**	864,765
	Payments on behalf	**117,181**	37,776
Ideal for Business and Commercial Investment Company	Sales	**-**	295,838
	Payments on behalf	**1,500**	-
Sustainable Technology Energy Company	Purchases	**1,300,561**	-
Information Technology Belt Company	Sales	**-**	161,000
	Payments on behalf	**-**	25,210

4. Related Parties' Transactions and Balances (Continued)

The balances due from related parties consists of the following:

	September 30, 2024	December 31, 2023
	Saudi Riyals	Saudi Riyals
Perfect Presentation for Commercial Services Company – Egypt	**43,466,775**	-
Cloud Distribution for Communications and Information Technology Company	**4,845,164**	-
Sustainable Technology Energy Company	**1,378,313**	77,752
Prime Technical Contracting Establishment	**1,287,728**	-
Ideal for Business and Commercial Investment Company	**100,112**	98,613
	51,078,092	176,365

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

The balances due to related parties consists of the following:

	September 30, 2024	December 31, 2023
	Saudi Riyals	Saudi Riyals
Information Technology Belt Company	**1,764,617**	9,405,732
Cloud Distribution for Communications and Information Technology Company	**-**	7,514,088
Prime Technical Contracting Establishment	**-**	39,932
	1,764,617	16,959,752

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

Key management remunerations and benefits

	September 30, 2024	September 30, 2023
	Saudi Riyals	Saudi Riyals
Key management remunerations and benefits	**4,290,795**	3,301,579

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

5. Trade Receivables

	September 30, 2024	December 31, 2023
	Saudi Riyals	Saudi Riyals
Trade receivables	**638,963,477**	509,058,420
Less: Expected credit loss provision	**(29,108,770)**	(14,088,818)
	609,854,707	494,969,602

As at September 30, 2024, the Company's trade receivables are mainly concentrated in government agencies with an amount of SR 574,793,838 representing 90% of total trade receivables (December 31, 2023: SR 429,586,860 representing 84,4% of total trade receivables).

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

	For the nine-month period ended September 30, 2024	For the year ended December 31, 2023
	Saudi Riyals	Saudi Riyals
Balance at the beginning of the period / year	**14,088,818**	5,068,327
Additions	**15,019,952**	9,020,491
Balance at the end of the period / year	**29,108,770**	14,088,818

6. Share Capital

The Company's share capital as at September 30, 2024, consists of 300,000,000 shares with a nominal value of SR 1 per share (December 31, 2023: 150,000,000 shares with a nominal value of SR 1 per share).

The Extraordinary General Assembly, during its meeting held on June 25, 2024, approved the Board of Directors' recommendation to increase the Company's share capital by 100%. By granting bonus shares through capitalizing SR 150 million from retained earnings. Each shareholder will receive one bonus share for every share they currently hold, resulting in a share capital of SR 300 million and a total of 300 million shares after the increase.

7. Bank Facilities

A. Long term Loans

Long-term loans comprise of the following:

	September 30, 2024	December 31, 2023
	Saudi Riyals	Saudi Riyals
Non-current portion	**-**	2,581,847
Current portion	**3,342,552**	2,782,919
	3,342,552	5,364,766

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 fixed 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.

8. Revenue from Contracts with Customers

8-1 Disaggregated revenue information

	Three-month period ended September 30		**Nine-month period ended September 30**	
	2024	2023	**2024**	2023
	Saudi Riyals	Saudi Riyals	**Saudi Riyals**	Saudi Riyals
Timing of revenue recognition				
Service transferred over time	**233,759,336**	262,081,449	**689,416,488**	717,439,879
Products transferred at a point in time	**34,843,873**	8,237,865	**85,816,255**	24,326,272
	268,603,209	270,319,314	**775,232,743**	741,766,151

	Three-month period ended September 30		**Nine-month period ended September 30**	
	2024	2023	**2024**	2023
	Saudi Riyals	Saudi Riyals	**Saudi Riyals**	Saudi Riyals
Types of customers				
Government and government - controlled entities	**236,848,949**	236,766,425	**666,883,128**	668,141,993
Private sector	**31,754,260**	33,552,889	**108,349,615**	73,624,158
	268,603,209	270,319,314	**775,232,743**	741,766,151

8. Revenue from Contracts with Customers (Continued)

8-1 Disaggregated revenue information (Continued)

	Three-month period ended September 30		Nine-month period ended September 30	
	2024	2023	**2024**	2023
	Saudi Riyals	Saudi Riyals	**Saudi Riyals**	Saudi Riyals
Services and products				
Operation and maintenance	**97,653,428**	83,300,813	**254,549,630**	245,511,652
Call centers	**66,006,442**	76,749,823	**224,244,119**	226,747,737
Software license and development (SWD)	**60,325,176**	99,257,108	**198,322,976**	255,179,323
Managed business (management services)	**42,160,979**	11,011,570	**88,831,425**	14,327,439
Cyber security	**2,457,184**	-	**9,284,593**	-
	268,603,209	270,319,314	**775,232,743**	741,766,151

8-2 Contracts balances

	September 30, 2024	December 31, 2023
	Saudi Riyals	Saudi Riyals
Trade receivables (Note 5)	**609,854,707**	494,969,602
Contract assets (Note 8-A)	**436,578,588**	425,045,794
Contract liabilities (Note 8-B)	**28,019,792**	61,343,653

A) Contract assets

	September 30, 2024	December 31, 2023
	Saudi Riyals	Saudi Riyals
Total contract assets	**442,411,831**	430,063,888
Less: Expected credit loss provision	**(5,833,243)**	(5,018,094)
	436,578,588	425,045,794

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

As of September 30, 2024, the Company's contract assets are mainly concentrated from government agencies with an amount of SR 384,299,741 representing 86,9% of total contract assets (December 31, 2023: SR 352,558,123 representing 81,9% of total contract assets).

The movement in the allowance for expected credit losses on contract assets is as follows:

	For the nine-month period ended September 30, 2024	For the year ended December 31, 2023
	Saudi Riyals	Saudi Riyals
Balance at the beginning of the period / year	**5,018,094**	1,487,940
Additions	**815,149**	3,530,154
Balance at the end of the period / year	**5,833,243**	5,018,094

8. Revenue from Contracts with Customers (Continued)

8-2 Contracts balances (Continued)

B) Contract liabilities

Contract liabilities include long-term advance payments received for contracts with customers, as well as the transaction price allocated to performance obligations that have not yet been fulfilled.

	September 30, 2024	December 31, 2023
	Saudi Riyals	Saudi Riyals
Billing in excess of work performed	**24,069,932**	45,684,637
Advances from customers	**3,949,860**	15,659,016
	28,019,792	61,343,653

9. Gain from Disposal of Property and Equipment

On January 22, 2023, the Company received a notice of valuation for two properties subject to expropriation in favor of a governmental agency. On June 6, 2024, the Company received compensation for one of the properties amounting to SR 39,263,806, resulted in a capital gain of SR 26,284,382 recorded in the second quarter. on July 22, 2024, compensation for the other property was received for an amount of SR 14,588,653 resulted in a capital gain of SR 7,478,496 in addition to other disposal losses of SAR 1,362,254 recorded in the third quarter.

10. Earnings Per Share

	Three-month period ended September 30		**Nine-month period ended September 30**	
	2024	2023	**2024**	2023
	Saudi Riyals	Saudi Riyals	**Saudi Riyals**	Saudi Riyals
Profit for the period	**36,946,160**	34,649,964	**125,401,105**	95,941,892
Weighted average number of ordinary shares	**300,000,000**	300,000,000	**300,000,000**	300,000,000
Earnings per share – basic and diluted	**0.12**	0.12	**0.42**	0.32

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

Basic earnings per share have been calculated by dividing the profit for the period attributable to shareholders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of shares outstanding has been retrospectively adjusted to reflect the increase in share capital through retained earnings.

11. Contingent Liabilities

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

	September 30, 2024	December 31, 2023
	Saudi Riyals	Saudi Riyals
Letters of guarantees	**336,301,076**	337,044,179

12. Fair Value of Financial Instruments

As at September 30, 2024, and December 31, 2023, the Company did not have any financial instruments measured at fair value.

There was no change in the risk management policies related to financial instruments during the period from those followed by management during the year ended December 31, 2023.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2024

13. Operating Segments

The Company operates within one geographical sector in the Kingdom of Saudi Arabia and represented by five operating segments, which are as follows:
Segment 1: Operation and maintenance.
Segment 2: Call centers.
Segment 3: Software licenses and development (including providing text messaging services and subscriptions and providing internet services).
Segment 4: Managed business (management services).
Segment 5: Cyber security.

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

As at September 30, 2024 and for the nine-month period then ended	**Segment 1**	**Segment 2**	**Segment 3**	**Segment 4**	**Segment 5**	**Shared items**	**Total**
	Saudi Riyals	**Saudi Riyals**	**Saudi Riyals**	**Saudi Riyals**	**Saudi Riyals**	**Saudi Riyals**	**Saudi Riyals**
Revenue	**254,549,630**	**224,244,119**	**198,322,976**	**88,831,425**	**9,284,593**	**-**	**775,232,743**
Profit before zakat	**53,115,567**	**39,985,341**	**66,439,834**	**15,230,680**	**1,716,758**	**(48,087,075)**	**128,401,105**
Contract assets	**160,026,991**	**94,998,528**	**142,635,017**	**41,582,743**	**3,168,552**	**(5,833,243)**	**436,578,588**
Trade receivables	**268,778,037**	**170,272,755**	**186,105,169**	**13,807,516**	**-**	**(29,108,770)**	**609,854,707**
Shared assets	**-**	**-**	**-**	**-**	**-**	**307,522,648**	**307,522,648**
Total assets	**428,805,028**	**265,271,283**	**328,740,186**	**55,390,259**	**3,168,552**	**272,580,635**	**1,353,955,943**
Contract liabilities	**13,671,660**	**417,409**	**13,930,723**	**-**	**-**	**-**	**28,019,792**
Shared liabilities	**-**	**-**	**-**	**-**	**-**	**820,836,664**	**820,836,664**
Total liabilities	**13,671,660**	**417,409**	**13,930,723**	**-**	**-**	**820,836,664**	**848,856,456**

For the nine-month period ended September 30, 2023	**Segment 1**	**Segment 2**	**Segment 3**	**Segment 4**	**Segment 5**	**Shared items**	**Total**
	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals
Revenue	245,511,652	226,747,737	255,179,323	14,327,439	-	-	741,766,151
Profit before Zakat	32,593,379	53,526,288	46,159,921	1,480,821	-	(34,693,439)	99,066,970

13. Operating Segments (Continued)

As at December 31, 2023	**Segment 1**	**Segment 2**	**Segment 3**	**Segment 4**	**Segment 5**	**Shared items**	**Total**
	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals
Contract assets	162,037,012	79,237,030	171,127,312	17,662,534	-	(5,018,094)	425,045,794
Trade receivables	231,464,945	100,268,910	170,821,265	6,503,300	-	(14,088,818)	494,969,602
Shared assets	-	-	-	-	-	258,361,500	258,361,500
Total assets	393,501,957	179,505,940	341,948,577	24,165,834	-	239,254,588	1,178,376,896
Contract liabilities	25,109,860	4,927,881	31,305,912	-	-	-	61,343,653
Shared liabilities	-	-	-	-	-	735,009,424	735,009,424
Total liabilities	25,109,860	4,927,881	31,305,912	-	-	735,009,424	796,353,077

For the three-month period ended September 30, 2024	**Segment 1**	**Segment 2**	**Segment 3**	**Segment 4**	**Segment 5**	**Shared items**	**Total**
	Saudi Riyals	**Saudi Riyals**	**Saudi Riyals**	**Saudi Riyals**	**Saudi Riyals**	**Saudi Riyals**	**Saudi Riyals**
Revenue	**97,653,428**	**66,006,442**	**60,325,176**	**42,160,979**	**2,457,184**	**-**	**268,603,209**
Profit before Zakat	**25,188,003**	**14,016,257**	**21,808,680**	**5,747,172**	**403,180**	**(29,467,132)**	**37,696,160**

For the three-month period ended September 30, 2023	**Segment 1**	**Segment 2**	**Segment 3**	**Segment 4**	**Segment 5**	**Shared items**	**Total**
	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals
Revenue	83,300,813	76,749,823	99,257,108	11,011,570	-	-	270,319,314
Profit before Zakat	11,481,959	18,976,050	16,789,570	1,153,731	-	(12,652,257)	35,749,053

14. Prior Periods Adjustments

The management has adjusted the comparative figures as at September 30, 2023, and for the three and nine-month periods then ended in order to correct some accounting errors. The note below explains the details of the adjustments, reclassifications and the impact on the line items of statement of financial position, statement of profit or loss and other comprehensive income, and statement of cash flows.

A) The management has incurred costs related to research and development of software programs and systems for the purpose of using it or selling it as "Software licenses and development services" products, during this period the management has recognized development expenses as cost of sales, and general and administration expenses not in line with the requirements of IAS 38 – Intangible assets. Accordingly, the Management has restated its comparative figure to recognize these expenses as intangible assets.

B) The Company did not capitalize accrued costs amounting to SR 16 million related to the development of some programs and systems.

C) Management has restated and reclassified the finance costs in the statement of cash flows to be consistent with the current year presentation.

The three-month period ended September 30, 2023

	Before adjustment Saudi Riyals	Adjustment Saudi Riyals	After adjustment Saudi Riyals
Statement of profit or loss and other comprehensive income			
Cost of revenue (A)	213,666,798	(935,029)	**212,731,769**
General and administrative expenses (A)	9,132,159	(133,386)	**8,998,773**
Profit for the period (A)	33,581,549	1,068,415	**34,649,964**

As at September 30, 2023, and the nine-month period then ended

	Before adjustment and reclassification Saudi Riyals	Adjustment Saudi Riyals	Reclassification Saudi Riyals	After adjustment and reclassification Saudi Riyals
Statement of financial position				
Intangible assets (A, B)	3,616,561	16,010,432	-	**19,626,993**
Accrued expenses and other payables (B)	120,704,734	10,611,145	-	**131,315,879**
Retained earnings (A)	180,774,386	5,399,287	-	**186,173,673**
Statement of profit or loss and other comprehensive income				
Cost of revenue (A)	590,801,428	(4,104,615)	-	**586,696,813**
General and administrative expenses (A)	21,910,662	(1,294,672)	-	**20,615,990**
Profit for the period (A)	90,542,605	5,399,287	-	**95,941,892**
Statement of cash flows				
Operating activities (A, B)	(188,780,724)	16,010,432	22,615,094	**(150,155,198)**
Investing activities (A, B)	(17,308,775)	(16,010,432)	-	**(33,319,207)**
Financing activities (C)	187,792,595	-	(22,615,094)	**165,177,501**

D) Certain comparative figures have been reclassified to align with the current classifications of the interim condensed financial statements.

15. SIGNIFICANT EVENTS

On September 25, 2024, a fire occurred at the Company's head office in the Al-qirawan district of Riyadh. The fire was contained and managed, with no injuries or casualties reported. The Company took immediate action to repair the damage, ensuring the building's safety and restoring it to full operational capacity. After coordinating with the appropriate authorities and meeting all safety standards, the Company resumed operations and disposed any property and equipment that were affected by the fire.

16. Approval of the Financial Statements

The interim condensed financial statements were approved by the Company's Board of Directors on Jumada Al-Ula 5, 1446H (corresponding to November 7, 2024G).