شركة العرض المتقن
Perfect Presentation

Prospectus of Perfect Presentation for Commercial Services Company

A Saudi closed joint-stock company established pursuant to Ministry of Commerce Resolution No. 772 issued on 16/05/1443H (corresponding to 20/12/2021G), under Commercial Registration No. 1010203693, issued on 25/10/1425H (corresponding to 08/12/2004G). Offering of four million, five hundred thousand (4,500,000) ordinary shares, representing 30% of the capital of Perfect Presentation for Commercial Services Company through an initial public offering at an Offer Price of (185) Saudi Riyals per share.

Offering Period: One (1) Business Day Starting on Tuesday 07/04/1444H (corresponding to 01/11/2022G)

Financial Advisor, Bookrunner, Lead Manager and Underwriter

السعودي الفرنسي كابيتال
Saudi Fransi Capital

Receiving Entities

البنك السعودي الفرنسي
Banque Saudi Fransi

بنك الرياض
Riyad Bank

anb

Perfect Presentation for Commercial Services Company (referred to hereinafter as the "**Company**" or "**Issuer**", is a Saudi closed joint-stock company established pursuant to Ministry of Commerce Resolution No. 772 issued on 16/05/1443H (corresponding to 20/12/2021G), under Commercial Registration No. 1010203693 issued on 25/10/1425H (corresponding to 08/12/2004G) in Riyadh and its registered address is: Al-Khozama District, Imam Muhammad bin Saud Street, PO Box 10552, Postal Code 11651, Riyadh, Kingdom of Saudi Arabia. The current capital of the Company is one hundred and fifty million Saudi Riyals (SAR 150,000,000) divided into fifteen million (15,000,000) fully paid ordinary shares at a nominal value of ten Saudi Riyals (SAR 10) per share (the "**Shares**").

The Company was incorporated as an establishment under the name "**Perfect Presentation Office for Commercial Services**" owned by Nasser Abdullah Mohamed Albassam, registered in Riyadh under Commercial Registration No. 1010189563 dated 03/07/1424H (corresponding to 31/08/2003G), and having its registered address at Imam Mohamed bin Saud Road, Al-Khozama District, P.O. Box 105523, Riyadh 12572, Kingdom of Saudi Arabia, with a capital of twenty-five thousand Saudi Riyals (SAR 25,000). On 25/10/1425H (corresponding to 08/12/2004G), "**Perfect Presentation Office for Commercial Services**" was converted into a limited liability company owned by: Fawaz Sulaiman Abdulaziz Al Rajhi, Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam, under the name "**Perfect Presentation for Commercial Services**" pursuant to Commercial Registration No. 1010203693 issued on 25/10/1425H (corresponding to 08/12/2004G) in Riyadh, with a capital of five hundred thousand Saudi Riyals (SAR 500,000), divided into five hundred (500) shares, with a nominal value of one thousand Saudi Riyals (SAR 1,000) per share. On 27/12/1427H (corresponding to 17/01/2007G), the Company's capital was increased to nine hundred and twenty thousand Saudi Riyals (SAR 920,000), divided into nine hundred and twenty (920) shares with a nominal value of one thousand Saudi Riyals (SAR 1,000) per share through the issuance of new cash shares with a value of four hundred and twenty thousand Saudi Riyals (SAR 420,000) that were paid for through the Shareholders' current account, by virtue of the certificate issued by the Auditor in that regard. In addition, new partners joined, namely Ziad Abdulaziz Abdullah Al Jalal and Golden Assets Investment Company, through the purchase of the entire shares of Fawaz Sulaiman Abdulaziz Al Rajhi. On 03/11/1428H (corresponding to 13/11/2007G), Golden Assets Investment Company transferred all of its shares in the Company to Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam. The latter also transferred a portion of his shares to Ziad Abdulaziz Abdullah Al Jalal. The Company's capital was increased to one million Saudi Riyals (SAR 1,000,000) divided into one thousand (1,000) shares with a nominal value of one thousand Saudi Riyals (SAR 1,000) per share by transferring an amount of eighty thousand Saudi Riyals (SAR 80,000) from the Company's "retained earnings" account, as of 30/11/2007G, by virtue of the certificate issued by the Auditor in that regard. On 05/05/1429H (corresponding to 10/05/2008G), Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam transferred their entire shares in the Company to The Ideal for Business and Investment Trade Company On 18/08/1440H (corresponding to 23/04/2019G), Ziad Abdulaziz Abdullah Al Jalal transferred his entire shares in the Company to Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam. On 27/01/1441H (corresponding to 26/09/2019G), the Company's capital was increased to twenty million Saudi Riyals (SAR 20,000,000) divided into one thousand (1,000) shares, with a nominal value of twenty thousand Saudi Riyals (SAR 20,000) per share through transferring an amount of eighteen million, five hundred thousand Saudi Riyals (SAR 18,500,000) from the "**retained earnings**" account and an amount of five hundred thousand Saudi Riyals (SAR 500,000) from the Company's "**statutory reserve**" account, as of 31/10/2019G, by virtue of the certificate issued by the Auditor in that regard. Pursuant to Ministry of Commerce Resolution No. 772 issued on 16/05/1443H (corresponding to 20/12/2021G), the Company was converted from a limited liability company to a Saudi closed joint-stock company with a capital of twenty million Saudi Riyals (SAR 20,000,000) divided into two million (2,000,000) ordinary shares with a nominal value of ten Saudi Riyals (SAR 10) per share, all of which are fully paid. On 24/08/1443H (corresponding to 27/03/2022G), the Company's Extraordinary General Assembly agreed to increase the Company's capital from twenty million Saudi Riyals (SAR 20,000,000) to one hundred and fifty million Saudi Riyals (SAR 150,000,000) through the capitalization of six million Saudi Riyals (SAR 6,000,000) from the statutory reserve, an additional contribution of six million, six hundred and seventy thousand, three hundred and eleven Saudi Riyals (SAR 6,670,311) to the capital, and one hundred and seventeen million, three hundred and twenty nine thousand, six hundred eighty nine Saudi Riyals (SAR 117,329,689) from retained earnings, according to the Auditor's certificate (for more information, please refer to Section 4.5 "**History of the Company, the Evolution of its Capital and Changes in Ownership Structure**").

The initial public offering (the "**Offering**") represents an offering of four million, five hundred thousand (4,500,000) of the Company's ordinary shares (collectively referred to as the "**Offer Shares**" and each share as an "**Offer Share**") at an offer price of (185) Saudi Riyals per share, with a nominal value of ten Saudi Riyals (SAR 10) per share (the "**Offer Price**"). The offer shares represent thirty percent (30%) of the Company's capital.

Subscription to the Offer Shares is limited to two groups of investors:

Tranche A - Participating Parties: This tranche comprises the parties entitled to participate in the Book Building process as per the Book Building Instructions and Allocation of Shares in Initial Public Offerings (IPOs) issued by the Capital Market Authority (hereinafter referred to as the "**CMA**") (referred to as the "**Book Building Instructions**") (these categories are collectively referred to as the "Participating Parties", and each of them as a "**Participating Party**") (for more information, please refer to Section 1 "**Terms and Definitions**"). The number of Offer Shares that will be provisionally allocated to the Participating Parties actually involved in the Book Building process is four million, five hundred thousand (4,500,000) ordinary shares, representing 100% of the Offer Shares. The final allocation will take place after the end of the Individual Subscribers' subscription period, whereby the Financial Advisor (defined in Section 1 "**Terms and Definitions**"), in case there is sufficient demand from Individual Subscribers, shall have the right to reduce the number of Offer Shares allocated to the Participating Parties to a minimum of four million and fifty thousand (4,050,000) shares, representing 90% of the Offer Shares.

Tranche B - Individual Subscribers: This tranche comprises natural Saudi persons, including any Saudi female divorcee or widow with minor children from a non-Saudi husband, who can subscribe in her name or in the names of her minor children for her benefit, provided that she proves that she is divorced or widowed and the mother of her minor children, as well as any non-Saudi natural person residing in the Kingdom of Saudi Arabia or citizens of GCC states who have a bank account with the Receiving Entities and are entitled to open an investment account (hereinafter collectively referred to as the "**Individual Subscribers**" and individually as an "**Individual Subscriber**". Together with the Participating Parties, they shall be referred to as the "**Subscribers**"). Any subscription of a person in the name of their divorcee shall be deemed null and void and if it is proven that a transaction of this nature has occurred, the law shall be applied against the applicant. If a duplicate subscription is made, the second subscription will be deemed null and void and only the first subscription will be considered. A maximum of four hundred and fifty thousand (450,000) Offer Shares shall be allocated to Individual Subscribers, equivalent to 10% of the total Offer Shares. In case Individual Subscribers do not subscribe to the full number of the Offer Shares allocated thereto, the Financial Advisor has the right to reduce the number of shares allocated to Individual Subscribers in proportion to the number of Offer Shares subscribed by them.

The Company's current shareholders (collectively referred to as the "**Current Shareholders**") own all of the Company's shares prior to the Offering. The Offer Shares will be sold by the Current Shareholders (collectively referred to hereinafter as the "**Selling Shareholders**"), according to Table 19 "**Ownership Structure of the Company Pre- and Post-Offering**" of this Prospectus. Upon completion of the Offering, the Current Shareholders will collectively own 70% of the Company's shares, and therefore they will retain a controlling share in the Company. The proceeds of the Offering will be distributed, after deducting the Offering Expenses (the "**Net Proceeds**"), to the Selling Shareholders on a pro-rata basis according to their respective ownership in the Offer Shares. The Company shall not receive any part of the Net Proceeds (for more information, please refer to Section 8 "**Use of Offering Proceeds**"). The Offering has been fully underwritten by the Underwriter (for more information, please refer to Section 13 "**Underwriting**"). Also, the Company's Substantial Shareholders, who own five percent (5%) or more of the Company's shares as of the date of this Prospectus (the "**Substantial Shareholders**"), will be subject to a lock-up period wherein they will be prohibited from disposing their shares for a period of six (6) months from the date trading of the Company's shares commences on the Saudi Stock Exchange ("**Tadawul**" or the "**Exchange**") (the "**Lock-up Period**"). After the Lock up Period, Substantial Shareholders may dispose of their shares without the need to obtain prior approval from the CMA. It is worth noting that the Substantial Shareholders of the Company who will own 5% or more of its shares after the Offering, are: The Ideal for Business and Investment Trade Company, Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam. Table 2 in the "**Offering Summary**" section of this Prospectus shows the Substantial Shareholders and their ownership in the Company pre- and post- Offering.

The Offering Period will commence on Tuesday 07/04/1444H (corresponding to 01/11/2022G) and will remain open for a period of One (1) Business Day (the "**Offering Period**"). Subscription applications for the Offer Shares can be submitted to any of the Receiving Entities (the "**Receiving Entities**") whose names are listed on page (vii) of this Prospectus during the Offering Period (for more information, please refer to the "**Key Dates and Subscription Procedures**" section, Table 3 "**Expected Offering Schedule**" and Section 17 "**Subscription Terms and Conditions**". Participating Parties can subscribe to the Offer Shares through the Bookrunner during the Book Building process which will take place before the shares are offered to Individual Subscribers.

Each Individual Subscriber shall submit a subscription application for a minimum of ten (10) shares and a maximum of two hundred and fifty thousand (250,000) shares, noting that the minimum allocation is ten (10) shares per Individual Subscriber. The remaining number of Offer Shares (if any) will be allocated as proposed by the Company and the Financial Advisor. If the number of Individual Subscribers exceeds forty-five thousand (45,000) subscribers; the Company will not guarantee the minimum allocation of ten (10) shares per Individual Subscriber. In this case, the allocation will be made at the discretion of the Company and the Financial Advisor. The subscription surplus (if any) will be refunded to Individual Subscribers without deducting any commission or withholding by the Receiving Entities. The final allocation shall be announced and the surplus (if any) shall be refunded no later than Tuesday 14/04/1444H (corresponding to 08/11/2022G) (for more information, please refer to Section 17 "**Subscription Terms and Conditions**").

The Company has one class of ordinary shares. Each share entitles its holder the right to one vote, and each of the Company's shareholders (a "**Shareholder**") shall have the right to attend and vote at Shareholder general assembly meetings (the "**General Assembly**"). No Shareholder will have any preferential voting rights. Offer Shares shall be entitled to their share of any profits announced by the Company as of the date of this Prospectus and for subsequent financial years (for more information, please refer to Section 7 "**Dividend Distribution Policy**").

The Company's shares have not been previously listed on any stock market inside or outside the Kingdom of Saudi Arabia (the "**Kingdom**") prior to this Offering. The Company has submitted an application to the CMA for the registration and offer of the Shares, and to the Exchange for listing of the Shares. All supporting documents requested by the relevant authorities have been submitted and all requirements have been fulfilled, including the requirements for listing the Company on the Exchange. All approvals related to the Offering have been obtained, including this Prospectus. It is expected that the trading of shares on the Exchange will commence after the completion of the share allocation and the fulfillment of all relevant statutory requirements (for more information, please refer to the Section "**Key Dates and Subscription Procedures**" - Table 3 "**Expected Offering Schedule**"). After the Company has registered and listed its shares on the Exchange, citizens of the Kingdom, non-Saudi individuals residing in the Kingdom with legal residence, companies, commercial banks and investment funds established in the Kingdom and the GCC states and citizens of the GCC states will be allowed to trade in the Company's shares after their trading commences on the Exchange. Qualified Foreign Financial Institutions and Qualified Foreign Investors may also trade in the Company's shares in accordance with the Rules for Qualified Foreign Financial Institutions Investment in Listed Securities (for more information, please refer to Section 1 "**Terms and Definitions**"). Moreover, Foreign Strategic Investors may trade shares in accordance with the Instructions for Foreign Strategic Investors' Ownership in Listed Companies (as defined in this Prospectus). Non-GCC individuals living outside the Kingdom and institutions registered outside the GCC states and operating outside the Kingdom (collectively referred to as the "**Foreign Investors**" and individually as a "**Foreign Investor**") shall have the right to invest indirectly in order to obtain an economic benefit in the Company's shares, through concluding swap agreements (SWAP) with one of the Capital Market Institutions licensed by the CMA to buy shares listed in the Capital Market and trade in them on behalf of Foreign Investors. Under such swap Agreements, the Capital Market Institutions will be the legal owners of such Shares.

Investment in the Offer Shares involves certain risks and uncertainties. For a discussion of some factors that should be carefully considered before deciding to subscribe for the Offer Shares, please refer to the "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Prospectus.

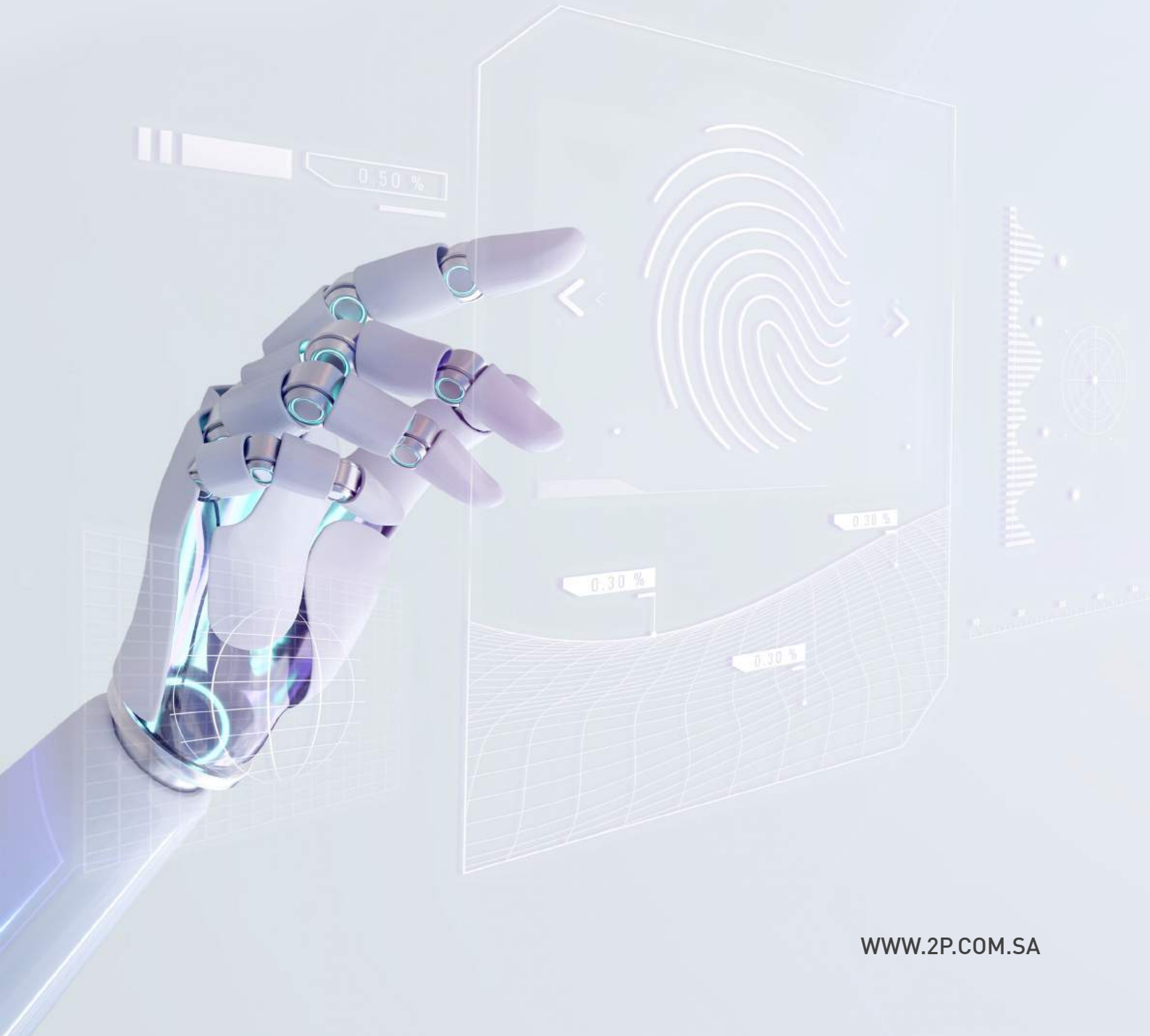
This Prospectus contains information submitted as part of the application for the registration and offer of securities in accordance with the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority in the Kingdom of Saudi Arabia (referred to as the "CMA") and the application for the listing of securities as per the requirements of the Listing Rules of the Saudi Stock Exchange. The members of the Board, whose names appear in Table (1) "Board of Directors", collectively and individually, accept full responsibility for the accuracy of the information contained in this Prospectus. They confirm, to the best of their knowledge and belief, having made all reasonable enquiries, and to a reasonable extent, that there are no other facts the omission of which would lead to make any statement herein misleading. Neither the CMA nor the Exchange take any responsibility for the contents of this Prospectus, make any representations as to its accuracy or completeness and they expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

This Prospectus is an unofficial English translation of the official Arabic Prospectus and is provided for information purposes only. The Arabic Prospectus published on the CMA's website (www.cma.org.sa) remains the only official, legally binding version and shall prevail in the event of any conflict between the two language versions.

This Prospectus was issued on 16/02/1444H (corresponding to 12/09/2022G)

شركة العرض المتقن
Perfect Presentation

We build history by creating the future



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Important Notice

This Prospectus contains detailed information related to the Company and the Offer Shares. When applying for the Offer Shares, Individual Subscribers and Participating Parties will be treated as applying solely on the basis of the information contained in this Prospectus, copies of which can be obtained by visiting the Company's website (www.2p.com.sa), the website of the Capital Market Authority (www.cma.org.sa), the website of the Saudi Stock Exchange (Tadawul) (www.saudiexchange.sa) or the website of the Financial Advisor, Lead Manager, Bookrunner and Underwriter (www.sfc.sa).

The Company has appointed Saudi Fransi Capital as its financial advisor with respect to the Offering (hereinafter referred to as the "**Financial Advisor**"), Bookrunner (the "**Bookrunner**"), Lead Manager (the "**Lead Manager**") and Underwriter for the Offering (the "**Underwriter**") in relation to the Offer Shares subject of this Prospectus (for more information, please refer to the Section 13 "**Underwriting**" of this Prospectus).

This Prospectus includes information submitted in accordance with the requirements of the Rules on the Offering of Securities and Continuing Obligations issued by the CMA and the Listing Rules of the Exchange. The members of the Company's Board of Directors, whose names appear on page (iv) in Table 1 "**Board of Directors**," jointly and individually, hold full responsibility for the accuracy of the information contained in this Prospectus. They confirm, to the best of their knowledge and belief, after conducting all possible enquiries and to a reasonable extent, that there are no other facts the omission of which would make any statement herein misleading.

While the Company has conducted all reasonable enquiries as to the accuracy of the information contained in this Prospectus as of the date of its issuance, a substantial portion of the information contained in this Prospectus related to the sector and market in which the Company operates was obtained from external sources. Although neither the Company nor any of its advisors, whose names appear on page (vi) of this Prospectus (collectively referred to together with the Financial Advisor as the "**Advisors**"), have any reason to believe that the information related to the market and sector is fundamentally inaccurate, such information has not been independently verified by the Company or any of the Advisors. Hence, no assurance or guarantee can be made as to the accuracy or completeness of any such information.

The information contained in this Prospectus as of the date of its issuance is subject to change. In particular, the financial position of the Company and the value of the Offer Shares may be adversely affected as a result of future developments such as inflation, interest rates, taxes or other economic and political factors or elements beyond the control of the Company (for more information, please refer to Section 2 "**Risk Factors**"). Neither the delivery of this Prospectus, nor any oral or written information related to the Offer Shares, shall be deemed, interpreted or relied upon in any way, as a promise, confirmation or acknowledgment of any future revenues, results or events.

This Prospectus may not be deemed as a recommendation by the Company, its Board of Directors, the Receiving Entities or any of the Advisors to participate in subscription to the Offer Shares. The information contained in this Prospectus is deemed of a general nature and has been prepared without taking into account the individual investment objectives, financial situation or special investment needs of the persons wishing to invest in the Offer Shares. Prior to making an investment decision, each recipient or reader of this Prospectus from any of its approved sources, shall be responsible for obtaining independent professional advice from a CMA licensed financial advisor in relation to the Offering in order to assess the suitability of the investment opportunity and the information contained in this Prospectus for their own objectives, financial condition and needs, including the benefits and risks involved in investing in the Offer Shares. An investment in the Offer Shares may be suitable for some investors but not others. Prospective investors should not rely on the decision or vision of another party whether to invest as the basis for their own examination of the investment opportunity, or such investor's individual circumstances.

Subscription to the offer shares is limited to two groups of investors:

Tranche A - Participating Parties: This tranche comprises the parties entitled to participate in the Book Building process as per the Book Building Instructions (for more information, please refer to Section 1 "**Terms and Definitions**").

Tranche B - Individual Subscribers: This tranche comprises natural Saudi persons, including any Saudi female divorcee or widow with minor children from a non-Saudi husband, who can subscribe in her name or in the names of her minor children for her benefit, provided that she proves that she is divorced or widowed and the mother of her minor children, as well as any non-Saudi natural person residing in the Kingdom or citizens of GCC states who have a bank account with the Receiving Entities and are entitled to open an investment account. Any subscription of a person in the name of his divorcee shall be deemed null and void and if it is proven that a transaction of this nature has occurred, the law will be applied against the Individual Subscriber who submitted such application. If a duplicate subscription is made, the second subscription will be deemed null and void and only the first subscription will be considered.

It is expressly prohibited to distribute this Prospectus or sell the Offer Shares to any person in any country other than the Kingdom, except for Qualified Foreign Financial Institutions and/or Foreign Investors through the conclusion of swap agreements, provided that the laws and instructions regulating the same are observed. All recipients of this Prospectus must inform themselves of all statutory restrictions related to the Offering and the sale of Offer Shares and comply with

them. Both eligible Individual Subscribers and Participating Parties shall read this Prospectus in its entirety and seek advice from their attorneys, financial advisors and any of professional advisors regarding the legal, tax, regulatory and economic considerations related to their investment in the shares, and they will personally incur the fees associated with such advice derived from the attorneys, accountants and other advisors with respect to all matters related to investing in the Company's shares. No guarantees can be given in terms of profitability.

Sector and market information

The information and data contained in Section 3 "**Market Overview**" is derived from the Market Study prepared for the Company on 19/09/1443H (corresponding to 20/04/2022G) prepared by IDC Saudi Arabia (the "**Market Consultant**") regarding the sector in which the Company operates (the "**Market Study**").

IDC Saudi Arabia is a subsidiary of IDG Group, an independent company specialized in providing strategic market research services for a wide range of clients. It was established in 1964G and its headquarters is located in Boston, USA.

The Market Consultant does not own directly, or through any of its subsidiaries, associates, partners, shareholders, members of its Board, managers or any of their relatives, any shares or interest of any kind in the Company or its Subsidiaries as of the date of this Prospectus. The Market Consultant has given its written consent to use its name, logo and statement and the market information and data provided by it to the Company in the form contained in this Prospectus and such consent has not been withdrawn as of the date of this Prospectus.

Taking into account what is stated on pages (ii) and (iii) "**Forecasts and Forward-looking Statements**", the members of the Board believe that the Market Study information and data contained in this Prospectus, and those obtained from other sources, including information obtained from the Market Consultant, are reliable. However, such information has not been independently verified by the Company, the members of its Board, the Advisors or the Selling Shareholders. Thus, none of these parties shall bear any liability for the accuracy or completeness of any of such information.

Financial Information

The audited financial statements for the financial years ended 31 December 2019G, 2020G and 2021G and the reviewed financial statements for the three-month period ended 31 March 2022G were prepared in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and pronouncements approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA), and were audited / reviewed by Associated Accountants for the year 2019G and Baker Tilly MKM & Company for the years 2020G and 2021G and the three-month period ended 31 March 2022G (the "**Auditor**") as stated in the audit reports issued in that regard. Such financial statements have been included in Section 19 "**Financial Statements and Auditor's Report**"). The financial information for the financial year ended 31 December 2019G has been derived from the comparative financial information included in the Company's financial statements for the financial year ended 31 December 2021G, which includes some amendments to the financial information for the financial year ended 31 December 2019G and 31 December 2020G, referred to in the Company's financial statements for the financial year ended 31 December 2021G.

The Company issues its financial statements in Saudi Riyals. Since the financial year ended 31 December 2018G, the Company has prepared its financial statements in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (for more information on the Company's financial information, please see Section 6 "**Management's Discussion and ANALYSIS OF Financial Position and Results of Operations**").

The financial and statistical information contained in this prospectus is rounded to the nearest integer. Accordingly, if the figures in the tables are added, there may be a slight difference between the figures mentioned in the audited financial statements and those mentioned in this Prospectus.

Unless otherwise expressly stated in this Prospectus, any reference to "year" or "years" shall include Gregorian years.

Forecasts and Forward-looking Statements

Forecasts set forth in this Prospectus have been prepared upon the basis of assumptions based on Company information as per its market experience, as well as publicly available market information. Future operating conditions may differ from the assumptions used herein. Consequently, there is no guarantee or confirmation with respect to the accuracy or completion of any such forecasts. The Company confirms that all due diligence has been taken in preparing the statements contained in this Prospectus.

Certain forecasts and statements contained in this Prospectus constitute "forward-looking statements." Such statements can generally be identified by their use of forward-looking terms such as "intends," "plans," "estimates," "believes," "expects," "anticipates," "may," "will," "should," "expected," or the negative forms thereof or other similar or comparable terminology.

Such forward-looking statements reflect the current views of the Company and its current management with respect to future events but are not a guarantee of future performance. There are many factors that could cause the actual outcomes, performance or achievements of the Company to be significantly different from those explicitly or implicitly expressed in such statements. Other sections of this Prospectus contain a more detailed description of certain risks or factors that could lead to such differences (please see Section 2 "**Risk Factors**" of this Prospectus). Should any such risks or uncertainties materialize, or any underlying assumptions prove to be incorrect or inaccurate, the Company's actual results may differ materially from those described in this Prospectus as estimated, believed, expected or planned.

Subject to the requirements of the Rules on the Offer of Securities and Continuing Obligations, the Company must submit a supplementary prospectus to the CMA, if at any time after the publication of this Prospectus and before the completion of the Offering, it becomes aware of the following:

a. There has been a significant change in any material matters contained in this Prospectus, or any document required under the Rules on the Offer of Securities and Continuing Obligations.
b. The occurrence of additional significant issues which would have been required to be included in this Prospectus.

Except in the aforementioned circumstances, the Company does not intend to update or modify any sector- or market-related information or forward-looking statements contained in this Prospectus, whether as a result of new information, future events or otherwise. As a result of the foregoing and other risks, assumptions, probabilities and assumptions, the future events and circumstances described in this Prospectus may not occur as the Company expects or at all. Therefore, potential investors should consider all forward-looking statements in light of these interpretations and should not place undue reliance on such statements. All subsequent written and oral statements made by the Company or by persons on behalf of the Company are subject in their entirety to the cautionary statements mentioned above or in other sections of this Prospectus.

Terms and Definitions

For an explanation of some of the phrases and terms contained in this Prospectus, please refer to Section 1 "**Terms and Definitions**" of this Prospectus.

The Type and Format of the Numbers in this Prospectus

This Prospectus was prepared using Arabic numerals, namely 1, 2, 3, 4, 5, 6, 7, 8, 9, 0. Some numbers have been written in decimal format, in which a decimal point is placed to the right of the decimal place with the base value. Each digit to the right of this decimal point has a base value of a tenth of the value of the previous digit on the left, hence the number 123.4 represents one hundred and twenty-three and four-tenths.

General Provisions

Some of the numbers provided in this Prospectus have been rounded off to the nearest integer. Therefore, the figures shown for the same item may differ slightly across different tables, and the figures shown for some tables may not be the arithmetic sum of the numbers that precede them as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In this Prospectus, Hijri dates are mentioned along with their corresponding Gregorian dates, where applicable. The Hijri calendar is prepared based on the expected lunar cycles. However, the beginning of each month is determined through actual observation and viewing of the moon. For this reason, conversions between the Hijri and Gregorian calendars are often subject to discrepancies of one or a few days. Furthermore, any reference to "year" or "years" is a reference to Gregorian years, unless otherwise expressly specified in this Prospectus.

Company Directory

Board of Directors

Table (1): Board of Directors

No.	Name	Position	Nationality	Status	Direct Ownership		Indirect Ownership[1]		Date of Appointment[2]
					Pre-Offering	Post-Offering	Pre-Offering	Post-Offering	
1	Nasser Abdullah Mohamed Albassam	Chairman of the Board of Directors	Saudi	Non-executive/ Non-independent	13%	9.10%	16.30%[3]	11.41%	19/12/2021G
2	Tariq Abdullah Hassan Al Naeem	Vice Chairman of the Board of Directors	Saudi	Non-executive/ Independent	-	-	-	-	19/12/2021G
3	Yusuf Mohamed Manee Al-Khelaiwi	Member	Saudi	Non-executive/ Independent	-	-	-	-	19/12/2021G
4	Ehsan Adnan Ahmed Doughman	Member/CEO	Palestinian	Executive/Non-independent	-	-	-	-	19/12/2021G
5	Fahd Ibrahim Yacoub Al Hussein	Member	Saudi	Non-executive/ Independent	-	-	-	-	19/12/2021G
6	Sulaiman Abdul Rahman Mohamed Fatani	Member	Saudi	Non-executive/ Independent	-	-	-	-	19/12/2021G

Source: The Company

(1) Direct and indirect ownership percentages are approximate.

(2) The dates provided in this table are the start dates of the appointment of members of the Board of Directors for the current session of the Board. The biographies of the Board Members contained in Section 5.2.3 "**Biographies of the Board Members and Board Secretary**" describe the dates of their appointment, whether to the Board of Directors or any other position.

(3) Nasser Abdullah Mohamed Albassam has indirect ownership of 16.30% pre-Offering due to his ownership of 50% of The Ideal for Business and Investment Trade Company, which owns 32.60% of the Company's shares.

The Company's current Secretary is Ahmed Abdulaziz Abdullah Al-Jumah, and he does not own any shares in the Company.

Company's Address, Representatives and Board Secretary

Company Address

Perfect Presentation for Commercial Services
Imam Mohamed Ibn Saud Road, Al-Khozama District
P.O. Box: 10552, Riyadh 11651
Kingdom of Saudi Arabia
Tel: +966 11 510 9988
Fax: +966 11 215 0222
Website: www.2p.com.sa
Email: Info@2p.com.sa

Company Representatives

Nasser Abdullah Mohamed Albassam
Chairman of the Board of Directors
Perfect Presentation for Commercial Services
Imam Mohamed Ibn Saud Road, Al-Khozama District
P.O. Box: 10552, Riyadh 11651
Kingdom of Saudi Arabia
Tel: +966 11 510 9988
Fax: +966 11 215 0222
Website: www.2p.com.sa
Email: nbassam@2p.com.sa

Ehsan Adnan Ahmed Doughman
CEO
Perfect Presentation for Commercial Services
Imam Mohamed Ibn Saud Road, Al-Khozama District
P.O. Box: 10552, Riyadh 11651
Kingdom of Saudi Arabia
Tel: +966 11 510 9988
Fax: +966 11 215 0222
Website: www.2p.com.sa
Email: edoughman@2p.com.sa

Secretary of the Board of Directors

Ahmed Abdulaziz Abdullah Al-Jumah
Perfect Presentation for Commercial Services
Imam Mohamed Ibn Saud Road, Al-Khozama District
P.O. Box: 10552, Riyadh 11651
Kingdom of Saudi Arabia
Tel: +966 11 510 9988
Fax: +966 11 215 0222
Website: www.2p.com.sa
Email: a.aljumah@2p.com.sa

Stock Market

Saudi Exchange (Tadawul)
King Fahad Road, Al Olaya 6897
Unit No.: 15
Riyadh 12211 - 3388
Kingdom of Saudi Arabia
Tel: +966 (11) 92000 1919
Fax: +966 (11) 2189133
Website: www.saudiexchange.sa
Email: csc@tadawul.com.sa

Share Registrar

Securities Depository Center Company
King Fahad Road, Al Olaya 6897
Unit No. 11, Riyadh 12211-3388
Kingdom of Saudi Arabia
Tel: 920026000
Website: www.edaa.com.sa
Email: cc@edaa.com.sa

Advisors

Financial Advisor, Bookrunner, Underwriter and Lead Manager	
Saudi Fransi Capital King Fahd Road 8092, Riyadh 3735-12313 P.O. Box 23454, Riyadh 11426, Kingdom of Saudi Arabia Tel: +966 (11) 282 6666 Fax: +966 (11) 282 6823 Website: www.sfc.sa E-mail: 2P.IPO@fransicapital.com.sa	السعودي الفرنسي كابيتال Saudi Fransi Capital
Legal Advisor to the Issuer	
The Law Office of Megren M. Al-Shaalan The Business Gate, Building No. 26, Area C, Airport Road P. O. Box 1080, Riyadh 11431, Kingdom of Saudi Arabia Tel: +966 (11) 4167300 Fax: +966 (11) 4167399 Website: www.alshaalanlaw.com Email: mas@alshaalanlaw.com	مكتب مقرن بن محمد الشعلان للمحاماة The Law Office of Megren M. Al-Shaalan
Financial Due Diligence Advisor	
PricewaterhouseCoopers Chartered Accountants Kingdom Tower, King Fahd Road P.O. Box 8282, Riyadh 11482, Kingdom of Saudi Arabia Tel: +966 (11) 211 0400 Fax: +966 (11) 211 0401 Website: www.pwc.com/middle-east E-mail: mer_project-ambition@pwc.com	pwc
Market Consultant	
IDC Saudi Arabia Office 401, Floor 4, Gate 1 Gallery Mall, Imam Mohamed Bin Saud Road Riyadh 11425, Kingdom of Saudi Arabia Tel: +966 (11) 434 8282 Fax: +966 (11) 434 8200 Website: www.idc.com/mea Email: jkhalil@idc.com	IDC
Auditor for the Years 2020G and 2021G and the Three-Month Period Ended 31 March 2022G	
Baker Tilly MKM & Company Suite No. 1, Othman Ibn Affan Road P.O. Box 300467, Al Taawun, Riyadh 4260 - 1276 Riyadh 11372, Kingdom of Saudi Arabia Tel: +966 (11) 835 1600 Fax: +966 (11) 455 6915 Website: www.bakertilly.global Email: mago@bakertillyjfc.co	bakertilly
Auditor for the Year 2019G	
Associated Accountants Associated Accountants Building, First Floor Prince Naif Bin Abdulaziz Road P.O. Box 60930, Riyadh 12271, Kingdom of Saudi Arabia Tel: +966 (11) 460 2551 Fax: +966 (11) 460 2470 Website: www.aacpa.com.sa Email: info@aacpa.com.sa	ASSOCIATED ACCOUNTANTS Homoud Al Robian & Co - Chartered Accountants and Consultants (Professional Limited Liability Company)

Note: Each of the above-mentioned Advisors and the Auditor have given their written consent to the inclusion of their names, addresses and logos and publication of their statements in this Prospectus in the form contained herein and none of them has withdrawn their consent as of the date of this Prospectus. In addition, none of these entities or their employees – forming part of the engagement team providing services to the Company – or their relatives owns any shares in the Company and none of them have any interest of any kind in the Company as at the date of this Prospectus which would impair their independence.

Receiving Entities	
Saudi Fransi Bank King Saud Road P.O. Box 56006, Riyadh 11426 Kingdom of Saudi Arabia Tel: +966 (11) 289 0000 Fax: +966 (11) 403 4631 Website: www.alfransi.com.sa E-mail: communications@alfransi.com.sa	البنك السعودي الفرنسي Banque Saudi Fransi
Riyad Bank East Ring Road P.O Box 22622, Riyadh 11614 Kingdom of Saudi Arabia Tel: +966 (11) 401 3030 Fax: +966 (11) 403 0016 Website: www.riyadbank.com E-mail: customercare@riyadbank.com	بنك الرياض Riyad Bank
Arab National Bank King Faisal Road P.O Box 9802, Riyadh 11423 Kingdom of Saudi Arabia Tel: +966 (11) 402 9000 Fax: +966 (11) 404 7535 Website: www.anb.com.sa E-mail: info@anb.com.sa	anb

Offering Summary

This Offering Summary is intended to provide a brief background on the information contained in this Prospectus. As such, this summary does not contain all the information that may be important for potential investors. Therefore, this summary should be read as an introduction to this Prospectus and potential investors should read and review this Prospectus in full. Any decision regarding investment in the Offer Shares must be taken by potential investors based on all the information in this Prospectus as a whole.

In particular, it is necessary to take into account the "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" before making any decision to invest in the Offer Shares.

Company Name, Description and Incorporation	The Company was incorporated as an establishment under the name "**Perfect Presentation Office for Commercial Services**" owned by Nasser Abdullah Mohamed Albassam, registered in Riyadh under Commercial Registration No. 1010189563 dated 03/07/1424H (corresponding to 31/08/2003G), and having its registered address at Imam Mohamed bin Saud Road, Al-Khozama District, P.O. Box 105523, Riyadh 12572, Kingdom of Saudi Arabia, with a capital of twenty-five thousand Saudi Riyals (SAR 25,000). On 25/10/1425H (corresponding to 08/12/2004G), "Perfect Presentation Office for Commercial Services" was converted into a limited liability company owned by: Fawaz Sulaiman Abdulaziz Al Rajhi, Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam, under the name "Perfect Presentation for Commercial Services" pursuant to Commercial Registration No. 1010203693 issued on 25/10/1425H (corresponding to 08/12/2004G) in Riyadh, with a capital of five hundred thousand Saudi Riyals (SAR 500,000), divided into five hundred (500) shares, with a nominal value of one thousand Saudi Riyals (SAR 1,000) per share. On 27/12/1427H (corresponding to 17/01/2007G), the Company's capital was increased to nine hundred and twenty thousand Saudi Riyals (SAR 920,000), divided into nine hundred and twenty (920) shares with a nominal value of one thousand Saudi Riyals (SAR 1,000) per share through the issuance of new cash shares with a value of four hundred and twenty thousand Saudi Riyals (SAR 420,000) that were paid for through the Shareholders' current account, by virtue of the certificate issued by the Auditor in that regard. In addition, new partners joined, namely Ziad Abdulaziz Abdullah Al Jalal and Golden Assets Investment Company, through the purchase of the entire shares of Fawaz Sulaiman Abdulaziz Al Rajhi. On 03/11/1428H (corresponding to 13/11/2007G), Golden Assets Investment Company transferred all of its shares in the Company to Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam. The latter also transferred a portion of his shares to Ziad Abdulaziz Abdullah Al Jalal. The Company's capital was increased to one million Saudi Riyals (SAR 1,000,000) divided into one thousand (1,000) shares with a nominal value of one thousand Saudi Riyals (SAR 1,000) per share by transferring an amount of eighty thousand Saudi Riyals (SAR 80,000) from the Company's "retained earnings" account, as of 30/11/2007G, by virtue of the certificate issued by the Auditor in that regard. On 05/05/1429H (corresponding to 10/05/2008G), Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam transferred their entire shares in the Company to The Ideal for Business and Investment Trade Company On 18/08/1440H (corresponding to 23/04/2019G), Ziad Abdulaziz Abdullah Al Jalal transferred his entire shares in the Company to Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam. On 27/01/1441H (corresponding to 26/09/2019G), the Company's capital was increased to twenty million Saudi Riyals (SAR 20,000,000) divided into one thousand (1,000) shares, with a nominal value of twenty thousand Saudi Riyals (SAR 20,000) per share through transferring an amount of eighteen million, five hundred thousand Saudi Riyals (SAR 18,500,000) from the "retained earnings" account and an amount of five hundred thousand Saudi Riyals (SAR 500,000) from the Company's "statutory reserve" account, as of 31/10/2019G, by virtue of the certificate issued by the Auditor in that regard. Pursuant to Ministry of Commerce Resolution No. 772 issued on 16/05/1443H (corresponding to 20/12/2021G), the Company was converted from a limited liability company to a Saudi closed joint-stock company with a capital of twenty million Saudi Riyals (SAR 20,000,000) divided into two million (2,000,000) ordinary shares with a nominal value of ten Saudi Riyals (SAR 10) per share, all of which are fully paid. On 24/08/1443H (corresponding to 27/03/2022G), the Extraordinary General Assembly of the Company approved the increase of the Company's capital from twenty million Saudi Riyals (SAR 20,000,000) to one hundred and fifty million Saudi Riyals (SAR 150,000,000) through the capitalization of six million Saudi Riyals (SAR 6,000,000) from the statutory reserve, an additional contribution of six million, six hundred and seventy thousand, three hundred and eleven Saudi Riyals (SAR 6,670,311) to the capital, and one hundred and seventeen million, three hundred and twenty nine thousand, six hundred eighty nine Saudi Riyals (SAR 117,329,689) from retained earnings, according to the Auditor's Certificate. (For more information, please refer to Section 4.5 "**History of the Company, the Evolution of its Capital and Changes in Ownership Structure**").
Company Activities	The Company's activities in accordance with its Bylaws are as follows: UI and UX design, robot technologies, VR and AR technologies, application development, artificial intelligence technologies, FinTech solutions, provision of management and control of communication and information networks, design and programming of custom software, systems analysis, provision of SMS services, provision of call center services; registration for cloud computing services, big data technologies, data science and analysis; provision of information and communication technology services provided via cloud computing, repair and maintenance of PCs and laptops (of all types and sizes); repair and maintenance of printers and scanners, monitors, keyboards, mice and other similar accessories; repair and maintenance of drives, systems and fixed and portable information storage devices; and the repair and maintenance of military communications devices. The Company operates under a license to provide call center services and a license to provide short message service (SMS) issued by the Communications and Information Technology Commission, which expire on 16/04/1446H (corresponding to 19/10/2021G) and 21/12/1443H (corresponding to 20/07/2022G), respectively.

Selling Shareholders/ Substantial Shareholders

The following table shows the names of Substantial Shareholders who will own 5% or more of the Company's shares post-Offering and their ownership in the Company pre- and post-Offering:

Table (2): Substantial Shareholders and their Ownership in the Company Pre- and Post-Offering

Shareholder Name	Pre-Offering			Post-Offering		
	Number of shares	Nominal value (SAR)	Direct Ownership (%)	Number of shares	Nominal value (SAR)	Direct Ownership (%)
The Ideal for Business and Investment Trade Company	4,890,000	10	32.6%	3,423,000	10	22.82%
Saleh Ibrahim Hamad Al Mazroua	1,950,000	10	13%	1,365,000	10	9.10%
Nasser Abdullah Mohamed Albassam	1,950,000	10	13%	1,365,000	10	9.10%

Source: The Company

The Company's share capital pre- and post-Offering	SAR 150,000,000 and this will remain as is post-Offering.
Total Number of Shares Issued pre- and post-Offering	15,000,000 ordinary shares paid in full and this will remain as is post-Offering.
Nominal Value Per Share	Ten Saudi Riyals (SAR 10) per share.
Offering	Offering of four million, five hundred thousand (4,500,000) ordinary shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per share, representing 30% of the Company's capital at an Offer Price (185) Saudi Riyals per share.
Total number of Offer Shares	4,500,000 ordinary shares paid in full.
Percentage of Offer Shares to the total number of Issued Shares	The Offer Shares represent 30% of the Company's total shares.
Offer Price	(185) Saudi riyals per share.
Total Value of the Offer Shares	(832,500,000) Saudi riyals
Use of Offering Proceeds	The net proceeds of approximately (805,500,000) Saudi riyals after deducting the Offering expenses estimated at SAR (27,000,000) will be distributed to the Selling Shareholders, in accordance with their respective ownership ratios in the Offer Shares. The Company will not receive any part of the net proceeds (for more information, please refer to Section 8 "**Use of Offering Proceeds**").
Number of Offer Shares Underwritten	4,500,000 ordinary shares.
Total Amount Underwritten	(832,500,000) Saudi riyals.
Categories of Targeted Investors	Subscription to the offer shares is limited to two groups of investors: **Tranche A - Participating Parties:** This tranche comprises the parties entitled to participate in the Book Building process as per the Book Building Instructions and Allocation of Shares in Initial Public Offerings (IPOs) issued by the CMA (for more information, please refer to Section 17 "**Subscription Terms and Conditions**"). The number of shares that will be initially allocated to the Participating Parties will be 4,500,000 shares representing 100% of the total Offer Shares. In case of sufficient demand and in the case that Individual Subscribers subscribe to all of the Offer Shares allocated thereto, the Financial Advisor shall have the right to reduce the number of Offer Shares allocated to Participating Parties to a minimum of four million and fifty thousand (4,050,000) shares, representing ninety percent (90%) of the total Offer Shares. The number and percentage of Offer Shares to be allocated to the Participating Parties will be determined by the Financial Advisor in coordination with the Company, using the discretionary allocation mechanism. **Tranche B - Individual Subscribers:** This tranche comprises natural Saudi persons, including a Saudi female divorcee or widow with minor children from a non-Saudi husband, who can subscribe in her own name or in the names of her minor children for her benefit, provided that she submits evidence that she is divorced or widowed and the mother of her minor children, as well as any natural non-Saudi person residing in the Kingdom or citizens of GCC countries who have a bank account with one of the Receiving Entities and who have the right to open an investment account (hereinafter collectively referred to as "Individual Subscribers" and individually as an "Individual Subscriber." Together with the Participating Parties and the subscribing institutions, they shall be referred to as the "Subscribers"). Any subscription by a person in the name of their divorcee shall be deemed null and void, and if it is proven that a transaction of this nature has taken place, the law shall be applied against the applicant. If a duplicate subscription is made, the second subscription will be deemed null and only the first subscription shall be considered. A maximum of four hundred and fifty thousand (450,000) shares will be allocated to Individual Subscribers, equivalent to 10% of the total Offer Shares. If Individual Subscribers do not subscribe to the full number of Offer Shares allocated thereto, the Financial Advisor has the right to reduce the number of shares allocated to Individual Subscribers in accordance with the number of shares subscribed for by them.
Total Number of Offer Shares for Each Category of Targeted Investors	
Number of Shares Offered to Participating Parties	4,500,000 ordinary Shares, representing 100% of the total Offer Shares. If there is sufficient demand from Individual Subscribers, and the Participating Parties subscribe to all the Offer Shares allocated to them, the Financial Advisor has the right to reduce the number of Offer Shares allocated to the Participating Parties to a minimum of 4,050,000 shares, representing a total of 90% of the Offer Shares.

Number of Shares Offered to Individual Subscribers	A maximum of four hundred and fifty thousand (450,000) ordinary shares, representing 10% of the total Offer Shares.
Subscription Method for Each Category of Targeted Investors	
Subscription Method for Participating Parties	Participating Parties (for more information, please refer to Section 1 "**Terms and Definitions**") shall be entitled to submit subscription applications during the Book Building period by filling out the application form provided by the Financial Advisor and the Bookrunner in accordance with the instructions set out in Section 17 "**Subscription Terms and Conditions**." Participating Parties must fill out their Subscription Application Form after the allocation of the Offer Shares based on the number of shares provisionally allocated to them.
Subscription Method for Individual Subscribers	Individual Subscription Application Forms will be provided during the Offering Period to Individual Subscribers at the branches and on the websites of all Receiving Entities. Individual Subscription Application Forms must be filled out in accordance with the instructions set out in Section 17 "**Subscription Terms and Conditions**." Individual Subscribers who have recently participated in one of the recent IPOs in the Kingdom may subscribe via the Internet, telephone banking or ATMs of the branches of the Receiving Entities providing any such services provided that: (a) the Subscriber has a bank account with one of the Receiving Entities providing such services, (b) there has been no change in the information of the Individual Subscriber since their subscription in the last IPO, and (c) Individual subscribers who are not Saudi or GCC nationals must have an account with a Capital Market Institution that provides such services.
Minimum Number of Shares that can be Subscribed to by each Category of Target Investors	
Minimum Subscription for Participating Parties	50,000 Shares
Minimum Subscription for Individual Subscribers	10 Shares
Value of the Minimum Number of Shares that can be Subscribed to by each Category of Target Investors	
Minimum Subscription Value for Participating Parties	(9,250,000) Saudi riyals
Minimum Subscription Value for Individual Subscribers	(1,850) Saudi riyals
Maximum Number of Shares that can be Subscribed to by each Category of Target Investors	
Maximum Subscription for Participating Parties	749,999 shares
Maximum Subscription for Individual Subscribers	250,000 shares
Value of the Maximum Number of Shares that can be Subscribed to by each Category of Target Investors	
Maximum Subscription Value for Participating Parties	(138,749,815) Saudi riyals
Maximum Subscription for Individual Subscribers	(46,250,000) Saudi riyals
Allocation and Refund of Surplus Method for each Category of Target Investors	
Allocation of Offer Shares to Participating Parties	The final allocation of Offer Shares to the Participating Parties shall be made after completion of the Individual Subscription process as the Financial Advisor deems appropriate, in coordination with the Company, using the discretionary allocation mechanism. The number of Offer Shares to be provisionally allocated to the Participating Parties is four million, five hundred thousand (4,500,000) shares representing 100% of the total number of Offer Shares. It should be noted that in case of sufficient demand by Individual Subscribers, the Financial Advisor shall have the right to reduce the number of Offer Shares allocated to the Participating Parties to four million and fifty thousand (4,050,000) shares, representing 90% of the total Offer Shares after completion of the Individual Subscribers subscription process.
Allocation of Offer Shares to Individual Subscribers	It is expected that the allocation of the Offer Shares to Individual Subscribers shall be completed within a period not exceeding 14/04/1444H (corresponding to 08/11/2022G). It is worth noting that the minimum allocation for each Individual Subscriber shall be 10 shares. The remainder of the Offer Shares, if any, shall be allocated on a pro-rata basis of the number of shares applied for by each Subscriber to the total shares to be subscribed for. In case that the number of Individual Subscribers exceeds forty-five thousand (45,000) Individual Subscribers, the Company will not guarantee the minimum allocation, and allocation shall be at the Financial Advisor's discretion in coordination with the Company.
Refund of the Excess Subscription Monies	Excess subscription monies (if any) shall be refunded to Individual Subscribers without deducting any commissions or deductions by the Receiving Entities, as specified in the Individual Subscription Application Form. Announcement of the final allocation and the excess (if any) shall be refunded no later than on Tuesday, 14/04/1444H (corresponding to 08/11/2022G). For more information, please refer to Section 17 ("**Subscription Terms and Conditions**").
Offering Period	The Offering Period shall begin on Tuesday 07/04/1444H (corresponding to 01/11/2022G) and will remain open for a period of One (1) Business Day (for more information, please refer to Table 3 "**Expected Offering Schedule**" and Section 17 "**Subscription Terms and Conditions**").
Dividend Distribution	The Offer Shares shall be entitled to their share of any dividends announced and paid by the Company as of the date of this Prospectus and for subsequent financial years (for more information, please refer to Section 7 "**Dividend Distribution Policy**").

Voting Rights	All the Company's Shares are ordinary shares of one class. The Shares shall not grant any preferential voting rights. Each Shareholder shall have one vote per share at the General Assembly meetings. A Shareholder may delegate another person who is not a Director or an employee of the Company to attend the General Assembly meetings and vote on its behalf (for more information, please refer to Section 12.12 "**Summary of the Company's Bylaws**").
Restrictions Imposed on the Shares (Lock-up Period)	Substantial Shareholders mentioned in Table 2 "**Substantial Shareholders and their Ownership in the Company Pre- and Post-Offering**" shall be subject to a lock-up period (the "**Lock-up Period**") of six (6) months as of the date on which the Company's shares commence trading on Tadawul. During such period, they may not dispose of their shares. After the Lock up Period, Substantial Shareholders may dispose of their shares without the need to obtain prior approval from the CMA.
Listing and Trading of Shares	Prior to being offered for public subscription, the Company's Shares have not previously been listed in any stock market inside or outside the Kingdom. The Company submitted an application to the CMA for the registration and offer of the Shares, and to the Exchange for the listing of the Shares. All supporting documents requested by the CMA and the Exchange have been submitted and all requirements have been fulfilled, including the requirements for the Company's listing on the Exchange. All approvals related to the Offering process have been obtained, including this Prospectus. It is expected that the trading of shares on the Exchange shall commence after the allocation of shares and fulfillment of all relevant regulatory requirements. For more information, please refer to Table 3 "**Expected Offering Schedule**."
Risk Factors	Investing in the Offer Shares involves certain risks. Such risks can be classified as follows: (A) Risks associated with the Company's activities and operations, (B) risks associated with the market, sector and regulatory environment and (C) risks associated with the Offer Shares. Such risks are discussed in Section 2 "**Risk Factors**" of this Prospectus. They should be studied carefully before making any investment decision in relation to the Offer Shares.
Offering Expenses	The Offering expenses are estimated at approximately SAR (27,000,000), including the fees of the Financial Advisor, the Bookrunner, the Lead Manager and the Underwriter, the fees of the Receiving Entities, the Auditor, the Financial Due Diligence Advisor and the Market Consultant, as well as expenses related to marketing, arrangement, printing and distribution, in addition to other fees related to the Offering. The Selling Shareholders shall bear all the Offering expenses, which shall be deducted from the Offering proceeds.
Financial Advisor, Bookrunner, Lead Manager and Underwriter	**Saudi Fransi Capital** King Fahd Road 8092 Riyadh 3735-12313 P.O. Box 23454, Riyadh 11426 Kingdom of Saudi Arabia Tel: 00966112826666 Fax: 00966112826823 Website: www.sfc.sa E-mail: 2P.IPO@fransicapital.com.sa

Note: The "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Prospectus should be studied carefully before making any investment decision in relation to the Offer Shares.

Key Dates and Subscription Procedures

Table (3): Expected Offering Schedule

Expected Offering and Subscription Schedule	
Procedure	**Date**
Application Registration Period for Participating Parties and Book Building Process	Five (5) Business Days starting on Tuesday, 22/03/1444H (corresponding to 18/10/2022G) and ending on Monday, 28/03/1444H (corresponding to 24/10/2022G).
Subscription Period for Individual Subscribers	One (1) Business Day starting on Tuesday 07/04/1444H (corresponding to 01/11/2022G).
Deadline for Submission of Subscription Application Forms by the Participating Parties based on the Number of Shares Provisionally Allocated to each of them	Thursday, 02/04/1444H (corresponding to 27/10/2022G).
Deadline for Payment of the Subscription Amount by the Participating Parties based on the Number of Shares Provisionally Allocated to each of them	Tuesday, 07/04/1444H (corresponding to 01/11/2022G).
Deadline for Submission of the Subscription Application Forms and Payment of the Subscription Amount (Individual Subscribers)	Tuesday, 07/04/1444H (corresponding to 01/11/2022G).
Announcement of the Final Allocation of the Offer Shares	No later than Tuesday, 14/04/1444H (corresponding to 08/11/2022G).
Refund of Excess Subscription Monies (if any)	No later than Tuesday, 14/04/1444H (corresponding to 08/11/2022G).
Expected Share Trading Commencement Date	It is expected that trading of the Company's shares on Tadawul shall start after all requirements are met and all relevant regulatory procedures are completed. Commencement of the trading of shares shall be announced in the local newspapers and on Tadawul's website (www.saudiexchange.sa).

Note: The schedule and dates above are approximate. Actual dates shall be announced in the local daily newspapers, and on the websites of Tadawul (www.saudiexchange.com.sa), the Financial Advisor (www.sfc.sa), and the Company (www.2P.com.sa).

How to Apply for Subscription

Subscription to the Offer Shares shall be limited to the following two groups of investors:

- **Tranche A - Participating Parties:** This tranche comprises the parties entitled to participate in the Book Building process as per the Book Building Instructions (for more information, please refer to Section 1 "**Terms and Definitions**").
- **Tranche B - Individual Subscribers:** This tranche comprises natural Saudi persons, including a Saudi female divorcee or widow with minor children from a non-Saudi husband, who has the right to subscribe in her name or in the names of her minor children for her benefit, provided that she proves that she is divorced or widowed and the mother of her minor children, as well as any non-Saudi natural person residing in the Kingdom or citizens of GCC states who have a bank account with the Receiving Entities and are entitled to open an investment account. Any subscription of a person in the name of their divorcee shall be deemed null and void and if it is proven that a transaction of this nature has occurred, the law shall be applied against the Individual Subscriber who submitted such application. If a duplicate subscription is made, the second subscription will be deemed null and only the first subscription shall be considered.

The following is a brief summary of the Subscription Method for Participating Parties and Individual Subscribers:

A. Participating Parties:

Participating Parties can obtain Application Forms from the Bookrunner during the Book Building period and Subscription Application Forms from the Bookrunner after provisional allocation. The Bookrunner shall, after the approval of the CMA, offer the Offer Shares to Participating Parties only during the Book Building period. Subscriptions by Participating Parties shall commence during the Offering Period, which also includes Individual Subscribers, in accordance with the terms and conditions detailed in the Participating Parties Subscription Application Forms. A signed Subscription Application Form must be submitted to the Bookrunner. The Participating Parties Subscription Application Form shall be deemed a legally binding agreement between the Selling Shareholders and the relevant Participating Party submitting the same.

B. Individual Subscribers

Individual Subscription Application Forms shall be provided during the Offering Period for Individual Subscribers at the branches and/or websites of the Receiving Entities that provide such service. Individual Subscribers can subscribe through the internet, telephone banking or automated teller machines (ATM) of the Receiving Entities that provide such services to Individual Subscribers provided that:

- The Individual Subscriber has a bank account with the Receiving Entity that offers such services.
- There have been no changes to the personal information or data of the Individual Subscriber (removal or addition of any family member) since the Subscriber last participated in an initial public offering.
- Individual Subscribers who are not Saudi nationals or citizens of GCC countries must have an account with one of the Capital Market Institutions that provide such service.

Individual Subscription Application Forms must be filled out in accordance with the instructions contained in Section 17 "**Subscription Terms and Conditions**." Each applicant shall complete all relevant sections of the Subscription Application Form. The Company shall reserve the right to reject any Subscription Application Form, in full or in part, if any sections of the Subscription terms and conditions are not met. If the Individual Subscription Application Form is submitted twice, the second submission shall be deemed null and void and only the first submission shall be considered. The Individual Subscription Application Form cannot be amended or withdrawn once submitted. Upon submission, the Individual Subscription Application Form shall be deemed a binding offer between the relevant Subscriber and the Selling Shareholders.

The subscription surplus, if any, shall be refunded to the primary Individual Subscriber's account with the Receiving Entity from which the subscription amount was initially debited, without withholding any commissions or deductions by the Lead Manager or the Receiving Entities. The subscription amount shall not be refunded in cash and the Subscriber may not request a transfer to a third-party account.

(For more information regarding subscription by Individual Subscribers or Participating Parties, please refer to Section 17 "**Subscription Terms and Conditions**").

1. Summary of Key Information

This summary of key information includes an overview of the information contained in this Prospectus. However, this summary does not include all information that may be of interest to investors who wish to participate in the subscription process. Therefore, this summary should be deemed only as an introduction to this Prospectus. Every investor who reads this Prospectus is advised to read it in its entirety and to base their decision to invest in the Offer Shares on reading and analyzing this entire Prospectus, especially the "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**."

1.1 Overview of the Company

1.1.1 History of the Company

The Company was incorporated as an establishment under the name "**Perfect Presentation Office for Commercial Services**" owned by Nasser Abdullah Mohamed Albassam, registered in Riyadh under Commercial Registration No. 1010189563 dated 03/07/1424H (corresponding to 31/08/2003G), and having its registered address at Imam Mohamed bin Saud Road, Al-Khozama District, P.O. Box 105523, Riyadh 12572, Kingdom of Saudi Arabia, with a capital of twenty-five thousand Saudi Riyals (SAR 25,000). On 25/10/1425H (corresponding to 08/12/2004G), "Perfect Presentation Office for Commercial Services" was converted into a limited liability company owned by: Fawaz Sulaiman Abdulaziz Al Rajhi, Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam, under the name "Perfect Presentation for Commercial Services" pursuant to Commercial Registration No. 1010203693 issued on 25/10/1425H (corresponding to 08/12/2004G) in Riyadh, with a capital of five hundred thousand Saudi Riyals (SAR 500,000), divided into five hundred (500) shares, with a nominal value of one thousand Saudi Riyals (SAR 1,000) per share. On 27/12/1427H (corresponding to 17/01/2007G), the Company's capital was increased to nine hundred and twenty thousand Saudi Riyals (SAR 920,000), divided into nine hundred and twenty (920) shares with a nominal value of one thousand Saudi Riyals (SAR 1,000) per share through the issuance of new cash shares with a value of four hundred and twenty thousand Saudi Riyals (SAR 420,000) that were paid for through the Shareholders' current account, by virtue of the certificate issued by the Auditor in that regard. In addition, new partners joined, namely Ziad Abdulaziz Abdullah Al Jalal and Golden Assets Investment Company, through the purchase of the entire shares of Fawaz Sulaiman Abdulaziz Al Rajhi. On 03/11/1428H (corresponding to 13/11/2007G), Golden Assets Investment Company transferred all of its shares in the Company to Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam. The latter also transferred a portion of his shares to Ziad Abdulaziz Abdullah Al Jalal. The Company's capital was increased to one million Saudi Riyals (SAR 1,000,000) divided into one thousand (1,000) shares with a nominal value of one thousand Saudi Riyals (SAR 1,000) per share by transferring an amount of eighty thousand Saudi Riyals (SAR 80,000) from the Company's "retained earnings" account, as of 30/11/2007G, by virtue of the certificate issued by the Auditor in that regard. On 05/05/1429H (corresponding to 10/05/2008G), Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam transferred their entire shares in the Company to The Ideal for Business and Investment Trade Company On 18/08/1440H (corresponding to 23/04/2019G), Ziad Abdulaziz Abdullah Al Jalal transferred his entire shares in the Company to Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam. On 27/01/1441H (corresponding to 26/09/2019G), the Company's capital was increased to twenty million Saudi Riyals (SAR 20,000,000) divided into one thousand (1,000) shares, with a nominal value of twenty thousand Saudi Riyals (SAR 20,000) per share through transferring an amount of eighteen million, five hundred thousand Saudi Riyals (SAR 18,500,000) from the "retained earnings" account and an amount of five hundred thousand Saudi Riyals (SAR 500,000) from the Company's "statutory reserve" account, as of 31/10/2019G, by virtue of the certificate issued by the Auditor in that regard. Pursuant to Ministry of Commerce Resolution No. 772 issued on 16/05/1443H (corresponding to 20/12/2021G), the Company was converted from a limited liability company to a Saudi closed joint-stock company with a capital of twenty million Saudi Riyals (SAR 20,000,000) divided into two million (2,000,000) ordinary shares with a nominal value of ten Saudi Riyals (SAR 10) per share, all of which are fully paid. On 24/08/1443H (corresponding to 27/03/2022G), the Extraordinary General Assembly of the Company approved the increase of the Company's capital from twenty million Saudi Riyals (SAR 20,000,000) to one hundred and fifty million Saudi Riyals (SAR 150,000,000) through the capitalization of six million Saudi Riyals (SAR 6,000,000) from the statutory reserve, an additional contribution of six million, six hundred and seventy thousand, three hundred and eleven Saudi Riyals (SAR 6,670,311) to the capital, and one hundred and seventeen million, three hundred and twenty nine thousand, six hundred eighty nine Saudi Riyals (SAR 117,329,689) from retained earnings, according to the Auditor's Certificate.

(For more information, please refer to Section 4.5 "**History of the Company, the Evolution of its Capital and Changes in Ownership Structure**").

1.1.2 Key Activities

The Company's activities in accordance with its Bylaws are as follows:

UI and UX design, robot technologies, VR and AR technologies, application development, artificial intelligence technologies, fintech solutions, provision of management and control of communication and information networks, design and programming of custom software, systems analysis, provision of SMS services, provision of call center services; registration for cloud computing services, big data technologies, data science and analysis; provision of information and

communication technology services provided via cloud computing, repair and maintenance of PCs and laptops (of all types and sizes); repair and maintenance of printers and scanners, monitors, keyboards, mice and other similar accessories; repair and maintenance of drives, systems and fixed and portable information storage devices; and the repair and maintenance of military communications devices.

The Company operates under a license to provide call center services and a license to provide short message service (SMS) issued by the Communications and Information Technology Commission, which expire on 16/04/1446H (corresponding to 19/10/2021G) and 21/12/1443H (corresponding to 20/07/2022G), respectively.

1.2 Vision, Mission and Strategy

1.2.1 Vision

To maintain and enhance its position as a leading company in the field of technology solutions and digital transformation targeting the business sector.

1.2.2 Mission

To provide technical solutions and digital transformation services centered around meeting the evolving needs of the market.

1.2.3 Strategy

The Company provides a wide range of comprehensive ICT services and solutions to its clients through three integrated business units, namely the Software Development Unit, Operation and Maintenance Unit and Customer Experience Unit. Each of these units covers an important part of the ICT and professional fields, with each of them operating in an interconnected and integrated environment to meet the requirements of all clients while maintaining the highest market standards for quality and excellence.

1.3 Strengths and Competitive Advantages

The main strengths and competitive advantages of the Company are summarized in the following:

A. Comprehensive and Integrated Services (One Stop Shop)

The diversity and integration of the Company's products and services and continuous development contribute to meeting all current and future client needs. The Company has three main integrated business units, which are: Software Development Unit, Operation and Maintenance Unit and Customer Experience Unit.

B. Experienced Management Team and Highly Qualified Staff

The Company's management team consists of individuals with high operational experience and executive capabilities gained through extensive interactions with clients during their work with the Company and within the sector. They have an average experience of 17 years in the sector. In addition, the Company offers a high-quality training program for all employees to develop key skills, while also maintaining a competitive salary and bonus structure that is regularly evaluated and updated in order to keep pace with employee expectations.

C. Ability to Keep Pace with the Market

One of the most important factors that contributed to the Company's growth is its deep knowledge and understanding of the culture and work environment of its clients in both the public and private sectors. The Company has gained this deep understanding through its long history as a Saudi company working in the field of information technology (since 2004G) and its development of several technical products since its establishment. In addition, the Company has the ability to attract and maintain employees with a high level of expertise and competencies. The Company uses its detailed knowledge and deep understanding of the market to provide customized solutions to its clients that best meet their needs.

D. International and Local Awards

The Company has continuously developed its methodology and managed its products. It was ranked second in the competition for the fastest growing companies in the Kingdom held by Harvard Business School on the sidelines of the International Forum for Competitiveness, which took place at the Ministry of Investment in Riyadh in 2008G. The Company has won several awards and a number of certificates under the title "The 100 Fastest Growing Saudi Companies."

1.4 Market Information

In this Prospectus, the Company has used publicly available information and market information from publications and independent sector-related market research, including publications and research prepared by the Market Consultant. The Company and the Market Consultant have derived such information from the market data of the Market Consultant.

Wherever information is obtained from external sources, the source of such information has been indicated. The information contained in this Prospectus has been obtained from independent market research conducted by external sources. It should not be relied upon to make any investment decision. Neither the Market Consultant, nor any of its shareholders, partners, affiliates, members of its board of directors, managers or any of their relatives own any shares or interest of any kind in the Company. The Market Consultant has given its written consent to use its name, logo, statement and market information provided by it to the Company in the form mentioned in this Prospectus. Such consent has not been withdrawn as of the date of this Prospectus.

The sector-related publications and reports state that the information contained is derived from sources that can generally be relied upon. To the best of the Company's knowledge and as far as it can be sure, there is no information or facts the omission of which would make the information contained herein inaccurate or misleading. The Company has not independently verified all the facts and data, and therefore cannot guarantee their accuracy and completeness. Therefore, the Company assumes no responsibility as to the completeness or accuracy of the information provided. Prospective Investors should be aware that the statistics, data, statements and other information related to markets, market size, market shares, market position and other sectoral data contained in this Prospectus (and any expectations, assumptions and estimates based on such information) may not be accurate indicators for the future performance of the Company in the sector in which it operates. The forward-looking statements and forecasts contained in this section do not guarantee the Company's future performance.

Members of the Board of Directors believe that the information and data provided by external sources and included in this Prospectus are reliable, including information and data derived from the report submitted by the Market Consultant. However, neither the Company, nor the Board of Directors, the current Shareholders or the Advisors have independently reviewed such information and data or verified its accuracy or completeness. None of them will assume any responsibility for the accuracy or completeness of such information and data.

Macroeconomic Overview

The Saudi economy is expected to show strong growth starting from 2022G onwards. Saudi Arabia is the largest oil producer in the world, with oil revenues accounting for 46% of GDP in 2021G. The services sector constitutes 36% of the economy, including Government services, wholesale and retail trade, hospitality services, financing, insurance and real estate. The remaining percentage (64%) is concentrated in sectors such as manufacturing, construction, energy, utilities and agriculture.

Since the Kingdom of Saudi Arabia plans to achieve its first budget surplus in 8 years, the economic growth in 2022G will be primarily driven by increased oil revenues, the expected improvement in the Kingdom's non-oil GDP and the continued economic recovery from the COVID-19 pandemic, in addition to developing initiatives and programs aimed at diversifying the economy. However, despite the high oil prices that helped boost the Country's reserves, the Government plans to contain public spending in 2022G. Oil prices rebounded to their highest level in three years, which led to a faster-than-expected economic recovery. The Government is expected to use revenue surpluses to boost domestic reserves, support national development funds and initiatives and develop the Kingdom's sovereign wealth fund (Public Investment Fund). It is also expected that such funds will be directed towards accelerating strategic programs and projects that will affect the economic and social dimensions of the Kingdom of Saudi Arabia.

The digital transformation of the Saudi economy has created many opportunities in recent years. With the Government moving towards digitization across different sectors, creating a basic digital infrastructure that enables the digital economy has been a vital goal for the Kingdom. It is expected that Vision 2030 will transform the Kingdom into an economy, society and nation that depends more on digitization with a continuous expansion in the scope of e-Government.

Table (4): KSA Index Overview

	2016G	2017G	2018G	2019G	2020G
GDP at constant prices (2010 = 100) (bn Saudi Riyals)	2,587.8	2,568.6	2,631.1	2,639.8	2,531.4
GDP at current prices (bn Saudi Riyals)	2,418.5	2,582.2	2,949.5	2,973.6	2,625.4
GDP Growth	(1.4%)	6.8%	14.2%	0.8%	(11.7%)
Oil GDP (bn Saudi Riyals)	595.5	735.3	985.9	926.3	607.7
Non-oil GDP (bn Saudi Riyals)	1,797.2	1,823.5	1,944.2	2,026.1	1,995.7
Government Revenue (bn Saudi Riyals)	519.4	691.5	905.6	926.8	781.8

	2016G	2017G	2018G	2019G	2020G
Government Spending (bn Saudi Riyals)	830.5	930	1,079.5	1,059.4	1,075.7
Government Deficit/Surplus (bn Saudi Riyals)	(311.1)	(238.5)	(173.9)	(132.6)	(293.9)
Deficit/Surplus as a percentage of GDP	(12.9%)	(9.2%)	(5.9%)	(4.5%)	(11.2%)
Inflation	2.1%	(0.8%)	2.5%	(2.1%)	3.4%
Unemployment	5.6%	6%	6%	5.7%	7.4%
Population (million)	31.8	32.6	33.4	34.2	34.8

Source: Saudi Arabian Monetary Agency Annual Report

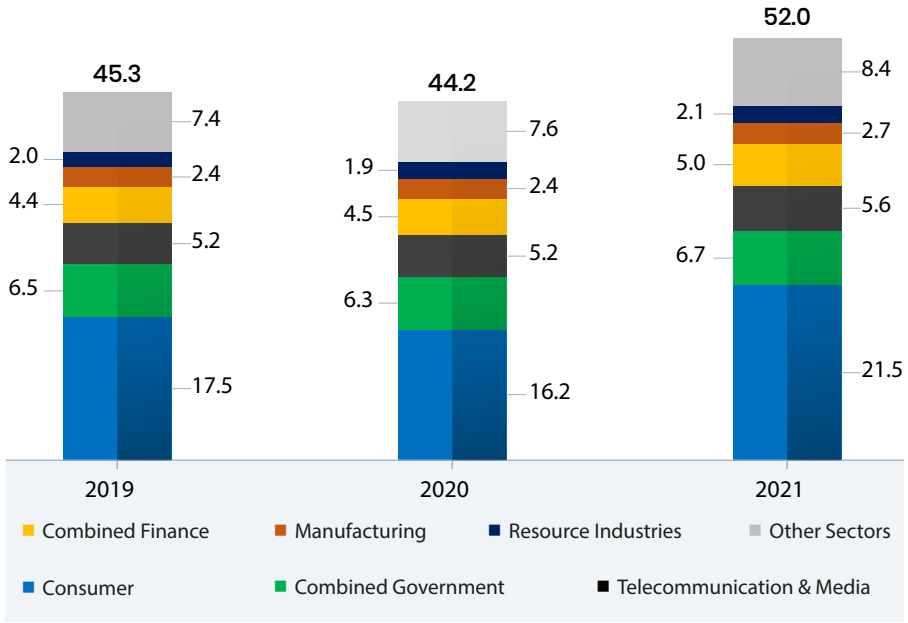
IT Market Outlook in Saudi Arabia by Sector

It is expected that spending on ICT will increase by 2.3% in 2022G to reach 123.3 billion Saudi Riyals. With GDP growth returning to its normal level at 3%, the Kingdom's ICT market will achieve a strong CAGR of 4%. Software, cloud services and specialized IT will be among the main drivers of ICT spending growth.

Government spending on IT accounts for the largest share of the total enterprise IT market in Saudi Arabia, followed by the telecommunications and media sector, banking, financial services, insurance, manufacturing and resource sectors. The oil and gas, banking, financial services and insurance sectors have long been among the leading sectors with regard to technology adoption, as they continue to invest in cutting-edge technologies, such as big data, analytics, cloud computing, advanced security solutions, etc.

With the exception of the consumer sector, the public sector is the largest spender on IT services among all sectors in the Kingdom. Meanwhile, the telecommunications and media sector, which ranks second in terms of spending, is undergoing a major transformation, with infrastructure development and customer experience being key areas of focus for financial institutions. The finance sector is the third largest sector in terms of spending on IT services in the Kingdom. These companies are moving beyond traditional service areas and making their internal IT environments more flexible, responsive and client-focused. The manufacturing and resource sectors are ranked fourth and fifth, respectively, in terms of spending on IT services in the Kingdom.

Figure NO. (1): IT Expenditure by Sector in the Kingdom of Saudi Arabia, 2019G-2021G (SAR Bn)



Source: IDC Saudi Arabia, ICT Spending Guide by Sector and Company Size, Forecasts, January 2022G (Issue 1, 2022G)

Drivers and Barriers to IT Spending in Saudi Arabia

Drivers of IT Spending
• National policies (data centers, cloud computing, cybersecurity, artificial intelligence, information and communication technology)
• Hyperexpansion in the field of computing in the Kingdom. International investment flow led by the G20.
• Increasing investments in smart cities and mega projects.
• Regulatory clarity for key technology sectors such as cloud computing, artificial intelligence and security.
• Increased spending on emerging technologies, including 5G technologies.
• Innovation to keep pace with the conditions of the COVID-19 pandemic and the resulting obstacles to communication, mobility, etc.
Barriers to Spending on Information Technology
• Reduced spending on technology in sectors that have been negatively impacted by COVID-19 (e.g., retail, manufacturing, etc.).
• Budget cuts in the public and private sectors and oil price wars.
• Availability of skills and Saudization of IT-related jobs.
• The relative decline in the maturity of the ICT sector.

Markets in which the Company Operates

Table (5): Perfect Presentation for Commercial Services Total Addressable Market Size (Million Saudi Riyals)

Product/Service	2019G	2020G	2021G	CAGR (2019G-2021G)
Customer Experience	2,802	2,737	2,852	0.9%
Operation and Maintenance	2,525	2,399	2,515	(0.2%)
Software Development	5,859	5,520	5,773	(0.7%)
Bulk SMS (Yamamah)	813	975	1,195	21.2%
Total	**11,999**	**11,631**	**12,335**	**1.4%**

Source: IDC Saudi Arabia

The customer experience market recorded a CAGR of 1% between 2019G and 2021G, reaching SAR 2.85 billion. In 2020G, Perfect Presentation for Commercial Services owned 8.1% of the customer experience market share. This market is expected to witness increasing growth rates due to several factors, the most important of which is the focus of many Governmental and private entities on adopting solutions to improve the service offered to citizens and customers in terms of responsiveness and effectiveness.

The operations and maintenance market size did not witness a significant change between 2019G and 2021G, remaining at SAR 2.5 billion. In 2020G it acquired 5.1% of the operations and maintenance market share.

As for the Software Development market, it recorded a slight decrease in 2021G, reaching SAR 5.7 billion with a CAGR of 0.7% between 2019G and 2021G. In 2020G, Perfect Presentation acquired about 1.2% of the market share in the field of Software Development.

The Bulk SMS packages market recorded a CAGR of 21.2% between 2019G and 2021G, reaching SAR 1.1 billion in 2021G. In 2020G, the Perfect Presentation acquired approximately 0.7% of the Bulk SMS packages market share.

2. Summary of Financial Information, Key Performance Indicators and Financial Indicators not included in IFRS (non-IFRS)

The information and KPIs outlined below should be read in conjunction with the Company's audited financial statements for the financial years ended 31 December 2019G, 2020G and 2021G along with the accompanying notes thereto which have been prepared in accordance with International Financial Reporting Standards (IFRS) approved in the Kingdom and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and the Company's reviewed financial statements for the Three-Month period ended 31 March 2022G prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia, as included in Section 19 "**Financial Statements and Auditor's Report**" of this Prospectus. The financial information was prepared based on the audited financial statements for the financial year ended 31 December 2021G, which includes the restated financial statements for the comparative period 31 December 2019G and 2020G, in addition to the reviewed financial statements for the three-month period ended 31 March 2022G, which were prepared by the Company's management and audited / reviewed by Baker Tilly MKM & Company Certified Public Accountants for the financial years ended 31 December 2019G, 2020G and 2021G and the three-month period ended 31 March 2022G in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA) / International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia.

Table (6): Statement of Profit or Loss and Other Comprehensive Income for the Financial Years Ended 31 December 2019G, 2020G and 2021G and the Three-month Period Ended 31 March 2022G

SAR'000	FY 2019G (Restated)	FY 2020G (Restated)	FY 2021G (Audited)	Three-Month Period Ended 31 March 2022G
Income Statement				
Revenue	298,102	482,475	655,478	193,493
Cost of revenue	(243,369)	(391,454)	(539,472)	(161,798)
Gross profit	**54,733**	**91,021**	**116,006**	**31,696**
Sales and distribution expenses	(4,145)	(5,091)	(7,804)	(1,436)
General and administrative expenses	(15,812)	(20,003)	(20,454)	(5,654)
Impairment losses on trade receivables	(10,032)	(2,804)	(1,504)	(1,211)
Operating profit	**24,744**	**63,123**	**86,244**	**23,395**
Financing costs	(2,106)	(2,288)	(3,774)	(729)
Other income, net	1,828	5,330	1,739	259
Share in the net losses of a subsidiary	-	(48)	-	-
Exclusion of investment in a subsidiary	-	-	(19)	-
Dividends from investments at fair value	-	-	39	-
Profit before Zakat	**24,466**	**66,117**	**84,229**	**22,925**
Zakat	(1,460)	(1,745)	(3,613)	(850)
Net profit for the year	**23,006**	**64,372**	**80,616**	**22,075**
Statement of financial position				
Non-current assets	63,871	99,093	118,176	120,355
Current assets	138,253	217,529	383,175	483,370
Total assets	**202,125**	**316,621**	**501,352**	**603,725**
Total equity	**70,539**	**111,117**	**159,717**	**182,062**
Non-current liabilities	7,389	23,771	28,172	33,045
Current liabilities	124,196	181,733	313,463	388,618
Total liabilities	**131,586**	**205,504**	**341,635**	**421,663**
Total liabilities and equity	**202,125**	**316,621**	**501,352**	**603,725**

SAR'000	FY 2019G (Restated)	FY 2020G (Restated)	FY 2021G (Audited)	Three-Month Period Ended 31 March 2022G
Statement of cash flows				
Net cash flows (used in)/generated from operating activities	10,276	49,257	96,925	(142,056)
Net cash flows (used in)/generated from investing activities	(45,461)	(37,215)	(21,783)	(2,920)
Net cash flows (used in)/generated from financing activities	31,615	(4,844)	(16,231)	98,322
Cash and cash equivalents at the end of year	3,350	10,548	69,459	22,804
Key Performance Indicators				
Gross Profit Margin	18.4%	18.9%	17.7%	16.4%
Operating Profit Margin	**8.3%**	**13.1%**	**13.1%**	**12.1%**
Net Profit Margin	**7.7%**	**13.3%**	**12.3%**	**11.4%**
Return on Equity	**32.6%**	**57.9%**	**50.5%**	**48.5%**
Return on Assets	**11.4%**	**20.3%**	**16.1%**	**14.6%**
Current assets to current liabilities	**1.1**	**1.2**	**1.2**	**1.2**
Liabilities to Equity	**1.87**	**1.85**	**2.14**	**2.32**

Source: The audited financial statements for the year ended 2021G and the reviewed financial statements for the Three-Month period ended 31 March 2022G, excluding the KPIs issued by the Company

3. Summary of Risk Factors

Each potential investor should carefully study all information contained in this Prospectus, especially the risk factors identified below and detailed in Section 2 "**Risk Factors**," before making any decision regarding investing in the Offer Shares.

Risks Related to the Company's Business and Activities

- Risks Related to the Company's Focus on Government Clients
- Risks Related to Changes in Revenue Ratios due to Termination or Reduction of the Scope of Work
- Risks Related to the Use of Accounting Assumptions, Estimates, Opinions, Recognition of Revenue and Corresponding Errors
- Risks Related to the Collection of Receivables
- Risks Related to Working Capital
- Risks Related to the Ability to Recruit and Retain Highly Skilled IT Staff
- Risks Related to the Accuracy in Estimating the Cost of Service Delivery
- Risks Related to the Continued Growth of the Company's Revenues and Profitability
- Risks Related to Rapid Technological Developments and the Company's Ability to Expand and Diversify its Products
- Risks Related to Relations with Key Clients
- Risks Related to Hidden Faults or Defects in Products, Software or Solutions
- Risks Related to the Failure of the Company's Information Technology Systems and Data Centers
- Risks Related to Cyber Attacks
- Risks Related to the Protection of the Trade Name and Trademark of the Company
- Risks Related to Reliance on the Senior Management Team
- Risks Related to Relations with Technology Partners, Suppliers, Service Providers and Subcontractors
- Risks Related to the Company's Failure to Implement its Growth Strategies
- Risks Related to Inadequacy of Insurance Coverage
- Risks Related to Licenses, Certificates, Permits and Approvals
- Risks Related to Employee Misconduct and Mistakes
- Risks Related to Transactions with Related Parties
- Risks Related to Lawsuits and Litigation
- Risks Related to Existing Financing Arrangements
- Risks Related to the Recency of Applying Corporate Governance Rules
- Risks Related to a Lack of Experience in Managing Public Joint Stock Companies
- Risks Related to Open Source Software
- Risks Related to Outbreaks of Infectious Diseases or Other Public Health Concerns, Including the Ongoing Global Spread of the Coronavirus Pandemic (COVID-19)
- Risks Related to Zakat and Income
- Risks Related to the Expropriation of the Company's Properties
- Risks Related to the Law of Commercial Agencies

Risks Related to the Market and Regulatory Environment

- Risks Related to Changes in the Regulatory Environment
- Risks Related to Data Protection and Cybersecurity Laws
- Risks Related to Competition
- Risks Related to Compliance with Saudization Requirements
- Risks Related to the Impact of Economic Conditions on the Company's Operations
- The Impact of Political Risks on the Company's Operations
- Risks Related to Increased Costs

- Risks Related to Foreign Exchange Rates
- Risks Related to the Application of the VAT and Excise Tax System
- Risks Related to Floods, Earthquakes and Other Natural Disasters or Acts of Sabotage
- Risks Related to the Competition Law

Risks Related to the Offer Shares

- Risks Related to Effective Control by the Selling Shareholders Post-Offering
- Risks Related to the Absence of a Prior Market for the Shares
- Risks Related to Fluctuations in the Market Price of the Shares
- Risks Related to the Company's Ability to Distribute Dividends
- Risks Related to the Sale of Additional Shares after the Lock-up Period
- Risks Related to Research Published about the Company
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1. Terms and Definitions

Advisors	The Company's Advisors in relation to the Offering, whose names appear on page (vi) of this Prospectus.
Application Form	The application form used by the Participating Parties to register their applications for the Offer Shares during the Book Building Period. This term includes, when applicable, the appended application form when the price range is changed.
Audit Committee	The Company's Audit Committee.
Board of Directors or Board	The Board of Directors of the Company.
Book Building Instructions and Allocation of Shares in Initial Public Offerings (IPOs)	The Instructions for the Book Building Process and Allocation Method in IPOs issued pursuant to the CMA's Board Resolution No. 2-94-2016 dated 15/10/1437H (corresponding to 20/07/2016G) as amended by CMA Board Resolution No. 3-102-2019 dated 18/01/1441H (corresponding to 17/09/2019G).
Book Building Period	The period during which Participating Parties are allowed to submit Application Forms as specified in Table 3, "**Expected Offering Schedule**".
Bookrunner	Saudi Fransi Capital.
Business Day	Any day (except Fridays, Saturdays and public holidays in the Kingdom) during which the Receiving Entities are open for business.
Bylaws	The Company's Bylaws approved by the General Assembly and briefly reviewed in Section 12.12 "**Summary of the Company's Bylaws**" of this Prospectus
Capital Market Law (CML)	The Capital Market Law promulgated by Royal Decree No. M/30 dated 02/06/1424H (corresponding to 01/08/2003G) and the amendments thereto.
CEO	The Chief Executive Officer of the Company.
Chairman	The Chairman of the Company's Board of Directors.
Chairman of the Board	The Chairman of the Company's Board of Directors.
Auditor	Baker Tilly MKM & Company
CMA	The Capital Market Authority.
Committees	The Nomination and Remuneration Committee and the Audit Committee.
Companies Law	The Companies Law promulgated by Royal Decree No. M/3 dated 28/01/1437H (corresponding to 10/11/2015G) and the amendments thereto.
Corporate Governance Regulations	The Corporate Governance Regulations issued by CMA Board Resolution No. 8-16-2017, dated 16/05/1438H (corresponding to 13/02/2017G) as amended by CMA Board Resolution No. 1-7-2021, dated 01/06/1442H (corresponding to 14/01/2021G).
Country, Kingdom or Saudi Arabia	The Kingdom of Saudi Arabia.
Current Shareholders	The Shareholders listed in Table 19 "**Ownership Structure of the Company Pre- and Post-Offering**".
Exchange/Tadawul	The Saudi Stock Exchange (Tadawul), which is a subsidiary of Saudi Tadawul Group.
Extraordinary General Assembly	An Extraordinary General Assembly of the Company's Shareholders convened in accordance with the Company's Bylaws.
Financial Advisor	Saudi Fransi Capital.
Financial Statements	The audited financial statements for the years 2019G, 2020G and 2021G and the reviewed financial statements for the three-month period ended 31 March 2022G.
Financial Year	The financial year of the Company starting from 01 January to 31 December of each calendar year.
Foreign Investors	Non-GCC individuals residing outside the Kingdom and institutions established outside the GCC region who are entitled to invest indirectly to acquire an economic benefit in the Offer Shares by entering into swap agreements (SWAPs) with Capital Market Institutions to purchase shares listed on the Exchange.
G	Gregorian Calendar.
GCC	The Cooperation Council for the Arab States of the Gulf (GCC) and the member states, which consist of the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Kuwait, the Sultanate of Oman, the State of Qatar and the United Arab Emirates.
GDP per Capita	Gross Domestic Product (GDP) per Capita is a measure of the average income per person in a country (calculated by dividing GDP by the population).
General Assembly	An Extraordinary General Assembly and/or an Ordinary General Assembly. "General Assembly" means any general assembly of the Company.
General Organization for Social Insurance (GOSI)	The General Organization for Social Insurance in the Kingdom of Saudi Arabia.
Gross Domestic Product (GDP)	Gross Domestic Product (GDP) (the broadest quantitative measure of a nation's total economic activity, which represents the monetary value of all goods produced and services provided within a nation's geographical boundaries over a specified period of time).

Advisors	The Company's Advisors in relation to the Offering, whose names appear on page (vi) of this Prospectus.
H	Hijri calendar.
Individual Subscribers	Natural Saudi persons, including any Saudi female divorcee or widow with minor children from a non-Saudi husband, who has the right to subscribe in her own name or in the names of her minor children for her benefit, provided that she proves that she is a divorcee or widow and the mother of her minor children, as well as any natural non-Saudi resident or citizens of GCC countries who have a bank account with one of the Receiving Entities and have the right to open an investment account.
Individual Subscription Application Form	The subscription application form that Individual Subscribers must fill out to subscribe to the Offer Shares during the Offering Period for Individual Subscribers.
Instructions for Foreign Strategic Investors	Instructions for the Foreign Strategic Investors Ownership in Listed Companies issued by CMA Board Resolution No. 3-65-2019 dated 14/10/1440H (corresponding to 17 June 2019G) pursuant to the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31 July 2003G) and the amendments thereto.
International Accounting Standards Board (IASB)	The International Accounting Standards Board.
International Financial Reporting Standards (IFRS)	The International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
Investment Funds Regulations	The Investment Funds Regulations issued by the CMA pursuant to Resolution No. 1-219-2006 dated 03/12/1427H (corresponding to 24/12/2006G), based on the Capital Market Law promulgated by Royal Decree No. M/30 dated 02/06/1424H, as amended by CMA Board Resolution No. 2-22-2021 dated 12/07/1442H (corresponding to 24/02/2021G).
ISO	The International Organization for Standardization.
Issuer	Perfect Presentation for Commercial Services.
IT	Information technology.
Labor Law	The Saudi Labor Law promulgated by Royal Decree No. M/51 dated 23/08/1426H (corresponding to 27/09/2005G) and the amendments thereto.
Lead Manager	Saudi Fransi Capital.
Legal Advisor	The Law Office of Megren M. Al-Shaalan.
Listing	Acceptance of the listing of the Company's shares on the Exchange in accordance with the Listing Rules.
Listing Rules	The Listing rules approved by CMA Board Resolution No. 3-123–2017 dated 09/04/1439H (corresponding to 27/12/2017G) as amended by CMA Board Resolution No. 1-52-2022 dated 12/09/1443H (corresponding to 13/04/2022G).
Lock-up Period	A period of six (6) months during which the Substantial Shareholders may not dispose of any of their Shares starting from the date of commencement of trading of the Company's Shares on the Exchange. Substantial Shareholders may dispose of their Shares after the Lock-up Period without the need to obtain prior approval of the CMA.
Market Consultant	IDC Saudi Arabia.
Market Study	The market study prepared by the Market Consultant regarding the information technology sector in the Kingdom of Saudi Arabia dated 19/09/1443H (corresponding to 20/04/2022G).
Members of the Board	Members of the Company's Board of Directors.
Ministry of Commerce	The Ministry of Commerce in the Kingdom.
Ministry of Human Resources and Social Development (MHRSD)	The Ministry of Human Resources and Social Development in the Kingdom.
Nomination and Remuneration Committee	The Company's Nomination and Remuneration Committee.
Offer Price	(185) SAR per share.
Offer Shares	4,500,000 shares, representing 30% of the Company's capital.
Offering	The initial public offering of Offer Shares.
Offering Period	A period of One (1) Business Day starting on Tuesday 07/04/1444H (corresponding to 01/11/2022G).
Official Gazette	Umm Al-Qura, which is the official gazette of the Government of the Kingdom.
Ordinary General Assembly	An Ordinary General Assembly of the Company's Shareholders convened in accordance with the Company's Bylaws.

Advisors	The Company's Advisors in relation to the Offering, whose names appear on page (vi) of this Prospectus.
Participating Parties	The parties entitled to participate in the Book Building process are: a. public and private funds that invest in securities listed on the Saudi Exchange, if permissible under the terms and conditions of such funds, in compliance with the provisions and restrictions set forth in the Investment Funds Regulations and the Book Building Instructions and Allocation of Shares in Initial Public Offerings (IPOs); b. Capital Market Institutions licensed by the CMA to trade in securities in as principals, in compliance with the provisions of the Prudential Rules upon submission of an Application Form; c. clients of a Capital Market Institution licensed by the CMA to conduct management activities in accordance with the provisions and restrictions set forth in the Book Building Instructions and Allocation of Shares in Initial Public Offerings (IPOs); d. legal persons allowed to open an investment account in the Kingdom and an account with the Securities Depository Center. An exception to this is non-resident foreign investors who are not Qualified Foreign Investors in accordance with the Rules for Qualified Foreign Financial Institutions Investment in Listed Securities, issued by CMA Resolution No. 6/05158 dated 11/08/1435H (corresponding to 09/06/2014G) pursuant to CMA Board Resolution No. 9-28-2014 dated 20/07/1435H (corresponding to 19/05/2014G); e. Governmental entities, any supranational body recognized by the CMA, the Exchange, or any other stock exchange recognized by the CMA, or the Securities Depository Center; f. Government-owned companies, whether investing directly or through a private portfolio manager; and g. GCC companies and GCC funds if permissible under the terms and conditions of such funds.
Participating Parties Subscription Application Form	The subscription application form that Participating Parties must fill out following allocation of the Offer Shares based on the number of shares provisionally allocated to them.
Prospectus	This Prospectus prepared by the Company in connection with the Offering.
Prudential Rules	The Prudential Rules issued by CMA Board Resolution No. 1-40-2012 dated 17/02/1434H (corresponding to 30/12/2012G) and the amendments thereto.
Public	Persons other than those listed below: 1. Affiliates of the Issuer; 2. Substantial Shareholders of the Issuer; 3. Directors and Senior Executives of the Issuer; 4. Directors and Senior Executives of the Affiliates of the Issuer; 5. Directors and Senior Executives of the Substantial Shareholders of the Issuer; 6. Any relatives of the persons referred to in 1, 2, 3, 4 or 5 above; 7. Any company controlled by any of the persons referred to in 1, 2, 3, 4, 5, or 6 above; or 8. Persons acting in concert, with a collective shareholding of 5% or more of the class of shares to be listed.
Qualified Foreign Investor	A qualified foreign investor in accordance with the Rules for Qualified Foreign Financial Institutions Investment in Listed Securities. The qualification application shall be submitted to a Capital Market Institution to evaluate and approve the application in accordance with the Rules for Qualified Foreign Financial Institutions Investment in Listed Securities.
Receiving Entities	The Receiving Entities listed on page (vii) of this Prospectus.
Related Party/Related Parties	In this Prospectus, and in accordance with the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority issued by CMA Board Resolution No. 4-11-2004 dated 20/08/1425H (corresponding to 10/04/2004G), as amended by CMA Board Resolution No. 2-22-2021 dated 12/07/1442H (corresponding to 24/02/2021G), the term "Related Party" or "Related Parties" includes any of the following: a. affiliates of the Issuer; b. substantial Shareholders of the Issuer; c. directors and Senior Executives of the Issuer; d. directors and senior executives of the affiliates of the Issuer; e. directors and senior executives of the Substantial Shareholders of the Issuer; f. any relatives of the persons referred to in a, b, c, d, or e above; or g. any company controlled by any person referred to in a, b, c, d, e or f above. For the purposes of paragraph g, "control" means the ability to influence the actions or decisions of another person, directly or indirectly, individually or collectively with a relative or an affiliate, through any of the following: (a) holding 30% or more of the voting rights in a company; or (b) having the right to appoint 30% or more of the members of the administrative body, and the word "controlling" shall be interpreted accordingly.
Relatives	Husbands, wives and minor children.
Rules on the Offer of Securities and Continuing Obligations	The Rules on the Offer of Securities and Continuing Obligations issued by CMA Board Resolution No. 3-123-2017 dated 04/09/1439H (corresponding to 27/12/2017G) in accordance with the Capital Market Law and as amended by CMA Board Resolution No. 1-7-2021 dated 01/06/1442H (corresponding to 14/01/2021G).
Rules Regulating the Investment of Foreign Financial Institutions	The Rules for Qualified Foreign Financial Institutions Investment in Listed Securities issued by CMA Board Resolution No. 1-42-2015 dated 15/07/1436H (corresponding to 05/04/2015G) as amended by CMA Board Resolution 3-65-2019 dated 14/10/1440H (corresponding to 17/06/2019G) and the amendments thereto.
SAR or Saudi Riyals	The Saudi Arabian Riyal, which is the official currency of the Kingdom.

Advisors	The Company's Advisors in relation to the Offering, whose names appear on page (vi) of this Prospectus.
Saudi Organization for Chartered and Professional Accountants (SOCPA)	The Saudi Organization for Chartered and Professional Accountants in the Kingdom (SOCPA).
Secretary	Secretary of the Board of Directors.
Selling Shareholders	The Shareholders listed in Table 19 "**Ownership Structure of the Company Pre- and Post-Offering**" who will sell part of their Shares in the Offering.
Senior Executives	The members of the Company's Senior Management, as specified in Table 30 "**Details of Senior Management**".
Shareholder/ Shareholders	Any owner or owners of Shares in the Company.
Shares	15,000,000 ordinary shares of the Company, with a fully paid value of SAR 10 per share.
Subscribers	The Participating Parties and Individual Subscribers.
Subscription Application Form	The subscription application forms for Individual Subscribers and Participating Parties, as the case may be.
Substantial Shareholder	A person who owns 5% or more of the Issuer's shares.
The Company	Perfect Presentation for Commercial Services.
Underwriter	Saudi Fransi Capital.
Underwriting Agreement	The underwriting agreement concluded between the Company, the Selling Shareholders and the Underwriter in connection with the Offering.

2. Risk Factors

Prospective investors should carefully study the following risk factors and other information contained in this Prospectus before making any investment decision in relation to the Offer Shares, noting that the risks and uncertainties described below are those that the Company currently believes may affect it or any investment in the Offer Shares. The risks mentioned below do not necessarily represent all the risks that may affect the Company or any investment in the Offer Shares. There may be additional risks and uncertainties that are currently unknown to members of the Board of Directors, or that the Board of Directors currently believe are immaterial. The occurrence of any of these risks and uncertainties may negatively and/or materially affect the Company's business, financial position, results of operations and future prospects. This may lead to a decrease in the Share price, weaken the Company's ability to distribute dividends to Shareholders and to the investors losing their entire investment in the Shares or a part thereof.

The Company's business, financial position, results of operations and future prospects may be negatively and/or materially affected, the Company may not be able to distribute dividends and investors may lose their entire investment in the Shares or a part thereof if any of the risks referred to below occur or become material, or if any other risks not identified by the Board of Directors, or that are currently considered immaterial, occur. As a result of these risks or other factors that may affect the Company's business, the expected future events and conditions that have been presented in this Prospectus may not occur in the way that the Company and/or the Board expect, or at all. Accordingly, investors should consider all forward-looking statements contained in this Prospectus in light of this interpretation and should not rely on such statements without prior verification (for more information, please refer to the "**Important Notice**" section of this Prospectus).

The members of the Board acknowledge that, to the best of their knowledge and belief, other than those mentioned in this section there are no material risks as of the date of this Prospectus that may affect investors' decisions to invest in the Offer Shares. All prospective investors wishing to invest in the Offer Shares must assess the risks associated with such Shares, as well as the risks associated with the Offering in general, and the economic and regulatory environment in which the Company operates.

An investment in the Offer Shares is only proper for investors who are able to assess the risks and benefits of such investment and who have sufficient resources to bear any loss resulting from this investment. Prospective investors who have doubts about the procedures to be followed should consult a financial advisor duly licensed by the CMA for advice about investing in the Offer Shares.

The risks set out below are not arranged in an order that reflects their significance or expected impact on the Company. There may also be other risks unknown to the Company or risks which the Company currently considers to be immaterial. Such risks may have the same effects or consequences as those mentioned in this Prospectus. Accordingly, the risks described in this section or in any other section of this Prospectus may not: (a) cover all risks that could affect the Company, its operations, business, assets or the market in which it operates, and/or (b) include all the risks involved in investing in the Offer Shares.

2.1 Risks Related to the Company's Business and Activities

2.1.1 Risks Related to the Company's Focus on Government Clients

The Company relies heavily on its sales to government clients. The Company's sales to government entities in the Kingdom amounted to SAR 227.65 million, SAR 400.39 million, SAR 565.65 million and SAR 171.7 million for the financial years ended 31 December 2019G, 2020G and 2021G and the three-month period ended 31 March 2022G, respectively, representing 76.4%, 83%, 86.3% and 88.7% of the Company's total revenues, respectively. In 2019G, the Company entered into a two-year contract (with a value of 278.2 million Saudi Riyals) with Government Entity No. 1 for the establishment and operation of a call center. The term of the contract was two years and seventy-two days (ending in October 2021G) and was subsequently renewed for SAR 212.9 million (from October 2021G until October 2023G). Revenues earned from Government Entity No. 1 amounted to SAR 64.5 million in the financial year 2019G (approximately 21.6% of total revenues), SAR 149.2 million in the financial year 2020G (approximately 30.9% of total revenues) and SAR 201.7 million in the financial year 2021G (approximately 30.8% of total revenues), in addition to ten other contracts concluded with Government Entity No. 1 with a total value of SAR 450.8 million.

Furthermore, the Company has also entered into contracts with a number of its government clients, including, but not limited to:

- **Government Entity No. 3:** Five projects with a total contractual value of SAR 86.2 million (two projects completed at the end of the financial year 2021G, one project completed in August 2020G and two projects to be completed in the financial year 2023G).

- **Government Entity No. 2:** Five projects with a total contractual value of SAR 98.10 million (two projects to be completed in June and July 2022G, one project to be completed in September 2022G and two projects completed at the end of 2020G and 2021G).
- **Government Entity No. 16:** Nine projects with a total contractual value of SAR 117.7 million (two projects to be completed in the financial year 2023G, one project completed in May 2021G, one project to be completed in the financial year 2024G, one project to be completed in the financial year 2025G and one project to be completed in the financial year 2026G, in addition to another project to be completed in the financial year 2027G).
- **Government Entity No. 20:** Four projects with a total contractual value of SAR 70.4 million (one project completed in May 2021G, one project to be completed in February 2023G and two projects to be completed at the end of 2024G).

Receivables from Government Entity No. 1 and Government Entity No. 3 are also concentrated, amounting to SAR 10.14 million, SAR 39.00 million, SAR 22.92 million and SAR 77.90 million in the financial years ended 31 December 2019G, 2020G and 2021G and the three-month period ended 31 March 2022G, respectively, representing 14.5%, 32.1%, 23.4% and 31.8% of the Company's total receivables as of 31 December 2019G, 31 December 2020G, 31 December 2021G and the three-month period ended 31 March 2022G, respectively.

Due to the concentration of Company clients in government entities, the Company may be affected by any changes related to budget, regulatory restrictions, changes in government policy and public spending restrictions, which could have a significant impact on the volume, scope, timing and duration of contracts and purchases. Thus, the impact will be reflected on the volume of business the Company obtains from such clients. Such factors may also lead to the suspension, cancellation, termination or non-renewal of existing contracts. In addition, the time period for collection of receivables from government entities takes relatively long compared to clients from the private sector. The balances of receivables from government entities amounted to SAR 66.31 million, SAR 101.05 million, SAR 79.80 million and SAR 209.90 million as of 31 December 2019G, 31 December 2020G, 31 December 2021G and the three-month period ended 31 March 2022G, respectively, representing 89%, 83%, 80% and 87% of the total balances of trade receivables as of 31 December 2019G, 31 December 2020G, 31 December 2021G and the three-month period ended 31 March 2022G, respectively.

The average collection period from government entities was 86 days in 2019G, compared to 76 days in 2020G, 58 days in 2021G and 76 days in the three-month period ended 31 March 2022G. Government receivables exceeding 360 days represented 7.9% of the total receivables as of 2019G, 2.5% of the total receivables in 2020G, 9.5% of the total receivables as of 2021G and 5.1% of the total receivables as of 31 March 2022G (for more information, please refer to Section 6.7.20 "**Trade Receivables**" of this Prospectus).

As of 31 March 2022G, the accrued revenue mainly consisted of unbilled revenue generated from Customer Experience Unit projects (SAR 64.7 million, representing about 34.6% of total accrued revenues), Operation and Maintenance Unit projects (SAR 80.0 million, representing about 42.8% of total accrued revenues), and the Software Development Unit projects (SAR 42.2 million, representing about 22.6% of total accrued revenues). Furthermore, the Company does not currently apply the expected credit loss (ECL) provision calculation model to the calculation of unbilled revenues in accordance with IFRS 9.

Unbilled revenues in excess of 365 days amounted to SAR 1.9 million on 31 March 2022G. The increase in unbilled revenues from year to year affects the working capital cycle of the Company. As of on 31 March 2022G, accounts receivable represented 38.7% of total current assets (approximately 96.6% of total revenues).

If the Company loses any major government clients, or government clients move to the Company's competitors, or in case of a decrease in spending on information technology services by government clients, or a decrease in demand for the Company's services by government clients, or if the number of collection days of the Company's clients from the public sector increases, this will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

If the parties contracting with the Company terminate any such agreements in accordance with the rights granted to them under those agreements, or if they decline to renew the agreements on terms acceptable to the Company or at all, this will lead to the Company losing part of its revenues. If the Company is unable to manage the risks associated with the business of the public sector, the Company may lose such contracts, which will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

Government contracts contain more stringent terms compared to other commercial contracts. It is difficult to negotiate the terms and conditions of government contracts compared to other commercial contracts. Government contracts contain clauses that allow government entities to impose penalties against delay, negligence, non-compliance with local content requirements and poor quality in terms of the Company's performance of its obligations. Some contracts concluded with government entities also give the latter the right to terminate them without compensating the Company if the Company is late in fulfilling its obligations, or if government entities consider that public interest so requires, or if an administrative decision is issued to such effect. Some contracts concluded with government entities also contain a clause that allows them to hold the Company liable for any losses or damages incurred by any third party if they result from a breach or negligence in the Company's performance of its obligations. In the event of non-performance of all its obligations, the

Company may not be able to recover the final guarantee it provides when the project is awarded to it by the government entity. Such final guarantee amounts to 5% of the value of the agreement. Also, some contracts concluded by the Company with government entities contain a clause that obliges the Company to continue implementation of the agreement, even if the government entity violates the provisions of such agreement. Due to the Company's heavy reliance on its dealings with Related Parties, the Company may incur significant costs or financial losses in the event of any of the above, which will have a material adverse effect on the Company's business, results of operations, financial position and future prospects (for more information regarding the material agreements concluded with government entities, please refer to Section 6.7.20 "**Trade Receivables**" of this Prospectus).

2.1.2 Risks Related to Changes in Revenue Ratios due to Termination or Reduction of the Scope of Work

The Company provides information and communication technology solutions to a number of government clients. The Company also subcontracts with other companies that provide information and communication technology services in order to execute the government projects. The contracts concluded between the Company and its public sector clients stipulate terms and conditions that authorize the latter to terminate projects by withdrawing the works and executing the same at the Company's expense, or by terminating the contract unilaterally or reducing the scope of work (by 20% of the contract value). Hence, the contract value is reduced according to the requirements of the government entity (for more information regarding the material agreements concluded with government entities, please refer to Section 6.7.20 "**Trade Receivables**" of this Prospectus). This may negatively affect the project revenues and cash flows, or may lead to a decrease in the value of the revenues and profits that the Company expects to earn from the work scheduled to be executed for certain contracts. In the event a contract relating to one of the Company's large and substantial projects is subject to the terms and conditions of termination or reduction of scope of work, this will have a material adverse effect on the Company's business, financial position and results of operations.

The value of the work to be performed may not accurately represent the anticipated revenues of the Company during any period and should not be relied upon or considered as an independent indicator. Accordingly, the Company cannot estimate the revenues of the work to be performed. If the Company achieves revenues less than expected from the work to be performed, this will have a material adverse effect on the Company's financial position, results of operations and future prospects.

2.1.3 Risks Related to the Use of Accounting Assumptions, Estimates, Opinions, Recognition of Revenue and Corresponding Errors

The Company uses specific accounting assumptions, estimates and opinions related to complex accounting matters for the purpose of preparing its financial statements. These accounting assumptions, estimates and opinions may have varying interpretations, which could have a significant impact on the Company's financial results. Generally accepted accounting principles, relevant accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to the Company's business are highly complex and involve assumptions, estimates and subjective opinions on the part of the Company, creating room for errors. In preparation of the Company's financial statements, the Company's management makes estimates and assumptions to calculate the book values of assets and liabilities (including contract assets) that are difficult to obtain from other sources. If such assumptions and estimates of the book values are inaccurate, this could lead to a material adjustment. Such estimates and assumptions are based on practical experience and various other factors that the Company's management believes are reasonable under the circumstances. Estimates and assumptions are reviewed on an ongoing basis. Adjustments made to accounting estimates are recognized during the period in which the estimates are restated or during the adjustment period and future periods if the changed estimates affect the current and future periods. For example, the impact on revenues and costs resulting from the product of selling text messages (Yamamah) was reversed according to IFRS 15 by remeasuring and reinterpreting the mechanism of applying IFRS 15 from initially calculating revenue when recharging balances to clients to subsequently calculating revenue against clients' actual use of the charged balance, which resulted in a change in the calculation of revenue from a point in time to over time (for more information regarding accounting estimates, assumptions and opinions, please refer to Appendix 15 issued by the Company's Auditor and Section 6.7.34 "**Previous Years' Adjustments**" of this Prospects). Before re-measurement, total revenues generated from SMS service sales amounted to SAR 64.3 million in the financial year 2019G (approximately 21% of total revenues) and SAR 65.4 million in the financial year 2020G (approximately 13.3% of total revenues). Also, the Company recognized the entire value of SMS sales as revenues during the financial years 2019G and 2020G. This included SMS messages that had not yet been sent to clients, amounting to SAR 7.3 million on 31 December 2019G and SAR 17.4 million on 31 December 2020G (recorded as clients' dues).

In accordance with IFRS 15, the Company recognizes revenues and costs related to its clients before payments are due from clients. In return for recognizing such revenues in the Company's income or loss statement, the contract assets (or unearned revenue if the Company receives the amount due from the client or if the payment is due but the revenue has not yet been recognized) are recorded in the statement of financial position until the performance obligation is fulfilled by the Company. Accordingly, the Company may face the possibility of making a mistake in estimating its accounting revenues

and assets either through an increase or decrease, as contract assets may be subject to cancellation or future disputes. In the event that a client declines to accept invoices, the Company records a provision for bad debts in the statement of financial position or reverses the same if there is no provision within the provision for expected credit losses (ECL) or if they have not been previously reversed. The provision for impairment is recorded in receivables, and contract assets are recorded in the statement of income or loss or revenue reversal based on the expected credit loss (ECL) provision policy and in accordance with IFRS 9 (for more information regarding accounting estimates and assumptions, please refer to Section 6.7 "**Results of Operations**" of this Prospectus). With regard to the reassessment of the recognition of the revenues generated from the bulk SMS service in accordance with IFRS 15, the re-measurement of the figures for the financial years 2019G and 2020G were reversed by settling with the relevant portion of the bulk SMS amount that was previously recognized as revenues in the financial years 2019G and 2020G, but which clients did not use the same until the end of the year. Therefore, the revenues decreased by SAR 8.1 million in the financial year 2019G and by SAR 9.6 million in the financial year 2020G. The recalculation took into account the decrease in costs related to bulk SMS which amounted to SAR 7.3 million and SAR 10.1 million in the financial years 2019G and 2020G. As a result, the Company's total profit decreased by SAR 743.7 thousand in the financial year 2019G and increased by SAR 557.6 thousand in the financial year 2020G.

Contract assets amounted to SAR 36.5 million in 2019G, compared to SAR 61.7 million in 2020G, SAR 192.1 million in 2021G and SAR 186.9 million during the three-month period ended 31 March 2022G, which constituted 26.4%, 28.4%, 50.1% and 38.7% of the Company's current assets as of 31 December 2019G, 2020G and 2021G and the three-month period ended 31 March 2022G, respectively. The days between the recognition of revenue related to contract assets for projects and it being due as receivables for less than 120 days was approximately SAR 147.8 million, between 120 and 240 days was approximately SAR 26.1 million, and more than 240 days was approximately SAR 13 million as of 31 March 2022G. Unearned revenues amounted to SAR 22.61 million as of 31 December 2019G, SAR 29.46 million as of 31 December 2020G, SAR 58.34 million as of 31 December 2021G and SAR 63.21 million as of 31 March 2022G, constituting approximately 17%, 14%, 17% and 15% of the total liabilities as of 31 December 2019G, 2020G, and 2021G and the three-month period ended 31 March 2022G, respectively. It is worth mentioning that the contract assets for a period exceeding 365 days amounted to 1.9 million Saudi Riyals on 31 March 2022G. The increase in revenue due from year to year affects the Company's working capital cycle. On 31 March 2022G, contract assets represented 38.7% of the total current assets (approximately 96.6% of total revenue). In addition, the Company does not currently assess to what extent contract assets can be billed through the expected credit loss (ECL) model. If the Company encounters mistakes or fundamental changes related to accounting estimates and assumptions, or if it faces fundamental conflicts or cancellations in its accounting revenues in the future, this will have a material adverse effect on the Company's business, results of operations, financial position and future prospects (for more information regarding contract assets and unearned revenues, please refer to Section 6.7.19 "**Contract Assets**" of this Prospectus.

2.1.4 Risks Related to the Collection of Receivables

The Company is exposed to the risk of its clients failing to pay the amounts owed by them to the Company. The Company's performance, revenues and profits depend on the financial solvency of its clients, the stability of their credit status and the Company's ability to collect its dues from its clients on time in exchange for the services performed. Doubtful debts represented 6.1%, 0.5%, 2.2% and 1.4% of the total trade receivables as of 31 December 2019G, 2020G and 2021G and 31 March 2022G, respectively.

With respect to receivables due from government entities, receivables less than 30 days old amounted to SAR 28.56 million, SAR 33.59 million, SAR 12.97 million and SAR 67.29 million as of 31 December 2019G, 31 December 2020G, 31 December 2021G and the three-month period ended 31 March 2022G, respectively. Receivables between 30 and 180 days old amounted to SAR 28.03 million, SAR 56.12 million, SAR 46.25 million and SAR 122.94 million as of 31 December 2019G, 31 December 2020G, 31 December 2021G and the three-month period ended 31 March 2022G, respectively. Receivables between180 and 360 days old amounted to SAR 7.02 million, SAR 8.28 million, SAR 11.03 million and SAR 7.33 million as of 31 December 2019G, 31 December 2020G, 31 December 2021G and the three-month period ended 31 March 2022G, respectively. Receivables more than 360 days old amounted to SAR 5.9 million, SAR 3.06 million, SAR 9.54 million and SAR 12.37 million as of 31 December 2019G, 31 December 2020G, 31 December 2021G and the three-month period ended 31 March 2022G, respectively. (For more information, please refer to Table 59 "**Trade Receivables as of 31 December 2019G, 2020G and 2021G and 31 March 2022G**" and Table 62 "**Trade Receivables by Client as of 31 December 2019G, 2020G and 2021G and 31 March 2022G**" of this Prospectus).

With regard to receivables due from non-government clients, receivables less than 30 days old amounted to SAR 3.20 million, SAR 6.96 million, SAR 3.28 million and SAR 11.35 million, as of 31 December 2019G, 31 December 2020G, 31 December 2021G and the three-month period ended 31 March 2022G, respectively. Receivables between 30 and 180 days old amounted to SAR 3.54 million, SAR 11.63 million, SAR 11.70 million and SAR 10.21 million as of 31 December 2019G, 31 December 2020G, 31 December 2021G and the three-month period ended 31 March 2022G, respectively. Receivables between 180 days and 360 days old amounted to SAR 885 thousand, SAR 1.71 million, SAR 2.79 million and SAR 5.58 million as of 31 December 2019G, 31 December 2020G, 31 December 2021G and the three-month period ended 31 March 2022G, respectively. Receivables more than 360 days old amounted to SAR 745 thousand, SAR 634 thousand, SAR 2.41 million and SAR 3.75 million as of 31 December 2019G, 31 December 2020G, 31 December 2021G and the three-month period ended 31 March 2022G, respectively.

The Company applies IFRS 9 - Expected Credit Loss (ECL) to all of its clients. The expected credit losses in respect of public sector trade receivables are based on periodic reviews conducted by management. As for private sector trade receivables, the provisions for expected credit losses are recognized against trade receivables based on the provision matrix for credit loss calculation. As of 31 March 2021G, trade receivables amounted to SAR 237.5 million, as the receivables included long-overdue receivable balances exceeding 360 days, with a value of approximately SAR 16.1 million. Before adjusting the financial statements, the Company recorded loss provisions for long-overdue receivables on a case-by-case basis, according to the management estimates, as management was assessing the recoverability of accounts based on historical relations with clients. It is worth noting that the Company recorded, before the adjustment of the financial statements, a provision of SAR 6.9 million on 31 December 2019G and SAR 5.3 million on 31 December 2020G, of which SAR 5.5 million and SAR 6.7 million, respectively, were written off as decided by the management at its discretion. After recording the provision according to the expected credit losses calculation model, the Company made provisions of SAR 10 million, SAR 2.8 million, SAR 1.5 million and SAR 1.2 million as of 31 December 2019G, 31 December 2020G, 31 December 2021G and the three-month period ended 31 March 2022G, respectively. As of 31 March 2021G, long-overdue receivables exceeding 360 days amounted to SAR 16.1 million, which exceeded the recorded provision (an amount of SAR 3.4 million), since the loss rate used in the expected credit losses model is less than 100% for balances in excess of 360 days and equals 100% for balances exceeding 720 days. Clients may be late in the payment of dues, they may request modifications to their payment arrangements or may default on their obligations, or disputes may arise with clients regarding invoice amounts, which would increase the possibility that the Company will not be able to collect such amounts from its clients, which would in turn expose the Company to a decrease in working capital. The nature of Company's contracts sometimes requires that project resources be allocated before advance payments or other payments are received from clients to cover project expenses when incurred. Consequently, the Company is exposed to the risk of clients' delay or failure to make payments for the services provided by the Company, which will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.5 Risks Related to Working Capital

The Company adopts working capital management strategies that focus on maintaining an adequate balance of current assets and current liabilities according to a specific ratio that limits risks related to working capital. These strategies aim to maintain sufficient cash flows to meet the Company's short-term debts and pay its operating costs.

Employee wages represent a large proportion of the total cost of revenues, reaching 49.5% in the financial year 2019G, 59.4% in the financial year 2020G, 62% in the financial year 2021G and 61.7% of the total cost of revenues during the three-month period ended 31 March 2022G. Employee wages are paid monthly, which requires the Company to be able to pay salaries on time. The Company has also a concentration in revenue from government clients (amounting to approximately 88.7% of revenue in the three-month period ended 31 March 2022G), of which the related repayment periods range between 120 and 180 days. This is relatively longer than the repayment periods of the private sector, where repayment periods range between 30 and 90 days. The Company's trade receivables amounted to SAR 70.1 million on 31 December 2019G (approximately 50.7% of current assets), SAR 121.4 million on 31 December 2020G (approximately 55.8% of current assets), SAR 97.8 million on 31 December 2021G (approximately 25.5% of current assets) and SAR 237.5 million during the three-month period ended 31 March 2022G (approximately 49.1% of current assets), which forced the Company to obtain short-term financing from local banks to finance the value of the deficit in the working capital required by the Company. The terms of the financing stipulate that the debts (including the cost of financing, according to the prevailing interbank borrowing rate plus a fixed profit margin) are due within a period of 120 to 360 days. It is worth noting that the Company usually submits a waiver of collecting the proceeds of funded projects to the financiers as a condition for obtaining short-term loans. Hence, the Company encounters the risk of incurring additional costs in case of delay in collection from government clients beyond the term of the loan. The Company's reliance on financing contracts from commercial banks to finance its working capital results in the risk of creating preferential credit terms. If the economic climate becomes less favorable, the Company may be forced to accept stricter credit terms or may not be able to obtain the financing amounts it needs.

In the future, the Company may face difficulties in fulfilling working capital requirements or managing it properly. Although the Company's credit facilities and financing agreements may contribute to covering those needs, this may not be sufficient to cover them to the extent or in the form required. Difficulties in managing working capital may have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.6 Risks Related to the Ability to Recruit and Retain Highly Skilled IT Staff

The Company's success up-to-date and its success in the future largely relies on its ability to recruit and retain highly qualified IT staff. In particular, the Company must recruit, train and retain appropriate numbers of talented individuals with diverse skills, including project managers, IT engineers and other senior technical staff, in order to fulfill clients needs and develop the Company's business. Accordingly, if the Company is unable to recruit and retain qualified IT professionals, this will affect its ability to develop new business and effectively lead its existing projects.

The Company's ability to maintain and renew existing contracts and acquire new business will largely depend on its ability to employ, train and retain skilled technical staff to keep pace with the ever-changing IT field and evolving sector

standards, as well as the changing needs of clients. The Company's profitability also depends on its ability to create a team of employees with the right set of skills and experience required to support the Company's projects. The processes and costs associated with recruiting, training and retaining employees may represent significant burdens on the Company's resources, as employee salaries amounted to 49.5%, 59.4%, 62% and 61.7% of the total cost of the Company's revenues as of 31 December 2019G, 2020G and 2021G and the three-month period ended 31 March 2022G, respectively. The Company is also constantly recruiting in the call centers it operates and it trains these employees before they are appointed. The Company reports that it places nearly 1,000 people on waiting lists to be hired in its call centers. Due to the potential delays in starting some projects, the Company may not be able to provide the necessary number of employees in a timely manner, given the volume of employees who are placed on waiting lists, who may decide not to continue with the agreed arrangements with the Company. The Company believes that there is a shortage and great competition to recruit professionals with advanced technological skills necessary to provide the services and solutions it offers, especially in the Kingdom, as it is difficult to find employees having the right skill set to carry out the Company's business. The Company's profitability, its ability to compete and the management of client engagement may be adversely affected if the Company is not able to manage the recruitment and mobility of employees to achieve a stable and effective job structure, which will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.7 Risks Related to the Accuracy in Estimating the Cost of Service Delivery

The pricing of IT service contracts is complex and largely depends on estimates, forecasts and assumptions made by the Company's management in connection with the costs of the relevant projects. Such estimates, forecasts and assumptions may be based on limited data, which may subsequently prove to be inaccurate. If the Company does not accurately estimate the costs of its projects, the timing of their completion or the risks related to them, this will affect the profitability of its contracts, which will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

The Company has created provisions for contract costs in the amount of SAR 9.66 million in the year ended 31 December 2021G and SAR nil during the three-month period ended 31 March 2022G. Factors that may lead to a difference between the estimated profitability of a project and its actual profitability include changes in the quotation of suppliers and contractors, an increase in the prices of logistics as a result of external factors, corrective measures in designs due to external conditions, amendments to regulations and laws, an increase in the cost of labor, delay in implementation due to circumstances beyond the control of the Company or clients, modification or cancellation of some items after their partial implementation, failure to accurately estimate emergency reserves and unknown risks, or inability of suppliers and subcontractors to supply and implement parts of a project. In cases where the Company faces unforeseen costs, the Company generally seeks to negotiate with contractors and suppliers to reduce baseline costs. However, there is no guarantee that these negotiations with contractors and suppliers will lead to agreements that will reduce the cost to the Company. The Company's profitability may be adversely affected by any additional or unforeseen costs, delays, inability to achieve foreseeable cost savings or unanticipated risks that the Company faces regarding the provision of its services, including those resulting from factors beyond the Company's control. This will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.8 Risks Related to the Continued Growth of the Company's Revenues and Profitability

The Company's revenues increased at a CAGR of 48.3% during the period between 2019G and 2021G. However, the rapid growth of the Company's revenues in recent periods should not be considered as an indication of its future performance. In addition, there is no guarantee that the Company will be able to maintain or achieve the level of revenue growth or profitability that it has achieved in recent periods. Despite the Company's increased revenue, the Company's profitability may decrease due to an increase in the cost of sales. The increase in revenue may be caused by lines of business, products or markets with profit margins lower than the historical profit margins of the Company.

The Company currently relies heavily on the Customer Experience Business Unit in generating its revenue, which accounts for 36%, 47.9%, 46% and 44.4% of the Company's net revenues for the financial years ended 31 December 2019G, 2020G and 2021G and the three-month period ended 31 March 2022G, respectively. As a result of the Company's revenue concentration in the Customer Experience Business Unit, the Company faces the risks of increased competition, pricing pressures and increased restrictions in this sector. As part of its strategy, the Company may seek to expand its business sectors to high-growth sectors, in order to diversify its revenue sources and provide new services to its clients. The Company's diversification strategy may include expansion through acquisitions. However, such diversification may adversely affect the Company's profitability when the Company enters into businesses, sectors or sales channels with low profit margins, which will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

The Company may face fluctuations in its revenues, which may depend on the timing of some large projects that the Company concludes contracts to implement. There are a number of factors that may affect the number and value of projects acquired by the Company, many of which are beyond the Company's control, such as general economic conditions, the

introduction of new fees or taxes, regulatory changes, the entry of new companies into the market, competitive pressure on prices and other factors. There is no guarantee that the Company's revenues will not be subject to periodical changes in the future. If any of the above risks occur, this would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.9 Risks Related to Rapid Technological Developments and the Company's Ability to Expand and Diversify its Products

The IT services market is characterized by rapid technological change, new product development, technology improvements, high level client requirements and evolving industry standards. The Company's future success is based on its ability to continue to develop, market and provide attractive services and solutions for its current and future clients in a timely and efficient manner at competitive prices. This requires the Company to anticipate and respond to the rapid and continuous changes in the field of technology and to keep pace with developments in the sector, as well as developments in information technology services and solutions provided by new companies, to meet the evolving needs of its clients. For example, due to the substantial development of the IT services market in the Kingdom, clients are expected to require specialized IT solutions. If the Company does not adapt its services, solutions, expansion and development based on technological changes or according to the demands and needs of clients, the Company's ability to develop and maintain a competitive advantage and continue to grow may be adversely affected, which will have a material and adverse effect on the Company's business, results of operations, financial position and future prospects.

Developments in the sectors served by the Company, including, but not limited to, the government, semi-government, health, education, banking, finance and commercial sectors, can lead to a growing demand towards new services, software and solutions. As a result, if the Company's clients demand new services, software or solutions, the Company's ability to compete in these new areas may be affected or it may need to make huge investments to fulfill such demand. In addition, the Company is currently operating in an environment that includes a number of new companies providing competitive new services, software and solutions. The Company also expects more of these new companies to get involved in the sector. New services, software and solutions offered by competitors or new companies may affect the attractiveness or competitiveness of the Company's offerings. The Company may not be able to anticipate changes, respond successfully to client requirements or adapt to them in a timely manner. If the Company does not keep pace with such changes or is unable to convince clients of the value of its services, software and solutions in light of new technologies or offerings provided by competitors, this will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.10 Risks Related to Relations with Key Clients

Revenues generated from the Company's top five clients represent 44.4%, 50.8%, 42.4% and 45.3% of the Company's total revenues for the financial years ended 31 December 2019G, 31 December 2020G, 31 December 2021G and the three-month period ended 31 March 2022G, respectively. Although the Company seeks to develop and maintain the continuity of relations with its clients, there is no guarantee of its ability to achieve this at all times, due to circumstances that may be beyond its control, such as the unwillingness of these clients to deal with the Company, their desire to deal with the Company's competitors or the low demand of these clients for the Company's services and products after the current projects end or if they face financial and operational challenges in the future due to economic fluctuations, market conditions or any other factors specific to these clients. This will lead to a decrease in sales and profits, fluctuation and a decrease in net profits. Furthermore, the Company may not be able to sell its products at suitable commercial rates. For example, the Company's key clients may ask for additional discounts which will negatively affect the Company's profit margin, which in turn will have an adverse effect on the Company's business, financial position, results of operations and future prospects.

2.1.11 Risks Related to Hidden Faults or Defects in Products, Software or Solutions

The Company is exposed to the risk of hidden defects in its products, software or solutions that may adversely affect the performance of these products, software or solutions and client demand for them. If such faults or defects are discovered, the Company may have to incur significant capital expenditures to rectify them. However, there is no guarantee that the Company will be able to rectify such defects or address them in a timely manner. Any of such faults or defects may affect the reputation of the Company and its products. This will require concessions to be offered and corrective measures to be taken by the Company to maintain its client base and improve its reputation.

The Company also relies on software, hardware and applications provided by various third parties, through which the Company provides all of its services and solutions including software, hardware and applications, in addition to its use of some open source software (for more information regarding the risks related to the same, please refer to Section 2.1.27 "**Risks Related to Open Source Software**" of this Prospectus). The Company concluded a number of agreements with suppliers of technical solutions (for more information regarding these agreements, please refer to Section 12.4 "**Material Agreements**" of this Prospectus). If any of these software, devices or applications are unavailable due to prolonged interruptions or

because they are no longer available on acceptable commercial terms for the Company, or in case that the agreements concluded with suppliers are terminated for any reason, including the Company's breach of its contractual terms under such agreements, this may result in the Company delaying the provision of its services until alternative technologies are found, obtained and integrated, which may lead to an increase in expenses for the Company or loss to its business. While the Company seeks close cooperation with its third-party suppliers of software, hardware and applications with the aim of simplifying and integrating the acquisition of technology, there is no guarantee that the existing relationships between the Company and its suppliers will continue as is. Changes in the Company's relationships with suppliers may affect its ability to obtain Company-specific services and technologies from these suppliers, which may increase the Company's expenses or capabilities or harm its business.

In addition, any errors or defects in software, hardware or applications provided to the Company by third parties may lead to errors, defects or disruptions in the Company's services and solutions, which may be detrimental to its business and may be costly to correct. Many of these suppliers try to impose limitations on their liability for such errors, defects or malfunctions. In the event such limitations are enforceable, the Company may bear additional liability towards its clients or third-party suppliers which may damage its reputation and increase operating costs. If any of the above risks occur, this would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.12 Risks Related to the Failure of the Company's Information Technology Systems and Data Centers

The Company's performance and operations are highly dependent on information technology systems. Any failure in these systems may lead to interruption of the Company's usual business, causing a significant slowdown in administrative and operational efficiency during the duration of the failure. Any prolonged failure may affect the Company's ability to provide services to its customers and its reputation, which will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

In addition, the Company relies on third-party suppliers to supply and maintain many of its internal information technology systems. If one or more external suppliers contracted by the Company to provide support and upgrades related to the Company's information technology systems cease trading or become unable or unwilling to meet the needs of the Company, there is no guarantee that the Company will be able to find an alternative supplier immediately or on acceptable commercial terms, or at all. Such delay or inability to find a suitable alternative may adversely and materially affect the Company's business, results of operations, financial position and future prospects.

In order for a Company to be able to serve its clients, it must continuously maintain data center operations, which include network, storage and server operation. In the event of any major disruption in operations or any major system failure, or in the event that the Company is unable to move the data centers to alternative locations if it is forced to do so for any reason, including the lack of a suitable alternative location, this will affect the Company's ability to provide services in accordance with its contracts or to complete projects for clients in a timely manner (which may lead to fines and/or compensation incurred by the Company). This in turn will lead to loss of clients or downsizing of operations, all of which would have a material adverse effect on the company's business, results of operations, financial position and future prospects. In addition, if the Company loses any of its clients as a result of any performance issues, system outages or failures, this will lead to a loss of revenue, damage to the Company's reputation and additional operating costs in order to correct any of these errors. In addition, the Company would be exposed to additional losses, including fixing the backlog when systems are restored, all of which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.]

2.1.13 Risks Related to Cyber Attacks

Due to the nature of the Company's business, it is vulnerable to cyber attacks including computer viruses, malicious or destructive code, phishing attacks and denial of service attacks, which affect the confidentiality, integrity and availability of its information systems and business data. The financial and strategic significance of the Company's clients may lead to it being targeted by criminal attacks and cyber espionage. The Company's efforts to monitor and evaluate its own security system may not be sufficient to effectively counter emerging threats and cyber attacks. Increased social hacking (such as attempts by unauthorized parties to obtain data or access confidential information through direct personal interaction with Company employees) creates risks for the Company. Human error by the Company's employees is an ongoing risk, and the Company's efforts in awareness training and process improvement are unlikely to eliminate all risks of negative consequences of human error.

Theft, unauthorized use or disclosure of Company or Company client information, confidential information or other commercial information owned by the Company as a result of IT security incidents can adversely affect the Company's competitive position and reputation, and reduce market acceptance of the Company's services and solutions, whether the incident ultimately turns out to be the fault of the Company or not. If the Company's systems are compromised, this will damage its reputation or lead to its inability to provide its solutions, which will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.14 Risks Related to the Protection of the Trade Name and Trademark of the Company

In marketing its services and products, the Company relies on its reputation associated with its trade name and brand, which supports its business and competitive position in the market. Thus, the success of the Company rests largely upon its ability to maintain and enhance the strength and value of its brand, and this depends, in turn, on many factors, including the Company's reputation, products and the reputation of its brand. The Company has registered its trademarks "2P" and "Yamama" in the Kingdom (for more information regarding the Company's trademarks, please refer to Section 12.9 "**Trademarks and Intellectual Property Rights**" of this Prospectus). In the event the Company fails to successfully protect its intellectual property rights, or if any third parties steal, violate or infringe the intellectual property rights of the Company, the value of the Company's brand may be damaged, which will adversely affect the Company's business, financial position, results of operations and future prospects.

The Company may, from time to time, have to file lawsuits to claim restitution of its rights relating to its trademarks and other intellectual property rights. Third parties may allege infringement by the Company on their intellectual property rights, which may result in lawsuits against the Company. Litigation is inherently uncertain and can preoccupy the Company's management, incurring significant costs and reallocation of resources, and can adversely affect the Company's revenue and profits, regardless of whether the Company is able to successfully maintain or defend its intellectual property rights.

The Company may not succeed in promoting its brand and contributing to increasing sales and profits. The Company's brand value may be negatively affected by internal factors, such as poor quality of services provided by its employees and poor handling of client complaints, as well as external factors such as embezzlement by third parties, infringement or damage to the Company's intellectual property rights, complaints, investigations or other statutory actions or illegal activities aimed at the Company. In addition, negative publicity about the Company or any negative media coverage may damage the reputation and brand of the Company and can lead to loss of clients. Moreover, the Company may be exposed at any time to negative comments on social media, including blogs, social networks and other types of electronic platforms, which may have a negative impact on the Company's reputation and image. The Company's inability to adequately manage and address these factors and events or its inability to prevent them from occurring will have a material adverse effect on its brand, which will lead to a decrease in the number of new clients or the departure of existing clients, and, consequently, to a decrease in revenues. This, in turn, will have a material adverse effect on the Company's business, financial position, results of operations and future prospects.

2.1.15 Risks Related to Reliance on the Senior Management Team

The success of the Company and its operational activities depends on the experience and capabilities of its administrative and technical cadres of Senior Executives and qualified employees, as well as its ability to attract, hire, develop, motivate and retain qualified employees in the future. The Company relies on a number of key individuals in its Senior Management team who have valuable experience in the IT sector and have contributed significantly to the growth and development of the Company's operations.

The Company does not guarantee that it will be able to retain its qualified employees or continue to develop their skills. The Company may need to invest significant financial and human resources to attract and retain qualified Senior Management personnel. Therefore, the Company's loss of any of its Senior Executives and qualified employees and its inability to hire replacements with the same level of experience and skill at an appropriate cost to the Company will have an adverse effect on the Company's business, financial position, results of operations and future prospects.

Moreover, the sector in which the Company operates requires highly specialized human resources. The Company has comprehensive internal recruitment procedures aimed at attracting talent and highly qualified individuals. Therefore, the Company's inability to promptly fill vacancies that may arise in the future will have an adverse effect on the Company's business, financial position, results of operations and future prospects.

2.1.16 Risks Related to Relations with Technology Partners, Suppliers, Service Providers and Subcontractors

The Company has contracted with a number of suppliers, subcontractors and other third parties, in connection with the development of the Company's products and services. In this regard, it should be noted that the Company cooperates with some international suppliers regarding the integration of solutions and products provided by international suppliers with the solutions and products provided by the Company to clients in accordance with their needs and the provision of after-sales services. These include an agreement concluded with one of the national telecommunications companies regarding the provision of the service of supplying internet lines and text messages, the agreement with "Dyantrace" regarding the service of providing software licenses, the agreement with Aptec Saudi Arabia with respect to the service of providing the Company's hardware and software licenses, and the agreement with Washington Performance Consulting and Construx Software Builders (WPC) and Construx Software Builders (Construx) with respect to the distribution of products within the Kingdom (for more information regarding agreements with suppliers, please refer to Section 12.4 "**Material Agreements**" of

this Prospectus). The Company has also subcontracted a number of contractors to carry out partial project works for clients (for more information regarding the agreements concluded with subcontractors, please refer to Section 12.4 "**Material Agreements**" of this Prospectus).

As of the date of this Prospectus, direct sales between suppliers (manufacturers) and end users in the Kingdom are limited. Therefore, these suppliers rely on local companies (such as the Company) to market, sell and provide their services and products in the Kingdom. If any of the major suppliers decide to expand their operations in the Kingdom to include selling and providing their services and products directly to end users, it is possible that the Company's market share will decrease, which will have an adverse effect on the Company's business, financial position, results of operations and future prospects.

It should be noted that the Company obtains competitive prices from its main suppliers given its position as a distinguished partner due to its fulfillment of qualitative and quantitative standards over previous years. These advantages are subject to periodic evaluation. In case of an increase in the prices of services or products provided to the Company by its main suppliers, the Company will bear these additional costs if it is unable to raise the prices of its products and services in accordance with the increase in costs, which will have an adverse effect on the Company's business, financial position, results of operations and future prospects.

It should also be noted that the Company cannot guarantee that the level of services and products provided by third parties will always meet the quality standards expected from the Company or its clients, or that the subcontracted works will be performed by contractors within the timeframes of the relevant projects. Therefore, the Company may bear responsibility for any deficiencies in the services, products and works provided by third parties, which will have an adverse effect on the Company's business, financial position, results of operations and future prospects.

In general, there is nothing to prevent these parties from contracting with the Company's competitors in connection with the provision of services and products that compete with those provided by the Company. In the event that any of the suppliers, contractors or service providers that the Company relies on to operate and manage its business and develop its products contracts exclusively with any of the Company's competitors, wishes to terminate the contractual relationship with the Company for any other reason, refuses to renew their contractual relationship with the Company, or renews it on terms that do not suit the Company, this will have an adverse effect on the Company's business. If, accordingly, the Company is unable to contract with other suppliers or contractors on reasonable commercial terms or increase the prices of its products and services to cover the increase in costs or make improvements to the internal mechanisms and procedures in the Company to counter this increase or decrease in quality, this will lead to the Company bearing such increase and may lead to a reduction in the Company's sales, which will have an adverse effect on the Company's competitiveness, business, financial position, results of operations and future prospects.

2.1.17 Risks Related to the Company's Failure to Implement its Growth Strategies

The Company's future performance depends on its ability to implement its expansion plans and growth strategies. However, the Company cannot guarantee the success of these plans and strategies, as this depends on several factors, including the following:

- Developing the Company's technical, financial and administrative systems to keep pace with these expansions while maintaining and developing the Company's current product and service quality level.
- Collaboration with current and future clients and suppliers.
- Identifying new products, services and geographical markets as well as competing successfully in these products, services and markets and complying with relevant regulatory requirements.
- Availability of adequate financing (including the financial resources currently available to the Company) on acceptable terms.
- The effectiveness of the Company's marketing campaigns.
- The competition that the Company faces from internal and external parties.
- The Company's ability to reduce costs and establish controls to maintain quality of services provided.
- Increasing the numbers of qualified employees, training them and managing them with the required efficiency.
- Obtaining the necessary approvals and licenses from the relevant regulatory authorities.
- Existence of favorable economic, regulatory and market conditions for the Company.

As a result of any of the aforementioned factors or other factors beyond the Company's control, the Company's revenues may not grow at the same rate as in previous periods, or the Company may incur significant costs without receiving the expected revenues from the implementation of its expansion plans. Further, it may not be possible to reach the expected level of profitability within the timeframe specified in these plans, which will affect the Company's competitive position, increase pre-operating costs and thus adversely affect the Company's business, financial position, results of operations and future forecasts.

Based on the foregoing, the Company's failure to effectively implement its expansion plans and growth strategies will negatively affect its business, financial position, results of operations and future prospects.

2.1.18 Risks Related to Inadequacy of Insurance Coverage

The Company maintains various types of insurance policies to cover its operations, including health insurance for all employees and commercial general liability insurance (for more information regarding insurance policies, please refer to Section 12.6 "**Insurance**" of this Prospectus). In general, insurance coverage may not be sufficient in all cases or may not cover all risks to which the Company is likely to be exposed. Uninsured losses may occur or their value may exceed the limits of insurance coverage. In addition, the Company's insurance policies contain some exceptions or limitations to coverage in which certain types of loss, damage and liability are not covered. In such cases, the Company may incur losses that could adversely affect its business and results of operations. In addition, the inability of the Company to renew its insurance policies within the limits of the current insurance coverage on commercially acceptable terms, or at all, or in the absence or unavailability of appropriate insurance for the various areas of its business, will adversely affect the Company's business, financial position, results of operations and future prospects.

2.1.19 Risks Related to Increased Costs

The Company's performance also depends on its ability to maintain its profitability by maintaining appropriate prices for its products and the ability to pass any increase in sales costs to its clients by raising the prices of products and services provided by the Company. Effectively controlling the price of a product or service is beyond the Company's complete control, as prices depend fundamentally on market supply and demand. Therefore, if operating and production costs increase and the Company is unable to raise the prices of its products and services to compensate for such costs, the Company's profitability will be affected significantly, which will have a material adverse effect on the Company's business, results of operations, financial position and future prospects. The Company's cost items include equipment, software and professional services (which accounted for 36.9%, 28.1%, 25.9% and 25.9% of the Company's net revenues in 2019G, 2020G, 2021G and the three-month period ended 31 March 2022G, respectively), and employee costs associated with revenue costs (which accounted for 49.5%, 59.4%, 62% and 61.7% of the Company's total cost of revenue in 2019G, 2020G, 2021G and the three-month period ended 31 March 2022G, respectively). The Company's operations depend largely on its manpower. As such, the wages and benefits of employees represent approximately 65% of the total cost of revenue, approximately 57% of the total general and administrative expenses and 51% of the total sales and distribution expenses as of 31 March 2022G. The average number of employees in the Company was 1,715 in the financial year 2019G, 2,835 in financial year 2020G, 4,222 in financial year 2021G, and 3,968 in the three-month period ended 31 March 2022G, which led to an increase in the total employee wages and benefits from SAR 131.2 million in the financial year 2019G to SAR 249.6 million in the financial year 2020G, and then again to SAR 349.8 million in the financial year 2021G. Moreover, the total employee wages increased from SAR70.7 million in 31 March 2021G to SAR103.7 million in 31 March 2022G. Thus, any increase in the cost of operations, production or services provided by third parties combined with the Company's inability to raise the prices of its products and services to keep pace with the increase in costs, will significantly affect the Company's profitability, which in turn will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.20 Risks Related to Licenses, Certificates, Permits and Approvals

The Company is bound by a number of laws and regulations that require it to obtain the necessary licenses and permits from the competent regulatory authorities in the Kingdom in order to carry out its commercial activities. The Company currently maintains a number of licenses, certificates, permits and approvals related to its commercial activities, including, but not limited to, various licenses issued by the Communications and Information Technology Commission in relation to the Company's operations, Commercial Registration certificates obtained by the Company from the Ministry of Commerce, a Chamber of Commerce membership certificate, a municipality license and civil defense permits. When the Company wishes to renew or amend the scope of any of such licenses, certificates or permits, the competent authority may not renew or amend the same. In the case that the competent authority renews or amends such documents, it may impose conditions that would negatively affect the Company's performance. For example, the Company obtained a short message service (SMS) license from the Communications and Information Technology Commission, which was renewed for three months to end on 21/12/1443H (corresponding to 20/07/2022G) according to certain conditions. These conditions stipulate not to attract or accept new users or extend the scope of existing contracts or other arrangements concluded with existing users, and not to extend the scope of contracts or other arrangements concluded with any other licensees. It also has the right to cancel or suspend the license at its absolute discretion when the Company commits any act that necessitates the same. In addition, the licenses issued by the Communications and Information Technology Commission include a number of general terms that apply to all categorical licenses of the types "Call Center Service License" and "SMS Service License", in addition to special terms applicable to each type of such licenses (for more information about the general and specific conditions of licenses issued by the Communications and Information Technology Commission, please refer to Section 12.3 "**Key Licenses and Approvals**" of this Prospectus). A Government Entity may also request the Company to obtain additional licenses or fulfill other requirements in the future (for more information regarding the Company's material licenses, please refer to Section 12.3 "**Key Licenses and Approvals**" of this Prospectus).

The Company may also be subject to regulatory procedures or other claims due to breaching the provisions of its material licenses and permits. For example, the Communications and Information Technology Commission demanded an amount of SAR 65,000 from the Company for violating the provisions of the SMS Service License. Such penalty was paid and announced on the website of the Communications and Information Technology Commission (for more information regarding the Company's violation of the provisions of the SMS Service License, please refer to Section 12.11 "**Lawsuits and Claims**" of this Prospectus).

The Company may be required to terminate some of its business if it is unable to obtain or renew any license, or if a license is suspended, canceled, withdrawn or renewed on unfavorable terms, or if the Company is unable to obtain additional licenses that may be required in the future. For example, the Company was unable to obtain a municipality license and a civil defense permit for its office in Al-Qirawan district and for its branches in Riyadh and Makkah. The Company was also unable to renew the civil defense permit for its headquarters in Al-Khozama district and the municipality license for the Makkah branch, due to reasons beyond the Company's control. If the Company fails to obtain or renew any license necessary for its business, if its licenses expire or are suspended, if any such licenses are renewed under unfavorable terms, or if the Company is unable to obtain additional necessary licenses in the future, this will result in preventing the Company from conducting its business in whole or in part, or the imposition of financial penalties against it by the competent government authorities. This may include the imposition of penalties by the Civil Defense of up to SAR 30,000, or by the Ministry of Municipal and Rural Affairs of up to SAR 5,000 for each violating site. This may impede or disrupt the Company's operations and cause it to incur additional costs, which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.21 Risks Related to Employee Misconduct and Mistakes

The Company's employees may carry out actions or commit mistakes that negatively affect the Company's business. This may result in a violation of any of the laws or regulations in force in the Kingdom, which may lead to the imposition of penalties on the Company by the competent authorities. Such penalties may vary according to the extent to which the misconduct or mistake committed by the employee causes the Company to incur financial liability and/or damages its reputation. The following are some types of misconduct and/or mistakes:

- Unauthorized disclosure of confidential information or trade secrets to a client, competitor or the market.
- Culturally inappropriate behavior such as unethical behavior or behavior that is socially unacceptable.
- Engaging in product misrepresentation or engaging in fraudulent, deceptive or inappropriate activities while marketing the Company's products to existing or potential clients.
- Failure to comply with applicable regulations or internal controls and procedures.
- Failure to properly document transactions in accordance with the Company's standard documents and processes, failure to provide appropriate regulatory advice in relation to non-standard documentation or failure to obtain appropriate internal licenses.

There is no guarantee that the Company's governance and compliance policies (including in relation to sanctions, trade restrictions, anti-bribery and corruption, employee conduct and whistle-blowing policies in connection therewith) will protect the Company from the inappropriate conduct of its employees. If any of the Company's employees commit acts of misconduct or mistakes that lead to the incurrence of financial liabilities and/or penalties, this will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.22 Risks Related to Transactions with Related Parties

In its normal course of business, the Company deals with Related Parties. The Company will continue to be a party to transactions with Related Parties in the future (for more information regarding transactions with Related Parties, please refer to Section 12.8 "**Related Party Transactions**" of this Prospectus). Transactions with Related Parties are subject to framework agreements that govern the terms under which the Related Parties provide solutions and services as service providers or direct suppliers to the Company, and the scope of responsibilities for the services and products supplied by the Related Parties to the Company. Such agreements have been concluded on a commercial basis. All existing transactions with Related Parties in which members of the Board of Directors have an interest were approved in the Company's Ordinary General Assembly meeting held on 24/08/1443H (corresponding to 27/03/2022G) and 25/12/1443H (corresponding to 24/07/2022G) (for more information regarding such agreements, please refer to Section 12.8 "**Related Party Transactions**" of this Prospectus).

The transactions concluded with Related Parties include a development and modernization agreement concluded between the Company and the Sustainable Technology Company for Energy, and an annex to an agreement for the supply and installation of safety systems for pilgrims concluded between the Company and ITB Company. The Company has also concluded 5 framework agreements with Related Parties using similar models (for more information regarding framework agreements, please refer to Section 12.8.3 "**Framework Agreements with Related Parties**" of this Prospectus). Previously, the Company settled invoices and paid dues on behalf of Related Parties. Such sums amounted to SAR 3.38 million in

2019G, SAR 1.21 million in 2020G, SAR 1.51 million in 2021G, and SAR 396.84 thousand during the three-month period ended 31 March 2022G. The value of transactions concluded with Related Parties amounted to approximately SAR 45.5 million in 2019G, SAR 36.6 million in 2020G, SAR 12.17 million in 2021G, and SAR 6.20 million during the three-month period ended 31 March 2022G. The Company's net revenues resulting from transactions with Related Parties amounted to SAR nil, SAR 1 million, SAR 7.9 million and SAR 220.3 thousand for the financial years ended 31 December, 2019G, 2020G, 2021G and the three-month period ended 31 March 2022G. respectively, representing 0%, 0.2%, 1.2%, and 0.11% of total revenue, respectively. In the event that transactions with Related Parties are concluded in the future on a non-commercial basis, this may have a material adverse effect on the Company's business, results of operations, financial position and future prospects. Also, in the event that the Company is unable to renew or conclude contracts and transactions with Related Parties, if they are renewed on terms unsuitable for the Company, or if the approval of the General Assembly is not obtained, this will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.23 Risks Related to Lawsuits and Litigation

The Company sells its products and services to a wide range of clients within the Kingdom. In the course of its normal business, the Company may face numerous lawsuits, claims and judicial proceedings. As of the date of this Prospectus, the Company was a party to administrative lawsuits as a defendant with a total financial impact of SAR 65,000 which was demanded by the Communications and Information Technology Commission for violation of the provisions of the SMS Service License. The penalty was paid and announced on the website of the Communications and Information Technology Commission.

The Company also concluded a contract with a government entity to provide software development services. During the project, the government entity approved the executed works at a value of SAR 12.2 million. However, the Company recorded only SAR 6.6 million of such value as revenue after evaluating the percentage of completion up to the financial year 2020G. It should be noted that the remaining balance of SAR 5.6 million was recorded by the Company as unearned revenue and commercial accounts receivable were recorded against such balance. Subsequently, the Company collected SAR 4.7 million, and the remaining value of the balance of the commercial accounts receivable (amounting to SAR 7.5 million) is under dispute. The Company initiated judicial proceedings as a plaintiff against the aforementioned government entity to claim SAR 7.5 million. The Company did not complete work on the contract with the aforementioned government entity amounting to SAR 22.6 million, as the amount that the Company completed amounted to SAR 12.2 millio. The remaining amount of the contract, which the company did not complete, is SAR 10.4 million. Later, the balance of the commercial receivable accounts of the government entity decreased to SAR 7.3 million after the government entity paid an amount of SAR 162.2 thousand as on 31 December 2021G (for more information, please refer to Section 12.11 "**Lawsuits and Claims**" of this Prospectus). In the future, the Company may be a party to lawsuits that fall outside the scope of its normal business. In the event that the Company is subject to any judicial or quasi-judicial proceedings and a judgment or a set of judgments are issued against the Company, if such judgment or set of judgments contain large compensation amounts, or compensation amounts that exceed the limits of the Company's liability, this may have an adverse effect on the Company's business, financial position, results of operations and future prospects. In addition, regardless of the outcome of any lawsuits, judicial or quasi-judicial proceedings that the Company may be a party to, such lawsuits and actions could result in significant costs being incurred by the Company and/or the allocation of numerous human resources to defend the Company, which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.24 Risks Related to Existing Financing Arrangements

The Company has obtained a number of credit facilities from numerous commercial banks, including Bank Al Jazira, Emirates NBD, National Bank of Bahrain, Samba Financial Group, National Commercial Bank (Saudi National Bank (SNB)), Al Rajhi Bank, Arab National Bank, Saudi British Bank (SABB) and Riyad Bank. The lenders have the right under some of the credit facility agreements entered into by the Company to terminate or cancel such facilities at their discretion without any particular reason or without the Company's prior approval. In the event that any creditor decides to cancel or terminate the facilities granted to the Company, such creditor may demand immediate payment of all amounts due, which may have an adverse effect on the Company's business, financial position, results of operations and future prospects.

The credit facility agreements concluded with banks include restrictions and conditions that require the banks' approvals regarding changing the legal form or ownership structure of the Company, including offering the Company's shares for public subscription. Such agreements also include obligations related to the issuance of guarantees by Nasser Abdullah Albassam (with a total value of SAR 110.06 million), Saleh Ibrahim Al-Mazroua (with a total value of SAR 110.06 million) and The Ideal for Business and Investment Trade Company (with a total value of SAR 626.49 million), in addition to two real estate mortgages, one of which was issued by the Company on a building owned by it, which is located in the Sarhiya district in the city of Diriyah, and the other issued by Nasser Abdullah Al-Bassam on a land located in the Wadi Laban district in the city of Riyadh (for more information about such guarantees, please refer to Section 12.5 "**Financing Agreements**" of this Prospectus). In addition, some of the Company's financing agreements include undertakings under which the Company is obligated to maintain, for example, certain percentages of its assets, working capital, liabilities and indebtedness. This limits its ability to distribute cash dividends from its profits or issue any additional shares. These include,

but are not limited to, certain credit facility agreements inclusion of undertakings that restrict the Company's ability to incur additional indebtedness, grant guarantees, create security interests on any of its properties or sell any of its properties in any way without obtaining the prior approval of the relevant lender. Any such undertakings may limit the Company's ability to engage in certain transactions at its discretion. The Company may not be able to fulfill its obligations under such agreements if there is a shortfall in its revenues for any reason. In the event that the Company breaches any of the obligations or undertakings related to the debts incurred by it in the future, the banks may demand the Company to pay the debt immediately and collect the guarantees provided by the Company. In such case, there is no guarantee that the Company will be able to obtain sufficient alternative sources of financing to repay those debts. Any such factors may have an adverse effect on the Company's business, financial position, results of operations and future prospects (for more information, please refer to Section 12.5 "**Financing Agreements**" of this Prospectus).

It should be noted that the Company has contacted the banks with which it has credit facility agreements to approve the Offering of the Company's Shares for public subscription and to cancel the guarantees provided by Nasser Abdullah Albassam, Saleh Ibrahim Al-Mazroua and The Ideal for Business and Investment Trade Company as a guarantee to pay the value of the facilities owed to them after listing the Company's shares on the Exchange, in addition to exempting the Company from the restrictions related to making cash dividends from the Company's profits (if any). The following is a summary of the responses of such banks to the Company (for more information, please refer to Section 12.5 "**Financing Agreements**" of this Prospectus):

- A letter from the Saudi British Bank (SABB) dated 12 April 2022G, which states that SABB has no objection to the Offering subject of this Prospectus, provided that the Company complies with all the obligations contained in the facility agreements, and the new Shareholders approve the same, in addition to providing the bank with the updated constituent documents of the Company.
- A letter from the Arab National Bank dated 11 April 2022G, which states that the Arab National Bank has no objection to the Offering subject of this Prospectus, provided that the Company complies with all the obligations contained in the related facility agreements.
- A letter from Al Rajhi Bank dated 22 March 2022G, which states that Al Rajhi Bank has no objection to the Offering subject of this Prospectus.
- A letter from the National Bank of Bahrain dated 22 March 2022G, which states that the National Bank of Bahrain has no objection to the Offering subject of this Prospectus.
- A letter from Bank Al Jazira dated 22 March 2022G, which states that Bank Al Jazira has no objection to the Offering subject of this Prospectus.
- A letter from the Saudi National Bank dated 11 April 2022G, which states that the Saudi National Bank has no objection to the Offering subject of this Prospectus, provided that the Company complies with all the obligations contained in the related facility agreements, in addition to signing all documents required by the bank.
- A letter from Emirates NBD dated 13 April 2022G, which states that Emirates NBD has no objection to the Offering subject of this Prospectus.
- A letter from Riyad Bank dated 17 April 2022G, which states that Riyad Bank has no objection to the Offering subject of this Prospectus, provided that the Company complies with all the obligations contained in the related facility agreement, in addition to providing the bank with the updated constituent documents after listing and an authorization issued by the authorized persons stating the names and powers of those authorized to represent the Company.

It should be noted that some banks may request new additional guarantees against the applications submitted by the Company. The Company may not be able to provide such guarantees or cancel the personal guarantees provided by Nasser Abdullah Albassam, Saleh Ibrahim Al-Mazroua and The Ideal for Business and Investment Trade Company, which could increase the cost of financing required by the Company. This would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

Moreover, if the Company continues to rely on loans from local banks to finance the working capital gap, this may have an impact on the Company's net income in the future in the event of an increase in the prevailing interest rates, which will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.25 Risks Related to Compliance with the Companies Law and the Corporate Governance Regulations

The Company's Board of Directors (on 20/07/1443H (corresponding to 21/02/2022G) and 10/09/1443H (corresponding to 12/04/2022G)) and the Company's General Assembly (on 24/08/1443H (corresponding to 27/03/2022G)) approved the approved the Company's Corporate Governance Regulations derived from the Corporate Governance Regulations issued by the CMA. The Company's compliance with the corporate governance rules and procedures depends on the extent of the knowledge and understanding of such rules and the proper implementation of them by the Board of Directors, its Committees and Senior Executives, particularly with regard to training related to the Board of Directors and its Committees, independence terms, and rules related to conflicts of interest and Related Party transactions.

The Company has formed several committees emanating from both the Company's General Assembly and Board of Directors in order to enhance and support the Company's management as follows: (1) the Audit Committee and (2) the Nomination and Remuneration Committee. The Company's General Assembly formed the Audit Committee consisting of 3 members, all of whom are non-executive, pursuant to the General Assembly Resolution dated 24/08/1443H (corresponding to 27/03/2022G). The Company's Board of Directors also formed the Nomination and Remuneration Committee consisting of 3 members, all of whom are non-executive, pursuant to the Board of Directors' Resolution dated 20/07/1443H (corresponding to 21/02/2022G) (for more information regarding the Committees of the Board, please refer to Section 5.3 "**Board Committees**" of this Prospectus).

It should be noted that the recent adoption of the Company's Internal Governance Regulations, the recent appointment of Board members, including independent members, and the recent formation of the above-mentioned Board Committees may have a negative impact, especially in the near future. Any failure to implement the Company's Internal Governance Regulations or failure by the Board Members or Board Committees to perform their jobs and duties, including monitoring the Company's business, protecting its interests and the interests of its Shareholders, and continuous disclosure in accordance with the applicable laws and regulations in the Kingdom, including the Corporate Governance Regulations issued by the CMA, may lead to the imposition of regulatory penalties against the Company, which would adversely affect its business, financial position, results of operations and future prospects.

With regard to its management and conduct of various activities and business, the Company is subject to the provisions of the Companies Law. The Companies Law and the Corporate Governance Regulations stipulate some new requirements related to structure and corporate governance that the Company must comply with. This requires the Company to take certain measures to comply with such new requirements. The Companies Law and the Corporate Governance Regulations also stipulate stricter penalties for violation of their mandatory provisions and rules (such as the requirements of the Corporate Governance Regulations in relation to the management of listed companies, as well as the formation of an independent audit committee by the Company's General Assembly). Therefore, the Company may be subject to such penalties, which include financial fines, imprisonment, or both. For example, the Companies Law stipulates that each director, official, Board Member, auditor or liquidator who records false or misleading data shall be punished by imprisonment for a period not exceeding five years and a fine not exceeding 5 million Saudi Riyals. In the event that the Company fails to comply with such provisions and rules, this will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.26 Risks Related to a Lack of Experience in Managing Public Joint Stock Companies

The Company has been managed since 2004G as a limited liability company, and subsequently, after its conversion in 2021G, as a closed joint-stock company. Thus, the Company's Senior Executives have either limited or no experience in managing public joint-stock companies and complying with the rules and regulations of joint stock companies listed on the Exchange. In particular, Senior Executives must exert additional efforts to ensure that the Company complies with the regulatory rules and rules on disclosure imposed on companies listed on the Exchange, which may reduce the time Senior Executives devote to managing the Company's daily business. This could have material adverse effect on the Company's business, financial position, results of operations and future prospects.

2.1.27 Risks Related to Open Source Software

The Company has a single platform that relies on software licensed by its rightful owners or third parties under "open source" licenses. Such licenses, by their nature, require the Company to modify the open source license to suit the business requirements it provides for its clients. The Company licenses such modifications or derivative works under the terms of open source license or other licenses that grant rights of use to third parties. If the Company integrates its own proprietary software with open source software in specific ways, the Company may be required, under specific provisions of open source licenses, to provide the source code for its proprietary software. In addition to the risks associated with licensing requirements, the use of open source software may lead to greater risks than the use of commercially licensed software by third parties, since open source licenses do not usually provide any updates, guarantees, support, compensation or control over the software source. Moreover, some open source licenses may include security vulnerabilities or other disruptions that may be known or vulnerable to security attacks due to their high availability and being available as is.

In addition, the terms of open source licenses may be ambiguous and many of the risks associated with the use of open source software are unavoidable, which, if not handled properly, could adversely affect the Company's business. In the event the Company does not use open source software appropriately, the Company may have to reprogram its platforms, publish its source code or stop sale of its platforms if it is unable to program them in a timely manner or takes any other corrective actions that may divert resources from developing and growing the Company's business, which would have an adverse effect on the Company's business, results of operations, financial position and future prospects. Furthermore, if open source software is not maintained by its rightful owners, it may be difficult for the Company to make the necessary modifications to the software, including modifications related to security vulnerabilities that may affect the Company's ability to reduce cybersecurity risks or fulfill its obligations towards its clients. The Company may also face claims from third parties wishing to enforce the terms of an open source license, including demands to publish open source software, derivative works or source code used in programming such software. Such claims (whether due or not) may result in lawsuits, which could be time-consuming and costly to settle or plead, distract the Company's management, require the Company to rent its proprietary source code or require the Company to use its research and development resources to change software, which will have an adverse effect on the Company's business.

It may be difficult to avoid or manage many of the risks associated with the use of open source software. If the Company does not handle them properly, they may have an impact on the performance of the Company's products and business, which will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.28 Risks Related to Outbreaks of Infectious Diseases or Other Public Health Concerns, Including the Ongoing Global Spread of the Coronavirus Pandemic (COVID-19)

The outbreak of an infectious disease, such as Middle East Respiratory Syndrome (MERS), Influenza "A" (H1N1), Severe Acute Respiratory Syndrome (SARS) and the novel the coronavirus pandemic (COVID-19) in the Middle East and/or any other region has a material adverse effect on the Kingdom's economy and the Company's operations. Since late December 2019G, the coronavirus pandemic (COVID-19) has been spreading, initially in China and then worldwide. the coronavirus pandemic (COVID-19) is an infectious disease caused by a highly contagious virus that causes respiratory infections and other symptoms such as fever, cough and shortness of breath.

The outbreak of the coronavirus pandemic (COVID-19) and some of the preventive measures taken by governments, companies and individuals in relation to the coronavirus pandemic (COVID-19) have caused global economic disruption. The COVID-19 pandemic has also negatively affected the global economy, financial markets, global demand for oil and its prices, and the general environment in which the Company operates. The extent of its impact on the Company's future results of operations and general financial performance is still uncertain. The Company may also encounter obstacles in sourcing and supply, which includes the search for and provision of manpower, since the supply chain companies used by the Company are located in areas where the relevant authorities have either imposed measures to contain or reduce the coronavirus pandemic (COVID-19) or may re-impose such measures. Since it is impossible to estimate the extent or duration of the effects of this pandemic, it may have long-term implications in general. It should be noted that with regard to the Company's operations, the pandemic contributed to an increase in the demand for the communications and information technology services and solutions sector, which played a role in the growth of the Company's net revenues by 3.11%, representing approximately SAR 14.9 million, in 2020G, and by 8.91% in 2021G, representing approximately SAR 58.4 million. This had a positive impact on the Company's net profit of 5.74% of the Company's total profits, representing approximately SAR 5.2 million in 2020G and 14.43% of the Company's total profits in 2021G, representing approximately SAR 16.7 million. However, it is not possible to ascertain whether this effect will continue with the receding of the pandemic and the accompanying preventive measures.

The Kingdom, as in other countries, implemented strict precautionary measures and restrictions on travel and public transportation. It also imposed quarantine and social distancing requirements and measures, as well as the prolonged closure of some workplaces and economic activities, which greatly affected the Kingdom's economy. There is no guarantee regarding the imposition of the preventive measures, the manner of their imposition, or other measures that may be taken and the extent of any such measures.

In addition, any outbreak of COVID-19 or any other contagious disease at the Company facilities may result in the closure of such facilities for certain periods of time or the implementation of certain precautionary measures aimed at limiting physical presence. Closure of the Company's facilities may disrupt the Company's business or lead to the incurrence of additional costs in order to comply with any precautionary measures, which may have a material adverse effect on the Company's business, results of operations, financial position and future prospects. It is not possible to accurately assess the impact of the coronavirus pandemic (COVID-19), both in terms of how long it may last or its impact on any of the Company's business units. In the long run, this may result in opening the door to price negotiations with clients or suppliers, changing the behavior of clients or end users towards certain products according to their purchasing significance, terminating the service of the Company's employees or any other material changes that may affect the profitability of the Company. Furthermore, any of the above may lead to a decline in oil prices for a extended period or have a long-term negative impact on the Kingdom's economy, which may adversely affect the Company's business, results of operations, financial position and future prospects.

2.1.29 Risks Related to Zakat and Income

The Company has submitted its Zakat returns since its incorporation until the end of 31 December 2021G. and has paid the related obligations for such periods. The Company obtained Zakat certificates for all years since its incorporation until the end of 31 December 2020G. The Company also obtained the final Zakat assessments for all years since its incorporation until 2015G. As of the date of this Prospectus, the Company has not received the final Zakat assessments for the years 2016G to 2021G.

It should also be noted that the Company is currently subject to withholding tax in respect of professional services it uses from companies located outside the Kingdom of Saudi Arabia. The value of the Company's contribution to withholding tax amounted to SAR 431,355 for 2019G, SAR 281,632 for 2020G, SAR 769,957 for 2021G and SAR 150,000 for the three-month period ended 31 March 2022G. If the Company does not commit to paying withholding tax in the future, in accordance with the requirements of the Zakat, Tax and Customs Authority (ZATCA) (previously known as the General Authority of Zakat and Tax), ZATCA will require the Company to pay the withholding tax amount, in addition to a delay penalty (equivalent to 1% of the unpaid tax amount for every 30 days of delay).

Based on the foregoing, there may be a risk that ZATCA will return to any previous year for which final Zakat assessments or final withholding tax certificates have not been obtained, challenge the submitted returns and demand the Company pay additional Zakat amounts or final withholding tax or any fines imposed in the future in connection therewith, which in turn may have a material adverse effect on the Company's business, results of operations, financial position and future prospects. It should be noted that a provision for Zakat has been set aside in accordance with the regulations and instructions of ZATCA in the Kingdom of Saudi Arabia. The Company's Zakat provision amounted to SAR 1.46 million, SAR 1.74 million, SAR 3.61 million and SAR 850 thousand as of the financial years ended 31 December 2019G, 31 December 2020G, 31 December 2021G and the three-month period ended 31 March 2022G, respectively. If the Zakat provision does not sufficiently offset any additional Zakat obligations that ZATCA may impose, this will have a material adverse effect on the Company's business, financial position, results of operations and future prospects. (For more information regarding the Company's Zakat provision, please refer to Section 12.10 "**Company's Zakat and Tax Status**").

2.1.30 Risks Related to the Expropriation of the Company's Real Properties

As of the date of this Prospectus, the Company owns 3 properties. It is worth noting that the buildings located in Al Khozama district (Al Sarhiyah area, Al Diriyah), including the Company's headquarters, will be expropriated for public benefit. As of 31 March 2022G, the Company has not received an official notice to vacate its offices. However, the Company may receive an eviction notice at any time. The Company has built new offices in Al Qirawan district, where it will move its headquarters upon receiving an official notice to vacate its offices. Upon receipt of an official notice from the competent authorities to vacate its offices, the Company may not be able to do so within the period indicated in the notice, or the Company may be forced to temporarily suspend its business in order to transfer equipment and furniture to the new offices, which may cause the imposition of financial penalties on the Company or a delay in the execution of the Company's projects. Hence, this will have a material adverse effect on the Company's business, financial position, results of operations and future prospects. (For more information regarding the Company's properties, please refer to Section 12.7 "**Company's Properties**").

In addition, any of the Company's properties may be subject to expropriation in the future for public benefit, and the Company may have to incur large capital expenditures to purchase or rent new offices. However, there is no guarantee that the Company will be able to find suitable offices to buy or rent in the future. Any delay in acquiring new offices in the future may lead to the imposition of financial penalties on the Company, or a delay in the execution of its projects, which will have a material adverse effect on the Company's business, financial position, results of operations and future prospects.

2.1.31 Risks Related to the Law of Commercial Agencies

The Company has entered into a distribution agreement with Washington Performance Consulting and Construx Software Builders (WPC) and Construx Software Builders (Construx) (for more information, please refer to Section 12.4.3.5 "**Distribution Agreement concluded between the Company, Washington Performance Consulting (WPC) and Construx Software Builders (Construx)**"). This distribution agreement is subject to the Law of Commercial Agencies issued by Royal Decree No. M/11 dated 20/02/1382H (corresponding to 21 July 1962G) and the amendments thereto (the "Commercial Agencies Law").

Under the Commercial Agencies Law, any Company engaged in commercial agency activities must have a Saudi board of directors and Saudi managers. The Commercial Agencies Law imposes a fine ranging from SAR 5,000 to SAR 50,000 for any violation of the provisions of the Commercial Agencies Law.

The Saudi commercial agent must register all agency and distribution agreements with the Ministry of Commerce within three (3) months from the date of its inception, but registration (or lack thereof) is not a condition for the agreement to become effective in the Kingdom. The responsibility for registering any commercial agency agreement with the Ministry of Commerce and paying the fines for non-compliance rests with the Saudi commercial agent and not the foreign party. The distribution agreement concluded between the Company and Washington Performance Consulting and Construx

Software Builders (WPC) and Construx Software Builders (WPC) has not been registered with the Ministry of Commerce. Thus, the Ministry of Commerce has the right to impose fines on the Company ranging from SAR 5,000 to SAR 50,000. This will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2 Risks Related to the Market and Regulatory Environment

2.2.1 Risks Related to Changes in the Regulatory Environment

The Company and its business are subject to the supervision of a number of government entities in the Kingdom, including, but not limited to, the Ministry of Commerce, Municipalities, Civil Defense, Capital Market Authority (post-listing) and the Communications and Information Technology Commission, as well as others. Therefore, the Company is subject to the risks of changes in laws, regulations, circulars and policies in the Kingdom, including regulations and policies related to taxation and labor. The regulatory and legal environment in the Kingdom remains less comprehensive compared to some other countries and is therefore more vulnerable to development and change than others. The costs of complying with such laws are high. In the event of changes to existing laws or regulations or the issuance of new laws or regulations related to information technology, the Company may, for the purposes of complying with these regulations, change its services or make changes to its products to meet the requirements of such laws, which would result in the Company incurring additional unexpected financial expenses, which in turn would have an adverse effect on the Company's operations, financial position and prospects.

The business of the Company requires that it adheres to the applicable laws and regulations in force on an ongoing basis. Accordingly, if the Company is unable to comply with these regulations and laws on an ongoing basis, it may be subject to certain fines or penalties imposed by the competent supervisory authorities. The Company cannot anticipate changes in the regulatory environment, including changes in data localization, data protection, cybersecurity controls and the introduction of other regulations and laws Related to technology, changes in Zakat and tax laws or the adoption of stricter anti-monopoly, pricing and corporate governance regulations and other changes. The Company's failure to comply with all regulations to which it is subject may result in fines or penalties, which could have a material adverse effect on the Company's business, results of operations, financial position and future prospects. The Company may also have to adjust its business practices to comply with these regulations. Consequently, this may result in incurring additional costs and fees, which will have an adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.2 Risks Related to Data Protection and Cybersecurity Laws

As an IT service provider, the Company collects and processes personal data and other data from its current and potential clients, in order to provide solutions and applications to its clients, verify user identity and provide support, as well as expand and improve its business. The Company may also share personal client data with certain third parties. As a result, the Company must comply with local laws and regulations, including data protection, data localization and cybersecurity requirements in the Kingdom.

For example, a Company may have to implement cybersecurity controls issued by the National Cybersecurity Authority, including basic cybersecurity controls, cybersecurity controls for sensitive systems, cybersecurity controls for cloud computing and national encryption standards, in addition to the Personal Data Protection Law and regulatory frameworks established by the Communications and Information Technology Commission, such as the regulatory framework for cloud computing, regulatory framework for cybersecurity for telecommunication, information technology and postal service providers, general rules for maintaining the privacy of personal data of users in the telecommunication and information technology sector, procedures for launching services or products based on users' personal data or sharing personal data, and the regulatory framework for the Internet of Things, as per the nature of specific transactions with clients, the requirements of their projects and the extent to which they are subject to such controls, which differs from one case to another, requiring the Company to monitor compliance with such controls.

Globally, new laws and regulations related to data protection, data localization, cybersecurity and other standards that govern the collection, processing, storage, transfer, export, disclosure and use of personal data impose additional burdens on the Company due to increased compliance standards that may restrict the use and adoption of the Company's solutions and applications. Future laws, regulations, standards and other obligations, as well changes in the interpretation of existing laws, regulations, standards and obligations may impair the Company's ability to collect, process, store, transfer, export, use or disclose personal data, increase the Company's costs and impair its ability to retain and expand its client base and increase its revenues. These new laws and amendments or reinterpretations of existing laws and regulations, industry standards, contractual obligations and other obligations of the Company may lead the Company to incur additional costs and restrict the business operations. Such laws and regulations may also require companies to implement privacy and cybersecurity policies, allow users to access, correct, and delete personal data stored or held by such companies, notify individuals and regulators of security violations or breaches affecting individuals' personal data. In some cases, they require the express consent of individuals to the use, processing, storage, transfer, export and disclosure of personal data for certain purposes. If the Company or third parties that rely on it are unable to comply with the applicable data privacy laws and regulations and cybersecurity standards and controls, the Company's ability to operate its business successfully and achieve its business objectives may be impaired.

The Company's non-compliance with the applicable laws and regulations, or to protect such data, may result in enforcement action against the Company, including the imposition of fines, penalties and claims for damages by clients and other affected individuals, as well as damage to the Company's reputation, which would be detrimental to the Company's business, results of operations, financial position and future prospects. Compliance costs and other burdens imposed by laws, regulations and standards may limit the use and adoption of the Company's services and reduce overall demand for them, or result in fines or penalties for non-compliance. Consequently, each of the above factors will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.3 Risks Related to Competition

The Company operates in a competitive environment and faces strong competition. There is no guarantee that the Company will continue to be able to compete effectively with other companies in the market. In addition, the pricing policies of the Company's competitors may adversely affect the Company's financial position. Moreover, the increase in the supply of the products manufactured by the Company compared to the demand for them will lead to negative pressure on their prices, and thus adversely affect the Company's business, future prospects, results of operations and financial position in general. The Company's future performance also depends on its ability to gain, maintain and develop market share through expanding its production and marketing business. A decrease in the demand for the Company's products for any reason would adversely affect the Company's financial results.

The Company's competitive ability depends on distinguishing its products from other products offered in the market by providing high quality products at reasonable prices. The Company cannot guarantee that its current or potential competitors will not provide products of a higher quality than it offers as well as more competitive pricing. In addition, the Company does not guarantee that its ability to keep pace and adapt promptly to the trends of advanced technology or changing market requirements, which may lead to a decrease in its market share, revenues and profits. Hence, this will have an adverse effect on its business, financial position, results of operations and future prospects.

2.2.4 Risks Related to Compliance with Saudization Requirements

Compliance with the requirements of Saudization is a statutory requirement in the Kingdom, whereby all companies operating in the Kingdom, including the Company, are obliged to employ and maintain a certain percentage of Saudi employees among their staff. The required Saudization rates vary according to a company's activities. According to the Nitaqat program issued by the Ministry of Human Resources and Social Development, the Company is ranked within the Platinum category. As of 31 March 2022G, the Saudization rate in the Company was approximately 78.8%, placing the Company in the Platinum category of Nitaqat program. Although the Company is currently committed to meeting the applicable Saudization rates, the Ministry of Human Resources and Social Development may decide to impose stricter Saudization requirements in the future. It may be difficult for the Company to continue to maintain or increase the Saudization rate and it may not be able to fulfill the requirements of the Ministry of Human Resources and Social Development in the future. The Company's inability to meet the requirements of Saudization or comply with applicable labor laws and regulations may lead to the imposition of penalties or fines, suspension of the issuance of visas for non-Saudi employees and exclusion from government competitions and loans, which will have a material adverse effect on the Company's business, financial position, results of operations and future prospects (for more information, please refer to Section 5.10 "**Saudization**" of this Prospectus).

2.2.5 Risks Related to the Impact of Economic Conditions on the Company's Operations

All of the Company's activities and operations are limited to the Kingdom, where the Company's financial performance depends mainly on the prevailing economic conditions in the Kingdom as well as the global economic conditions that in turn affect the Kingdom's economy.

Given that the oil sector represents the largest share of the Kingdom's GDP, potential fluctuations in oil prices could negatively affect the Kingdom's economy. Therefore, a prolonged decline in oil prices may lead to a recession or economic depression. It should be noted that the rate of economic growth in the Kingdom has slowed in recent years. The Kingdom also faces challenges related to the relatively high rates of population growth. These factors may have a negative impact on the Kingdom's economy, which in turn will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

There is no guarantee that any negative developments that may arise in relation to international relations or economic and political conditions in any other country will not adversely affect the economy of the Kingdom, foreign direct investment in it or the financial markets in the Kingdom in general. There is also no guarantee that such factors will not adversely affect the Company's business, results of operations, financial situation and future prospects.

Any unforeseen major changes in the political, economic or legal environment in the Kingdom or in any other countries in the Middle East would adversely and materially affect the Company's business, results of operations, financial position and future prospects, including, but not limited to, normal market fluctuations, economic stagnation, insolvency, high unemployment rates, technological transformations and other developments.

2.2.6 The Impact of Political Risks on the Company's Operations

Many countries in the Middle East currently suffer from political or security instability. There is no guarantee that negative diplomatic relations or economic and political conditions in neighboring countries or other countries will not have a negative impact on the economy, foreign direct investment or financial markets in the Kingdom in general, and on the Company's business, results of operations, financial situation and future prospects in particular.

Any unforeseen fluctuations in the political, economic or regulatory environment in the Kingdom and/or other countries in the Middle East, including, but not limited to, normal market fluctuations, recession, bankruptcy, decrease in employment rates, technical shifts and other similar developments will adversely and materially affect the Company's business, results of operations, financial position and future prospects.

2.2.7 Risks Related to Foreign Exchange Rates

Some of the Company's transactions are carried out in currencies other than the Saudi Riyal, especially the US dollar. The Saudi Central Bank continues to maintain the peg of the exchange rate of the Saudi Riyal to the exchange rate of the US Dollar. However, there is no guarantee that this peg will be maintained in the future or that it will remain fixed at the current exchange rate. Any attempt to depeg the Saudi Riyal from the US dollar, or to repeg it at a different rate, will lead to material fluctuations in the exchange rate of the Saudi Riyal against the US dollar. Such fluctuations will affect the Company's business, financial position, results of operations and future forecasts.

2.2.8 Risks Related to the Application of the VAT and Excise Tax System

The company is subject to Zakat and tax requirements in the Kingdom. Any increase in Zakat requirements and/or taxes applicable to the Company may adversely affect its profitability. Based on the decision of the Council of Ministers dated 02/05/1438H (corresponding to 30 January 2017G) to approve the Unified VAT Agreement for the GCC countries, which came into force on 01 January 2018G, as a new tax to be added to the system of taxes and other fees on certain sectors in the Kingdom. The Ministry of Finance raised the VAT rate from 5% to 15%, starting from 01 July 2020G, which may lead to a decrease in consumer spending rates (including their spending on the Company's products), leading to a decrease in the Company's revenues, which will have a material adverse effect on the Company's business, results of operations and future prospects. Any future increase in the VAT rate in the Kingdom may also lead to a further decrease in the levels of customer spending on the Company's products, which will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

The Zakat, Tax and Customs Authority (ZATCA) (formerly known as the General Authority for Zakat and Income) issued Circular No. 6768/16/1438 dated 05/03/1438H (corresponding to 05/12/2016G), which obliges Saudi companies listed on the Exchange to calculate income and Zakat based on the nationality of shareholders and actual ownership of Saudi and Gulf citizens and other nationals as contained in the "Tadawulaty" system at the end of the year. Prior to the issuance of this Circular, companies listed on the Exchange were generally subject to Zakat or tax based on the ownership of their founders in accordance with their bylaws, without the listed shares having an impact on determining the Zakat base. This Circular was to be applied in the year ended 31 December 2016G and subsequent years. However, ZATCA issued its Letter No. 12097/16/1438H dated 19/04/1438H (corresponding to 17/01/2017G) postponing the implementation of the Circular for the financial year ended 31 December 2017G and the following years. Until ZATCA issues guidelines regarding the mechanisms and procedures for implementing this Circular, the implementation of such Circular, including the final requirements to be met, remains under consideration, in addition to the rules that impose income tax on all non-Gulf residents who are shareholders in listed Saudi companies which apply withholding tax to dividends for non-resident shareholders, regardless of their nationality. The Company has not assessed the financial impact of this Circular, nor has it taken sufficient steps to ensure compliance therewith, as it is a closed joint stock company owned by Saudi shareholders. In the event that the financial impact of this Circular, upon application, is significant, or if the Company incurs additional costs to take the necessary steps to ensure compliance therewith, this may adversely affect its business, results of operations, financial position and future prospects.

2.2.9 Risks Related to Floods, Earthquakes and Other Natural Disasters or Acts of Sabotage

Natural disasters or acts of sabotage beyond the control of the Company may greatly harm the Company's facilities and infrastructure in general. Any damages that occur to the Company's facilities or employees - whether caused by floods, earthquakes, storms, other natural disasters or acts of sabotage - may result in the Company incurring significant costs, which may have a significant impact on the Company's ability to conduct its operations and thus reduce its future operating results. In the event of natural disasters or acts of sabotage and their damage to the Company's facilities, this will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.10 Risks Related to the Competition Law

In the event that the Company reaches a dominant position in the market or is regarded or classified as a company with a dominant position by the General Authority for Competition, the Company's operations will be subject to the provisions of the Competition Law, which seeks to protect fair competition in the Saudi markets, encourage and consolidate market rules and freedom and transparency of prices. If the Company violates the provisions of the Competition Law and any judgment related to such violation is issued against it, the Company may be required to pay a fine exceeding SAR 10 million or even higher fines imposed by the General Authority for Competition. The General Authority for Competition also has the right to request a temporary or permanent suspension of the Company's activities (partially or completely) in the event of a repeat violation. Moreover, lawsuit procedures may be lengthy and costly for the Company. Consequently, each of these factors will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.11 Risks Related to the Recent Adoption of the New Companies Law in the Kingdom

In its management, conduct of business and various activities, the Company is subject to the provisions of the Companies Law. On 29/11/1443H (corresponding to 28/06/2022G), the government announced its approval of a new Companies Law that replaces the previous one. This new Companies Law will enter into force 180 days after its publication in the Official Gazette. The new Companies Law stipulates some new requirements related to regulation and corporate governance that the Company must comply with, which requires the Company to take certain measures to comply with these new requirements. The new Companies Law also imposes stricter penalties for violating its mandatory provisions and rules. Therefore, it is possible that the Company may be subject to such penalties in the event of non-compliance with these provisions and rules. This will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.3 Risks Related to the Offer Shares

2.3.1 Risks Related to Effective Control by the Selling Shareholders Post-Offering

After completion of the subscription, the Selling Shareholders shall own 70% of the Company's capital. Accordingly, they will be able to control matters that require shareholders' approval, including mergers and acquisitions, asset sales, Board election, increase or decrease of capital, issuance or non-issuance of additional shares, or making any change in the Company. In addition, the interests of Substantial Shareholders may be in conflict with those of the Subscribers. This will have a material adverse effect on the interests of the Subscribers and their investment plans in the Company.

2.3.2 Risks Related to the Absence of a Prior Market for the Shares

The Company's shares have not previously been offered or traded on a public stock market. There is no guarantee that there will be an active and continuous market for trading in the Company's shares following subscription. The subscription price has been determined based on several factors such as the Company's position, its future aspirations, the market in which it competes and an evaluation of the Company's administrative, operational and financial results. Factors such as differing financial results, general conditions, the general economic situation, the regulatory environment in which the Company operates and other factors beyond the control of the Company can lead to a significant disparity in the liquidity of trading the Company's shares and their price.

2.3.3 Risks Related to Fluctuations in the Market Price of the Shares

The Offer Price has been determined based on several factors, including the Company's past performance, the future prospects for the Company's business, the sector in which it operates, the markets in which it competes and an assessment of the Company's management, operations and financial results. The Offer Price may not be equal to the trading price of the Shares after the Offering is completed. Investors may not be able to resell the Offer Shares at the Offer Price or at a higher price, or they may not be able to sell the shares at all.

In general and from time to time, the stock market is subject to extreme fluctuations in price and volume. Market fluctuations may lead to significant changes in the price of shares, which could cause a decline in the value of shares and higher price volatility if trading volume decreases. The share price may be negatively affected by several factors, including the Company's performance, expected results of its operations, departure of key employees, changes in profit estimates or forecasts, changes in business strategy, market conditions specific to the Company's sector, the general condition of the Kingdom's economy, any changes in laws and regulations, terrorist acts, acts of war, natural disasters, tragic events, and price fluctuations in the stock market. The occurrence of any of these risks or other factors will have a material and adverse effect on the expected returns of Subscribers, or may result in the loss of all or part of their investment in the Company.

2.3.4 Risks Related to the Company's Ability to Distribute Dividends

The distribution of dividends depends on several factors, including the Company's ability to achieve profits, its financial position, statutory reserve requirements, available credit limits, general economic conditions, cash flows, working capital requirements, capital expenditures, the approval of financiers who have stipulated in the financing agreements they concluded with the Company that dividends may not be distributed without adhering to specific financial criteria or obtaining prior approval from financiers, and other factors subject to the recommendation of the Board of Directors in announcing the distribution of dividends as it deems appropriate. Shareholders may not receive any return on their investment in the Shares except by selling the Shares at a price higher than the purchase price. Accordingly, the Company does not guarantee in any way that it will have sufficient funds for the distribution of dividends or that it will declare dividends to shareholders in the near future. Therefore, Subscribers must take these risks into consideration, as they may have a material adverse effect on their investment plans and projects (for more information regarding the Company's dividend distribution policy and restrictions imposed by the financiers on the distribution of cash dividends, please refer to Section 7 "**Dividend Distribution Policy**" of this Prospectus).

2.3.5 Risks Related to the Sale of Additional Shares after the Lock-up Period

The Company's offering of any shares in the future, including any rights offering, may lead to a reduction the in Subscribers' ownership percentages in the Company and have material adverse effects on the Share trading price as a result of the future share offerings or the sale of shares by Current Shareholders. Current Shareholders are subject to a six-month (6) Lock-up Period starting from the date of commencement of trading of the Company's Shares, wherein they are prohibited from disposing of any of the Company's Shares they own until the end of such period. After the Lock-up Period, they may dispose of their Shares. Although the Company does not currently intend to issue new shares immediately after the end of the subscription period, any change in this policy in the future and any significant new issuances by the Company or sale of large quantities of shares by Current Shareholders following the Lock-up Period will have a adverse effect on the Share price in the market. Accordingly, Subscribers should carefully consider these risks as they may have a material adverse effect on their investment plans and projects.

2.3.6 Risks Related to Research Published about the Company

The trading price and volume of shares depend, in part, on the research published by securities' or sector analysts about the Company and its business. If analysts do not conduct adequate research on an ongoing basis, if they reduce their recommendations on stocks or publish inaccurate or unfavorable research regarding the Company's business, it is likely that this will lead to a decrease in the Share price on the market. In addition, if analysts who publish research cease coverage of the Company's news or do not publish reports on it on a regular basis, it is possible that the Company will lose its position and visibility in the financial markets, which in turn could lead to a significant decline in the price of Shares in the market which may therefore have a material adverse effect on the expected returns of Subscribers investing in the Offer Shares.

2.3.7 Risks Related to Investing in Emerging Markets

Investing in securities in emerging markets – such as the Kingdom – generally involves a high degree of risk compared to investments in securities of issuers from more developed countries. In general, investments in emerging markets are suitable only for experienced investors who are aware of the importance of the risks involved in investing in such markets. The Saudi economy may also be exposed to negative future consequences similar to those experienced by emerging market countries. The Kingdom could be adversely affected by negative economic or financial developments in other emerging market countries. If any of the risks associated with investing in securities in emerging markets materialize, this may lead to a significant decline in the market price of the Shares, which may have a material adverse effect on the expected returns of Subscribers investing in the Offer Shares.

3. Market Overview

In this Prospectus, the Company has used publicly available information and market information from publications and independent sector-related market research, including publications and research prepared by the Market Consultant. The Company and the Market Consultant have derived this information from the Market Consultant's market data.

Wherever information has been obtained from third parties, the source of such information has been indicated. The information contained in this Prospectus has been obtained from independent market research conducted by third parties. It should not be relied upon to make any investment decision. Neither the Market Consultant, nor any of its shareholders, partners, affiliates, members of its board of directors, managers, or any of their relatives own any shares or interest of any kind in the Company. The Market Consultant has given their written consent to the use of their name, logo, statements and the market information provided by them to the Company in the form mentioned in this Prospectus. Such consent has not been withdrawn as of the date of this Prospectus.

The sector-related publications and reports state that the information contained is derived from sources that can generally be relied upon. To the best of the Company's knowledge and as far as it can be sure, there are no information or facts the omission of which would make the information contained herein inaccurate or misleading. The Company has not independently verified all the facts and data, and therefore cannot guarantee their accuracy and completeness. Therefore, the Company assumes no responsibility as to the completeness or accuracy of the information provided. Prospective investors should be aware that the statistics, data, statements and other information related to markets, market size, market shares, market position and other sectoral data contained in this Prospectus (and any expectations, assumptions and estimates based on such information) may not be accurate indicators of the future performance of the Company in the sector in which it operates. The forward-looking statements and forecasts contained in this section are not a guarantee of the Company's future performance.

The Board of Directors believe that the information and data provided by third parties and included in this Prospectus are reliable, including information and data derived from the report submitted by the Market Consultant. However, neither the Company, nor the Board of Directors, the Current Shareholders or the Advisors have independently reviewed such information and data or verified its accuracy or completeness. None of them will assume any responsibility for the accuracy or completeness of such information and data.

3.1 Macroeconomic Overview

The Saudi economy is expected to show strong growth in 2022G and beyond. The Kingdom of Saudi Arabia is the world's largest oil producer, with oil revenues accounting for 46% of GDP in 2021G. The services sector represents 36% of the economy and includes Government services, wholesale and retail trade, hospitality services, financing, insurance and real estate. The remaining 64% is concentrated in sectors such as manufacturing, construction, energy, utilities and agriculture.

Since the Kingdom of Saudi Arabia plans to achieve its first budget surplus in eight years, economic growth in 2022G will be primarily driven by increased oil revenues, the expected improvement in the Kingdom's non-oil GDP and the continued economic recovery from the COVID-19 pandemic, in addition to the development of initiatives and programs aimed at diversifying the economy. However, despite the increase in oil prices that helped boost the Country's reserves, the Government plans to contain public spending in 2022G. Oil prices rebounded to their highest level in three years, which led to a faster-than-expected economic recovery. The Government is expected to use revenue surpluses to boost domestic reserves, support national development funds and initiatives and grow the Kingdom's sovereign wealth fund, the Public Investment Fund (PIF). It is also expected that such funds will be directed towards accelerating strategic programs and projects that will affect the economic and social dimensions of the Kingdom of Saudi Arabia.

Table (7): Overview of KSA Indexes

	2016G	2017G	2018G	2019G	2020G
GDP at constant prices (2010 = 100) (SAR billion)	2,587.8	2,568.6	2,631.1	2,639.8	2,531.4
GDP at current prices (SAR billion)	2,418.5	2,582.2	2,949.5	2,973.6	2,625.4
GDP growth	(1.4%)	6.8%	14.2%	0.8%	(11.7%)
Oil GDP (SAR billion)	595.5	735.3	985.9	926.3	607.7
Non-oil GDP (SAR billion)	1,797.2	1,823.5	1,944.2	2,026.1	1,995.7
Government revenue (SAR billion)	519.4	691.5	905.6	926.8	781.8
Government expenditure (SAR billion)	830.5	930	1,079.5	1,059.4	1,075.7
Government deficit/surplus (SAR billion)	(311.1)	(238.5)	(173.9)	(132.6)	(293.9)

	2016G	2017G	2018G	2019G	2020G
Deficit/surplus as a percentage of GDP	(12.9%)	(9.2%)	(5.9%)	(4.5%)	(11.2%)
Inflation	2.1%	(0.8%)	2.5%	(2.1%)	3.4%
Unemployment	5.6%	6%	6%	5.7%	7.4%
Population (million)	31.8	32.6	33.4	34.2	34.8

Source: Saudi Arabian Monetary Agency Annual Report

Table (8): Overview of Key Economic and Demographic Indicators

Area	2.15 million sq. kilometers
Population	34.8 million (2020G)
Literacy rate	Approximately 97.6% (2020G)
Current GDP	SAR 2,625.4 billion (2020G)
Unemployment rate	Approximately 7.4% (2020G)
Life expectancy	75.4 years (2021G)

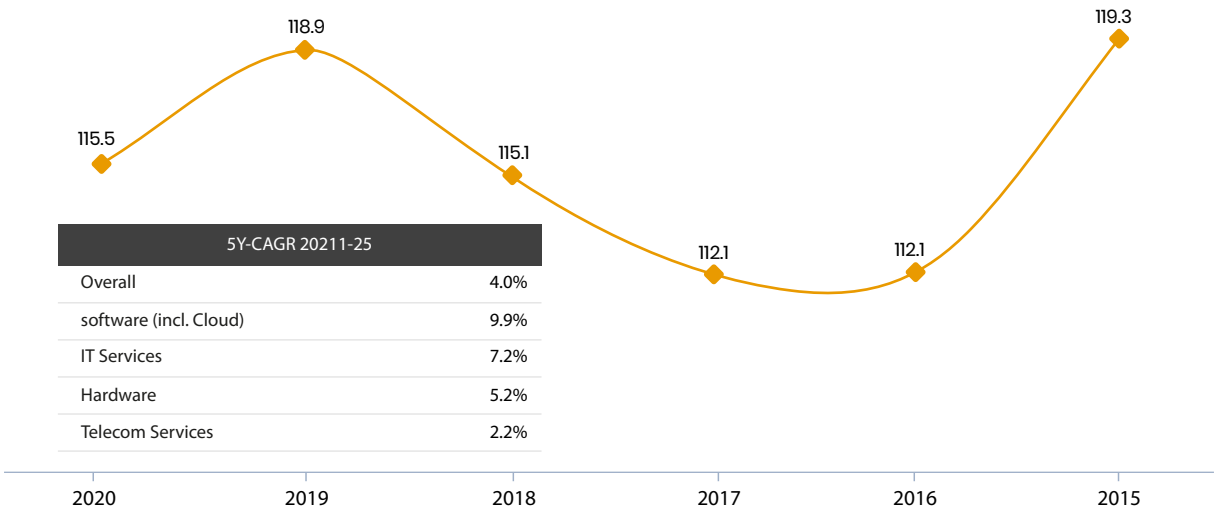
Source: World Bank, Ministry of Finance, Trading Economics, Statista

The digital transformation of the Saudi economy has created many opportunities in recent years. With the Government moving towards digitization across different sectors, creating the underlying digital infrastructure to enable the digital economy has been a vital goal of the Kingdom. It is expected that Vision 2030 will transform the Kingdom into an economy, society and nation that relies more on digitization, with a continuous expansion in the scope of e-Government.

3.2 Overview of the ICT Sector in the Kingdom of Saudi Arabia

3.2.1 ICT Market Outlook in the Kingdom

Figure NO. (2): Total ICT Market Size and Forecast in the Kingdom 2015G-2020G (SAR Billion)



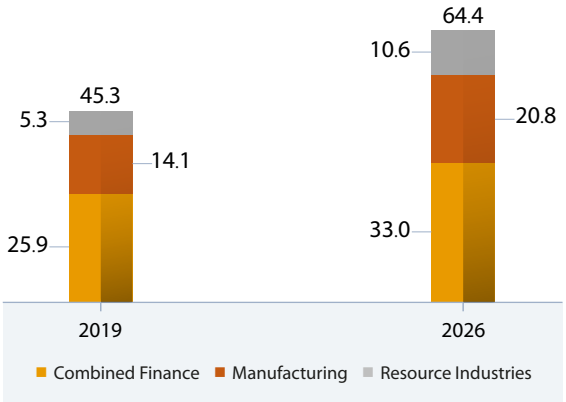
5Y-CAGR 20211-25	
Overall	4.0%
software (incl. Cloud)	9.9%
IT Services	7.2%
Hardware	5.2%
Telecom Services	2.2%

Source: IDC, MEA Blackbook Report, January 2022G; Current YTD 2021G Exchange rate

ICT spending is expected to expand by 2.3% in 2022G to reach SAR 123.3 billion. With GDP growth returning to its normal level at 3%, the Kingdom's ICT market as of 2020G will achieve a strong CAGR of 4%. Software, cloud and specialized IT services will be among the key drivers of ICT spending growth.

3.2.2 IT Market Outlook in the Kingdom by Technology Group

Figure NO. (3): IT Spending by Technology Market in the Kingdom of Saudi Arabia, 2019G-2026G (SAR Billion)



CAGR (2019-2026)	
Hardware	3.5%
IT Services	5.7%
Software	10.4%
Overall	**5.2%**

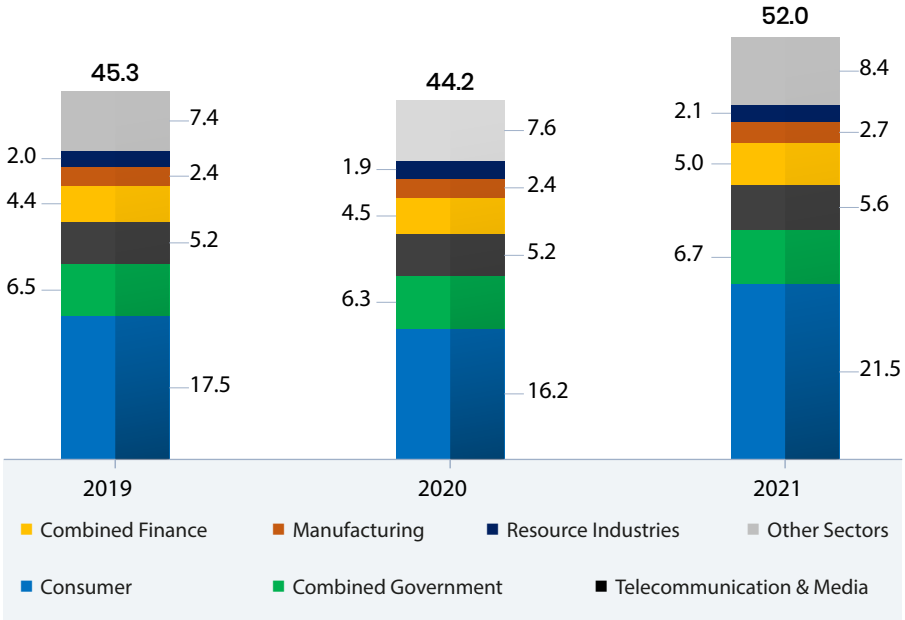
Source: IDC, ICT Spending Guide - Forecast, Jan 2022G (V1 2022G)

IDC expects spending on IT services in the Kingdom of Saudi Arabia to reach SAR 20.8 billion by 2026G, from SAR 14.1 billion in 2019G, expanding at a compound annual growth rate (CAGR) of 5.7% across the seven-year forecast period. Expenditure on hardware is expected to exceed SAR 33.0 billion by 2026G, from SAR 25.9 billion in 2019G, with a CAGR of 3.5%. Software spending in the Kingdom totaled SAR 5.3 billion in 2019G and is expected to reach SAR 10.6 billion by 2026G at a CAGR of 10.4%. Therefore, the expected CAGR of the IT market in the Kingdom will reach 5.2% by 2026G. From a technology service delivery standpoint, cloud-based solutions gained significantly more importance among Saudi enterprises compared to on-premises technology solutions. Several organizations have already adopted a cloud computing strategy that allows such organizations to execute several technology-led transformation projects with limited budgets within the Kingdom.

The Kingdom of Saudi Arabia is quickly moving up the IT adoption curve, especially in the professional services space. Apart from the traditional deployment and support services, some of the other emerging IT services include IT consulting, hosting and data center services and managed and cloud services. Such services are viewed as key enablers of digital transformation. Despite the slowdown in IT spending in 2020G due to the COVID-19 pandemic, strong IT adoption plans across industries will help the market recover over the 5-year forecast period till 2025G.

3.2.3 IT Market Outlook in the Kingdom of Saudi Arabia by Sector

Figure NO. (4): IT Expenditure by Sector in the Kingdom of Saudi Arabia, 2019G-2021G (SAR Billion)



Source: IDC, ICT Spending Guide by Sector and Company Size, Forecasts, January 2022G (V1, 2022G)

Government spending on IT accounts for the largest share of the total enterprise IT market in the Kingdom, followed by the telecommunications and media sector, the banking, financial services and insurance sector, the manufacturing sector and the resource sector. The oil and gas sector and the banking, financial services and insurance sector have long been among the leading sectors with regard to technology adoption, and they continue to invest in advanced technologies, such as big data, analytics, cloud computing, advanced security solutions, etc.

With the exception of the consumer sector, the Government sector is the largest spender on IT services among all sectors in the Kingdom. Meanwhile, the telecommunications and media sector, which ranks second in terms of spending, is currently undergoing a major transformation, with infrastructure development and customer experience being key areas of focus for financial institutions. The finance sector is the third largest sector in terms of spending on IT services in the Kingdom. These companies are moving beyond traditional service areas and making their internal IT environments more flexible, responsive and client-focused. The manufacturing and resource sectors are ranked fourth and fifth, respectively, in terms of spending on IT services in the Kingdom.

3.2.4 Drivers and Barriers to IT Spending in the Kingdom of Saudi Arabia

IT Spending Drivers
• National policies (data centers, cloud computing, cybersecurity, artificial intelligence, information and communication technology)
• Hyperexpansion in the field of computing in the Kingdom. G20-led international investment influx.
• Increasing investments in smart cities and mega projects.
• Regulatory clarity for key technology sectors such as cloud computing, artificial intelligence and security.
• Increased spending on emerging technologies, including 5G technologies.
• Innovation to keep pace with the circumstances of the COVID-19 pandemic and the resulting obstacles to communication, mobility, etc.
IT Spending Barriers
• Reduced spending on technology in sectors that have been negatively impacted by COVID-19 (e.g. retail, manufacturing, etc.).
• Budget cuts in the public and private sectors and oil price wars.
• Availability of skills and Saudization of IT-related jobs.
• The relative decline in the maturity of the ICT sector.

3.2.5 Key IT Spending Initiatives in the Kingdom of Saudi Arabia

National Technology Development Program: The Kingdom's MCIT established the National Technology Development Program (NTDP), with a budget of SAR 2.5 billion, aimed to create a conducive digital skills development environment and to close the supply-demand gap in skills. As part of the NTDP, the MCIT also launched an initiative to support the small and medium-sized enterprise (SME) segment by setting up a SAR 700 million technology funding program.

Digital Skills Development: The Kingdom of Saudi Arabia has launched a series of initiatives amounting to SAR 4.5 billion to boost the digital abilities of 100,000 Saudi youth by 2030G. In addition to the Digital Giving and ThinkTech projects, the Saudi Digital Academy, Misk Academy, Tuwaiq Academy and the National Information Technology Academy have been created to promote digital skills that will benefit over 15 million people, including more than 70,000 young people. The MCIT developed a digital skills framework, launched future skills programs and provided intensive training in digital skills, including information security, data science, web development, blockchain and artificial intelligence (AI).

Saudi Project HQ Initiative: By 2024G, only international firms with regional headquarters established in the Kingdom of Saudi Arabia will be permitted to conduct business with the Kingdom's Government. The aim is to increase foreign investment and help fulfill the Kingdom's ambition of establishing itself as a regional economic and innovation hotspot. InvestSaudi, the country's investment promotion agency, launched Project HQ, which offers exceptional tax benefits and other advantages for blue-chip international companies. Companies that operate in the identified zones will benefit from various tax exemptions, incentives, expedited commercial licensing and relevant labor law exemptions over ten years.

Tech Startup Enablement: The General Authority for Small and Medium Enterprises (Monsha'at) announced a host of strategic initiatives - such as the Government-owned Saudi Venture Capital Company, worth SAR 2.8 billion - to invest directly in start-ups and SMEs in the Kingdom. The Government is also facilitating funding for SMEs through the Public Investment Fund and has launched several initiatives - including Jada Investment - to provide financing to Saudi SMEs and start-ups through commercially sustainable investments in private equity and venture capital funds. Jada is expected to generate 58,000 jobs and contribute SAR 8.6 billion to the Saudi economy by 2027G.

Global Excellence in Artificial Intelligence: The Saudi Authority for Data and Artificial Intelligence (SDAIA) plans to position the Kingdom of Saudi Arabia as one of the top 10 countries in data and AI and is training 25,000 data and AI specialists. Saudi Arabia's National Strategy for Data and AI, launched in 2020G, aims to attract SAR 75 billion in foreign and local investment by 2030G. Upcoming large-scale intelligent infrastructure projects such as Neom and Qiddiyah will also provide

a testing ground for advanced AI. The Kingdom of Saudi Arabia also launched the Himma program, involving a SAR 2.5 billion package to support technology start-ups and entrepreneurs. The newly launched SDAIA Academy will educate the younger generations in sustainable energy and artificial intelligence.

Mega Projects to Stimulate the Economy and Digital Transformation: Positioned as the world's first cognitive city, Neom is on course to deliver state-of-the-art projects such as a hydrogen-powered car manufacturing plant to address sustainability, coral park to address biodiversity and the floating Oxagon to become a center of global trade and manufacturing. Quality of life, entertainment and cultural exchanges are quickly becoming the defining factors of the socio-economic transformation of the Kingdom. Initiatives ranging from the world's largest Six Flags theme park to becoming host for the 2030 Asian Games. The Qiddiyah Development project has put the Kingdom of Saudi Arabia in the spotlight, as this large-scale transformation will be spurred by technology and innovation. The Red Sea project will create 70,000 employment opportunities and contribute SAR 22 billion to the GDP by 2030G, while Roshn will further contribute to the economy and create 170,000 new job opportunities by 2030G.

3.2.6 Regulatory and Policy Environment in the Kingdom of Saudi Arabia

Communications and Information Technology Commission (CITC): CITC issued the Regulatory Framework for Cloud Computing for the first time in early 2018G, whereby CITC set out the general rules and the rights and obligations of all the parties to a cloud computing agreement (i.e. cloud service providers, customers and users). CITC issued the third version of the Regulatory Framework for Cloud Computing, which entered into force on 3 December 2020G, replacing Version 2. Version 3 has introduced certain changes, e.g. an updated definition of cloud service, new levels of registration for cloud service providers, new classifications for customer content, the updated restrictions issued by the Saudi government and the transfer of customer data received by the government.

National Cybersecurity Authority (NCA): The NCA has both regulatory and operational functions and is responsible for improving the cybersecurity position of the country and safeguarding its vital interests, national security, critical infrastructures, high-priority sectors and Government services and activities. The NCA's national level mandate includes drafting the national strategy for cybersecurity and overseeing its implementation; cybersecurity frameworks, controls and compliance; building and operating cybersecurity operation centers; developing human capabilities in cybersecurity; raising awareness on cybersecurity; stimulating the growth of the cybersecurity sector and encouraging innovation and investment therein.

Ministry of Communications and Information Technology (MCIT): Most recently, MCIT issued the Cloud First Policy (CFP) to govern and influence ICT purchase decisions in the Saudi Government to accelerate digital transformation through greater trust and confidence in cloud computing services and enforcement of such decisions. All Government entities except MoI and SAMA will be governed by this policy, and NIC will be the executor and enforcer of this policy.

Capital Market Authority (CMA): The Capital Market Authority (CMA) of the Kingdom of Saudi Arabia is responsible for regulating, supervising and developing capital market activity in the country. The CMA is responsible for drafting regulations to ensure the confidentiality and privacy of customers' data.

Saudi Central Bank (SAMA): According to the Saudi Central Bank (SAMA) Cyber Security Framework, financial institutions can only use cloud services from within the Kingdom unless explicitly approved by SAMA. Banks and other financial services institutions must obtain explicit approval from SAMA to use external hosting and public cloud solutions on a case-by-case basis.

KSA Data Protection Law: In 2021G, the Kingdom of Saudi Arabia's first data protection law was established to regulate data transfers and ensure personal data privacy. This law applies to the processing of personal data by companies or public entities within the Kingdom of Saudi Arabia and the processing of personal data relating to Saudi residents by companies located outside of the country. It will come into full effect on 23 March 2022G, following a 180-day transition period during which supplementary executive regulations may be issued. The Saudi Data and Artificial Intelligence Authority (SDAIA) is the national data protection regulator responsible for supervising and enforcing implementation of the personal data protection law over the next two years.

Economic Free Zones Initiative: The Kingdom of Saudi Arabia announced plans to create special economic zones offering incentives to invest in sectors including healthcare, manufacturing and cloud computing. However, such plans have not been finalized yet and are expected to be launched by mid-2022G. Policies, frameworks and regulations governing these free zones and the actual build-out is still a long way away. This initiative aims to create a favorable environment for both hyperscalers and non-hyperscalers to establish their physical presence in the Kingdom to simplify the on-ramp to cloud for Saudi organizations.

KSA National Datacenter Strategy: MCIT has launched a new initiative to invest billions of dollars into building hyperscale data centers across the Kingdom. The plan includes the development of hyperscale data centers to enable the Kingdom of Saudi Arabia to become a "computing powerhouse and digital hub" for the region. The plan aims to accelerate development of data centers in the Kingdom and surpass the 1,300MW capacity mark before 2030G. MCIT expects investments of over

SAR 67.5 billion in data center and renewable energy projects in the region. MCIT is working with local players and is already planning the first of many hyperscale projects. Early investors have already signed up for the development plan.

3.3 Key Technology Service Providers in the Kingdom of Saudi Arabia

Global Business Integration Companies	wipro, IBM, Cognizant, HCL Technologies, tcs Tata Consultancy Services
Local & Regional Business Integration Companies	SBM, AEC, Injazat, solutions by stc, SITE, MIS
Managed Service Providers	solutions by stc, sakam, SBM, DETASAD, wipro
Data Centers & Cloud Service Providers	ORACLE, SAP, Google, Alibaba Cloud, DETASAD, Azure
Telecom Companies & Internet Service Providers	stc, sakam, Sahara Net, NOURNET
Global Consulting Companies	EY, pwc, McKinsey & Company, accenture, Deloitte.

Source: IDC Research, 2021G

3.3.1 Key Technology Service Providers:

- **Solutions by STC**

  Current Strategy and GTM Overview: Solutions by STC focuses on new strategies that increase business growth through new digital technology areas, while reducing dependence on traditional telecommunications services. Solutions by STC supports its customers in improving efficiency and effectiveness by providing its services to all categories and sectors in the Kingdom. Solutions by STC leverages its partnership with the partially Government-owned Saudi Telecommunication Company (STC) to develop services and solutions that align with the digitalization and economic diversification plans of the National Transformation Program and Vision 2030, such as smart cities solutions, smart building solutions, smart utilities, etc., although it is outdone by most of its competitors in the field of IoT service offerings. The Company's investment portfolio only contains two services, and it is slow to develop further use cases for emerging markets.

  Services Provided by Solutions by STC:

Systems Integration and Cloud Services	Managed Services	IoT
Usage Based Services: • Virtual Data Center by Bluvalt • Infrastructure as a Service (IaaS) platforms (virtual machines, software licenses, block and object storage, network bandwidth and public IP addresses) **Ready Made Deployments:** • Brocade Virtual Traffic Manager • A10 Load Balancer • Web Server Cluster LEMP and LAMP • Wordpress and Drupal HA **Business Applications:** • Software as a Service (SaaS) solutions (Pioneers Contact Center Service, STC Retail Solutions, Voost Analytics, MBAS HR and Payroll, Co-Location, Indorse Cloud, Security as a Service and Osool Fixed Asset Management Tracking)	• Managed application services • Managed network infrastructure services • Managed router services • Managed LAN/WiFi services • Managed security services • Managed firewall services • Distributed Denial of Service Attacks (DDoS) protection services • Email security • Backup/restore services	**Fleet Management:** • Vehicle speed and history tracking • Live geographic coverage • Vehicle condition • Live work and activity times for monitoring and control. • Document alerts with extensive reports. • Maintenance alerts, depending on the sensors installed. **Mobile PoS:** • Solutions by STC's point of sale (PoS) terminals offer real-time payments and transactions by credit and debit cards or NFC-enabled mobile phones. • Readily available wherever GPRS, 3G, 4G and 4G LTE connectivity are available, with rapid transactions at an average speed of 4-6 seconds or less.

- ## Al Moammar Information Systems Company (MIS)

Current Strategy and GTM Overview: Al Moammar Information Systems Company (MIS) is the first information technology company to be listed on the Saudi Stock Exchange (Tadawul). MIS focuses on new strategies that will increase business growth through new digital technologies. MIS is focussed heavily on National Transformation Program initiatives, out of its conviction that national transformation will lead to digital transformation. MIS has embraced the transformation process. MIS has also achieved the highest Saudi Government classification certificate, which is a prerequisite to bid and execute large scale IT projects and services in the Kingdom of Saudi Arabia, and is an acknowledgment of the confidence that MIS enjoys in the market. MIS's vision is to become a premier provider of diversified IT services to companies in the Saudi market. MIS's strategy managed to achieve a balance between diversity and specialization in a wide range of fields to cater to companies' IT needs in various sectors across the market. MIS acts as a bridge between technology partners and end users to provide customers with best-in-class technology services and solutions delivered by MIS experts.

Services Provided by Al Moammar Information Systems Company (MIS):

Technology Solutions	Business Services Management	Networks Division
• e-Government and e-services solutions • GeoCamp - a GIS solution for infrastructure asset management • Enterprise Automated Vehicle Tracking (AVL) • Dispatch and field team automation • ID and passport issuance • e-Community (integrated security management solutions for monitoring and access control) • e-Payment • Hospital information system • Banking solutions • Oracle and Microsoft • Asset management • 3D virtual city • SAP ERP for SMEs	• Cloud computing • Data center automation • IT business management • IT service management • Mainframe cost optimization • Remote support solutions • Network management solutions • Data center infrastructure management solutions • Data center capacity management • Proactive operations - performance monitoring	**Solutions** • Network security • Unified communications • Routing and switching • Wireless • Data center • Building management/smart buildings • Building Management System (BMS) • WAN performance optimization **Services** • Consultancy • Design • Delivery • Implementation • Data center • Project management • Operations support
Systems Division	**Information Security**	**Operation and Maintenance**
Servers • e-Servers • BladeSystem • Hyperscale • Mission-critical • Rack and tower • Rack and power • Server infrastructure **Storage** • Converged storage • Software defined storage **Networking** • Data center • Networking management • SDN and Wireless LAN **Software** • Application life cycle management • Automation and cloud computing • Big data analytics • Executive mobility	• CEmail and Gateway security solutions • Data-at-rest encryption • WAN encryption • Multi-factor authentication • Application code review • Data classification • Data leakage prevention • Complete end point protection • Digital IDs, PKI and digital signatures • Next generation and application firewall • Host and network IDS/IPS • Governance, risk and compliance management • Identity access management • Denial of Service (DDoS) attack solutions • Advanced threat protection • Vulnerability management solutions • Mobile data management	• Project management support • IT employee augmentation • Hardware and software maintenance and upgrade • Application maintenance and upgrade • Database backup and enabling web access • 24/7 technical support • Deliver, install and operate new solutions for operation and maintenance projects

- ## Ejada

Current Strategy and GTM Overview: Ejada implements mega projects in cooperation with telecommunications companies and the banking sector. They are currently developing a full payment system, SADAD, which will be re-launched in Kingdom of Saudi Arabia as a completely new payment system. In the telecommunications sector, Ejada provides analytics services to STC and Mobily. Ejada is implementing a project for STC, where it is installing and managing 1,500 self-service kiosks around the country, as STC wants to make customer service more automated.

In the finance sector, Ejada provides business intelligence, data warehousing and analytics services to Riyad Bank, Al Rajhi Bank, the General Authority for Zakat and Income Tax, Alinma Bank, the Ministry of Finance and Saudi Hollandi Bank. The focus on the Government sector has increased thanks to increased spending and the aim to achieve the largest share of revenue. In the Government sector, business intelligence, data warehousing and analytics services are provided to the Ministry of Health, the Saudi Organization for Chartered and Professional Accountants (SOCPA) and Yesser.

- ## Services Provided by Ejada:

Technology Solutions	Partnered Products	Company-owned Products/Frameworks
• Business services management • Application life cycle management • Project portfolio management • Data center automation • IT Governance, Risk and Compliance (GRC)/ITIL/ISO/COBIT • Identity and access management • Network, host, database and mobile security • Threat management and vulnerability management solutions • Security compliance and auditing • Information risk management services	• Enterprise Resource Planning (ERP and GRP) • Enterprise application integration • Business process management • Customer relationship management and call center • Information management and business intelligence • Data warehousing • E-portal and e-services • Mobility solutions • Analytics solutions • Industry solutions	• IPO Application • Government ERP systems • SADAD Portal • SAMA Reporting System • E-commerce system • Notification and alert system • IT architecture framework • Enterprise application integration framework (optimization) • Internet banking framework • Customer Acquisition System (ICAS) • Corporate banking system • Claims management application • Reconciliation and settlement system

- ## Contact Center Company (CCC) by STC

Current Strategy and GTM Overview: CCC provides a full range of services across the full scope of the customer life cycle, including customer care, billing and order management, first- and second-level technical support, back office, error management and investigation, triaging, escalation and settlement of B2C transactions for more than 40 customers. CCC also assists with outsourced managed services with the aim of refining work team skills. All of this depends on a customer's needs. CCC differs from other service providers in its implementation of services tailored to meet business objectives and customer priorities.

CCC employs best-in-class practices in order to provide multi-channel operations to ensure that customers receive the highest quality, flexibility and productivity. CCC is a joint venture between STC, the world's tenth largest telecommunications company serving more than 160 million customers in seven different markets, and Startek Global, a US network specializing in customer experience management, which operates 61 global locations for more than 150 customers in diverse sectors.

CCC is at the forefront of the sector, thanks to the extensive experience of Startek Global and the prestigious position of STC at the local level. CCC works in collaboration with many customers to enable them to provide superior customer experience and services, and to leverage its global expertise to add value to its customers in order to help them strategically improve their business and generate revenue.

Services Provided by Contact Center Company (CCC):

Technology Solutions	Analytics and Consulting	Business Units Outsourcing
• **Customer service:** Voice channels, email services, chat and digital channels; overall customer participation in all activities and analytics • **E-care Solution:** A digital solution to support strategies with significant expertise in the areas of technology, analytics, execution and domains. • **Loyalty and belonging** • **Tele-sales:** Empowering internal teams to boost performance, including sales and promotional offers, inbound and outbound sales, etc. • **Collection** • **Technical support:** Customer service, billing and order management, Level 1 and Level 2 technical support and error management, error investigations, triaging, escalation and settlement of B2B and B2C transactions.	• **Customer Experience Data Analytics:** Uses customer experience data analytics technologies to help customers improve security vulnerabilities and decision making. • **Consulting:** A multidisciplinary consulting methodology in various domains, ranging from supply chain to customer service.	• **HR Outsourcing:** Outsourcing team management and internal processes such as recruitment, contract management, manpower training, personal development and payroll to third parties. • **Finance Outsourcing:** Supporting companies to implement their finance infrastructure, such as compliance reporting, financial reporting, cost reconciliation and anti-fraud services.

- ## Arabic Computer Systems (ACS)

Current Strategy and GTM Overview: More than 3,000 personnel are currently working for ACS in the Kingdom. For 30 years, ACS has maintained its position as one of the country's leading ICT providers. Arabic Computer Systems has a competitive advantage over most of its competitors by virtue of having a classification certificate, which qualifies it to bid for Government mega projects. ACS has more than 30 years of experience working in this field, currently serving projects in excess of SAR 200 million. It has more than 1,000 outsourced IT specialists and more than 800 IT specialists working for it. ACS recently implemented a major project for SABIC, related to the operation of Skype Business services. ACS also implemented a project for Saudi Aramco, related to the installation of high-performance computers, high-performance storage units and field support services.

Services Provided by Arabic Computer Systems (ACS):

IT Essentials	IT Operations
• Supply and installation of a full range of end-user IT equipment (including hand-held devices and consumer desktop computers) • Supply and installation of active and passive components to the network • Purchase and supply of desktop computer accessories, peripherals and servers	• End user computing services • IT field support • IT automation solutions • Managed security services • Facilities management
Digital Solutions	**IT Digitalization**
• HR process outsourcing Features include smart performance insights, appropriate resources and rapid recruitment, effective Saudization and increased labor retention	• Business continuity solutions • Business productivity and automation • Collaborative solutions • IT infrastructure and data center • Smart infrastructure solutions • Security and identity management • IoT • Cybersecurity • Geographic Information System (GIS)

- ## SURE Global Technologies (SURE)

Current Strategy and GTM Overview: SURE is a Saudi IT service provider that provides a huge range of innovative technology products, industry solutions and professional IT services. With its business spread across various sectors and key industrial segments, SURE has been providing services to the most important key customers in the Saudi market over a period of more than 15 years. SURE was founded in 2004G and currently employs more than 350 employees in various disciplines, including, but not limited to, networks, infrastructure, operations and support, information security, quality assurance and systems analysis and design.

SURE currently has a technical team of 150 employees, including solution engineers who are primarily responsible for designing innovative technical solutions that are capable of meeting their customers' needs in light of the growing digital transformation. SURE aspires to become the leading IT service provider in the Kingdom, effectively moving from a one-to-one execution model to a one-to-many execution model. This implementation model will be supported by remotely executed service offerings in the areas of network management, application management, security management and cloud management.

Services Provided by SURE Global Technologies (SURE)

IT Services	Special Products and Joint Investments
IT Consulting and Guidance • IT strategy consulting • IT operations consulting **System Integration and Infrastructure Services** • Building a modern data center • Infrastructure implementation • Infrastructure optimization and visualization • Unified communications • Cloud solutions **Managed Services** include managing customer networks, applications, security, cloud workloads and data centers. **IT Outsourcing** **IT Education and Training**	• **Majles Tech:** An integrated communications and collaboration solution. • Fandqah: Facilities management program for furnished apartments, hotels and chalets. • Haseel: An e-commerce platform that is dedicated to meeting the demand for fruits and vegetables online.

Emerging and Digital Solutions
E-Government solutions: Development of solutions for e-Government services. **Digital solutions** • Business process automation • Content management • Document management and archiving • Business intelligence and analytics • SurePay: an integrated e-payment solution • SURE: certified point of sale (PoS) **Cloud solutions:** Cloud consulting and design, cloud transition and migration services, Cloud Go performance and error management system, managed cloud services, Microsoft Azure and Amazon Web Services. **Security solutions:** Protection, security information and event management (SIEM) programs; identity and access management, incident management systems. **Advanced technologies:** Robotic process automation, artificial intelligence, Internet of Things (IoT), augmented and virtual reality.

3.4 Markets in Which the Company Operates

Table (9): Total Addressable Market Size of Perfect Presentation for Commercial Services (SAR Million)

Product/Service	2019G	2020G	2021G	CAGR (2019G–2021G)
Customer Experience	2,802	2,737	2,852	0.9%
Operation and Maintenance	2,525	2,399	2,515	(0.2%)
Software Development	5,859	5,520	5,773	(0.7%)
Bulk SMS (Yamamah)	813	975	1,195	21.2%
Total	**11,999**	**11,631**	**12,335**	**1.4%**

Source: IDC

3.4.1 Customer experience:

Total Addressable Market Size of Perfect Presentation for Commercial Services	2019G	2020G	2021G	CAGR (2019G–2021G)
Customer Experience	2,802	2,737	2,852	0.9%

Source: IDC

The Customer experience market recorded a CAGR of 1% between 2019G and 2021G, reaching SAR 2.85 billion. In 2020G, Perfect Presentation for Commercial Services owned 8.1% of the Customer Experience market share. This market is expected to witness increasing growth rates due to several factors, the most important of which is the focus of many Governmental and private entities on adopting solutions to improve the responsiveness and effectiveness of the service offered to citizens and customers.

The BPO market, in terms of customer experience, has a very large potential and 2P has a very strong position in the market. The Kingdom has a thriving outsourcing market. Since the Kingdom's digital maturity has shown high growth, the International Data Corporation (IDC) expects that the overall outsourcing market (Business Process Outsourcing and IT Outsourcing) in the Kingdom will grow tremendously. The Saudi BPO industry has undergone a transformation in the last decade, starting with an emerging community of a limited number of local companies serving local demand. Local demand is well served and the sector is now ready to become a regional player serving customers across the region and beyond.

The Government and regulators focus on adapting standards for services and customer experience that align with global standards. The Government is also considering developing policies and regulations that create a sound competitive operating environment and programs to help smaller locally-owned outsourcing service providers gain access to financing, business incubators and growth support. Laying the foundations for the Saudi BPO services market on principles of quality and customer experience enhances the sector and develops a more enjoyable and comfortable experience for consumers in general.

Systems integration is one of the largest services in the Kingdom. It faces challenges such as budget constraints, a low number of large projects and the refusal of IT managers to consider IT investments that do not have immediate and direct operational and efficiency impacts.

3.4.2 Operations and maintenance:

Total Addressable Market Size of Perfect Presentation for Commercial Services	2019G	2020G	2021G	CAGR (2019G–2021G)
Operation and maintenance	2,525	2,399	2,515	(0.2%)

Source: IDC

The size of the operations and maintenance market did not witness significant change between 2019G and 2021G, remaining at SAR 2.5 billion. In 2020G, the Company acquired 5.1% of the operations and maintenance market share.

It should be noted that in 2020G, customers increasingly chose outsourced services over self-management of on-premises infrastructure, and the use of cloud services is expected to increase under the conditions imposed by the pandemic. Many businesses will use cloud-based services. As a result, sales of on-premises hardware and software are expected to decline further in the future, affecting the provision and use of support services. The market for project services such as systems integration has also been characterized by slow growth during the previous period due to budget constraints and a decrease in the number of high-cost projects, in addition to payment-related obstacles.

IT outsourcing (managed services) is responsible for some growth in operations and maintenance. Outsourcing in the Kingdom witnessed a major change, as organizations that were not open to the concept of relinquishing control over their IT infrastructure and applications have gradually opened up to such concept. This trend paved the way for the growth of

the managed services market. The provision of remote IT services has not been historically substantial in the Kingdom of Saudi Arabia. The demand for outsourcing services based on external business contracts has seen rampant increase as customers have become more receptive to this approach, which offers Service Level Agreements (SLAs) at a lower price.

3.4.3 Software solutions:

Total Addressable Market Size of Perfect Presentation for Commercial Services	2019G	2020G	2021G	CAGR (2019G–2021G)
Software Development	5,859	5,520	5,773	(0.7%)

Source: IDC

The Software Development market recorded a slight decrease in 2021G, reaching SAR 5.7 billion with a CAGR of 0.7% between 2019G and 2021G. In 2020G, Perfect Presentation acquired about 1.2% of the market share in the field of Software Development.

This market will expand in the coming years as organizations increasingly use emerging technologies at a time when IT training becomes a necessity. However, application-related services (such as custom application development) will likely record high growth during the forecast period. Application development remained a key investment area as organizations have sought to improve workload efficiency and enhance customer and manpower experience. It should also be noted that the greater focus on applications has been driven by the growing importance of business lines sharing in everyday IT-related decisions.

While application development will be on the rise, the support services market is expected to grow slowly during the forecast period. Post-COVID-19 support services will witness less growth than was already expected. Adoption of cloud services is expected to rise following the COVID-19 pandemic. Because many companies will start to use cloud-based services, sales of on-premises hardware and software will continue to decline in the coming years. In return, demand for support services will decline.

The repercussions of the ongoing pandemic have affected training and education services in the IT field. Organizations have reduced their budgets for training as they seek to reduce their overall expenditures.

3.4.4 Bulk SMS (Yamamah):

Total Addressable Market Size of Perfect Presentation for Commercial Services	2019G	2020G	2021G	CAGR (2019G–2021G)
SMS packages (Yamamah)	813	975	1,195	21.2%

Source: IDC

The Bulk SMS market recorded a CAGR of 21.2% between 2019G and 2021G, reaching SAR 1.1 billion in 2021G. In 2020G, Perfect Presentation acquired approximately 0.7% of the SMS package market share.

It is worth noting that messaging services play an increasingly important role in communicating with customers in many sectors, while other sectors, such as banking, financial services, insurance, manufacturing, service delivery and retail, are using messaging as a key communication channel as part of their marketing campaigns. Advertising and marketing organizations mainly adopt SMS marketing programs to advertise product launches, brand promotions and promotional events, in order to provide cost-effective communication channels for their customers.

The change in consumer behavior contributed significantly to the adoption of messaging services, and the restrictions and policies implemented due to the COVID-19 pandemic have required companies to communicate with customers through mobile phones. In this regard, it should be noted that messaging services play an increasingly important role in communicating with customers in many sectors. Public sector organizations seek to communicate in order to disseminate announcements, while other sectors, such as banking, financial services and insurance (BFSI), manufacturing, service delivery and retail, use messaging as a key communication channel as part of their marketing campaigns. Advertising and marketing organizations mainly adopt messenger marketing programs to advertise product launches, brand promotions, brand awareness and promotional events, in order to provide cost-effective communication channels for their customers.

The telecommunications market is expected to grow overall until 2025G, driven by strong demand for bulk SMS services and a heavy focus on service from service providers. Messaging services are expected to continue to grow for a number of reasons:

- It is an inexpensive service compared to other communication channels
- The intended effect can be achieved and quickly communicated to the target audience
- Ease of content development and delivery with minimal investment.
- Increased use of one-time passwords for a number of services
- Two-way communication channel with customers

3.5 Opportunities Available to the Company in the IT Sector

3.5.1 Data Economy

A data-driven approach is being adopted to achieve higher levels of efficiency in Government operations and enhance evidence-based policy development, while taking into account the Government's tactical and strategic objectives. In addition, Government agencies are currently investing in data analytics to enhance mission outcomes. As such, data validation, purification, migration and integration have become a major enabler of data-driven governance and the Kingdom's journey towards a knowledge-based economy.

3.5.2 Future of Work

Organizations in the Kingdom are actively changing workplace, manpower and corporate cultures. It is worth noting that the pace of such strategic initiatives was accelerated only in the wake of the COVID-19 pandemic. Some organizations in the Kingdom considered the "Future of Work" concept as a factor enabling a secure, efficient, dynamic and resilient organization. As part of this development in the workplace, IT managers are investing in key technology areas such as unified communications, collaborative applications, endpoint security, software as a service (SaaS) and robotic process automation (RPA) that will facilitate efficient work.

3.5.3 Artificial Intelligence

The Kingdom's commitment to the transition to a digital economy accelerated and there has been an uptake of innovative technologies, such as artificial intelligence (AI), cognitive technologies and robotics. Notably, AI and machine learning are being utilized largely to improve efficiency in many industries, resulting in the emergence of diverse AI use cases. The Government is heavily focused on artificial intelligence to promote higher levels of operational efficiency and understand citizens' behavior more closely. More importantly, the establishment of the Saudi Data and Artificial Intelligence Authority (SDAIA) is an affirmation of the importance of artificial intelligence in the future of the Government's digital transformation.

3.5.4 Cybersecurity

IT markets have gained strong growth in the past few years, and given the complexity and sophistication of the growing threats, information security management will continue to be a major challenge for organizations. In addition, the establishment of the National Cybersecurity Authority based on the recent cyber attacks in the Kingdom has given increased importance to cybersecurity. As the regulatory environment related to cybersecurity evolves, the complexity of maintaining a proactive security position has become critical for businesses. Perfect Presentation for Commercial Services can play a powerful role in strengthening its position and meeting the security needs of the market.

3.5.5 Cloud Computing

The cloud computing market will mature as progressive Saudi organizations adopt a "Cloud First Approach". Budgetary constraints and the need for infrastructure flexibility will drive organizations to significantly increase investment in public and hybrid cloud services. This growth has been spurred mainly by the increased adoption of public cloud workloads that include enterprise resource planning (ERP), customer relationship management and collaborative applications.

3.5.6 IT Services

There is strong demand for professional services such as systems integration, IT consulting, managed services, outsourcing, publishing and support services, proprietary computing and implementation services, with the Kingdom implementing rapidly emerging technologies to improve existing infrastructure. Moreover, spending on IT services accounts for more than half of total spending on IT and is growing at a much faster rate than spending on hardware and software. The professional IT services market provides an opportunity for the sector to achieve growth and diversification of services during the forecast period through services ranging from planning to integration, implementation, managed services and support.

3.5.7 Managed Services

An increasing number of organizations are shifting from the "Self-Reliance" model to the "Reliance on Others" model, amid the complexity of managing IT environments, scarcity of skills and the increasing operational cost of IT. The Kingdom's managed services market has witnessed healthy growth and will continue to grow during the forecast period. The traditional IT outsourcing market is experiencing a significant slowdown, mainly due to a less-than-normal interest in engaging in large-scale, multi-year and comprehensive IT outsourcing deals. As a result, managed services as a standard form of IT outsourcing is expected to grow much faster, providing significant potential for revenue generation, which could be offered by Perfect Presentation for Commercial Services.

3.5.8 Solutions

An increasing number of organizations are willing to collaborate with service providers who are able to offer solutions, not just independent products or services. Most stand-alone IT products are dedicated to solving any IT problem, while solutions are intended to address any business-related problem, an area in which service providers with solution-delivery capabilities are likely to have an advantage in the future. In addition, there is a significant Government focus on digitizing citizen services and leveraging the power of emerging technologies to build innovative solutions. This technology area is closely aligned with Perfect Presentation's growth strategy to become a leading product company by leveraging the capabilities of its solution architects and designers. Perfect Presentation has many partnerships in the areas of infrastructure, networking, cloud computing, applications, security and revolutionary technologies to develop and deliver attractive solutions and use cases and offer them to its customers.

3.5.9 Small and Medium Enterprises (SMEs)

SMEs are highly flexible and agile in the usage of technologies, such as cloud services, mobility and Internet of Things (IoT), which reduce ownership costs and generate multiple cost-savings on infrastructure investments. Unlike mature companies, SMEs are more receptive to revolutionary technologies. Although SMEs have limited budgets for IT, the presence of an enormous number of SMEs in the Kingdom makes them a huge opportunity to focus on.

4. Company Description

4.1 Overview of the Company and Nature of its Business

The Company was incorporated as an establishment under the name "Perfect Presentation Office for Commercial Services" owned by Nasser Abdullah Mohamed Albassam, registered in Riyadh under Commercial Registration No. 1010189563 dated 03/07/1424H (corresponding to 31/08/2003G), and having its registered address at Imam Mohamed bin Saud Road, Al-Khozama District, P.O. Box 105523, Riyadh 12572, Kingdom of Saudi Arabia, with a capital of twenty-five thousand Saudi Riyals (SAR 25,000). On 25/10/1425H (corresponding to 08/12/2004G), "Perfect Presentation Office for Commercial Services" was converted into a limited liability company owned by: Fawaz Sulaiman Abdulaziz Al Rajhi, Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam, under the name "Perfect Presentation for Commercial Services" pursuant to Commercial Registration No. 1010203693 issued on 25/10/1425H (corresponding to 08/12/2004G) in Riyadh, with a capital of five hundred thousand Saudi Riyals (SAR 500,000), divided into five hundred (500) shares, with a nominal value of one thousand Saudi Riyals (SAR 1,000) per share. On 27/12/1427H (corresponding to 17/01/2007G), the Company's capital was increased to nine hundred and twenty thousand Saudi Riyals (SAR 920,000), divided into nine hundred and twenty (920) shares with a nominal value of one thousand Saudi Riyals (SAR 1,000) per share through the issuance of new cash shares with a value of four hundred and twenty thousand Saudi Riyals (SAR 420,000) that were paid for through the Shareholders' current account, by virtue of the certificate issued by the Auditor in that regard. In addition, new partners joined, namely Ziad Abdulaziz Abdullah Al Jalal and Golden Assets Investment Company, through the purchase of the entire shares of Fawaz Sulaiman Abdulaziz Al Rajhi. On 03/11/1428H (corresponding to 13/11/2007G), Golden Assets Investment Company transferred all of its shares in the Company to Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam. The latter also transferred a portion of his shares to Ziad Abdulaziz Abdullah Al Jalal. The Company's capital was increased to one million Saudi Riyals (SAR 1,000,000) divided into one thousand (1,000) shares with a nominal value of one thousand Saudi Riyals (SAR 1,000) per share by transferring an amount of eighty thousand Saudi Riyals (SAR 80,000) from the Company's "retained earnings" account, as of 30/11/2007G, by virtue of the certificate issued by the Auditor in that regard. On 05/05/1429H (corresponding to 10/05/2008G), Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam transferred their entire shares in the Company to The Ideal for Business and Investment Trade Company On 18/08/1440H (corresponding to 23/04/2019G), Ziad Abdulaziz Abdullah Al Jalal transferred his entire shares in the Company to Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam. On 27/01/1441H (corresponding to 26/09/2019G), the Company's capital was increased to twenty million Saudi Riyals (SAR 20,000,000) divided into one thousand (1,000) shares, with a nominal value of twenty thousand Saudi Riyals (SAR 20,000) per share through transferring an amount of eighteen million, five hundred thousand Saudi Riyals (SAR 18,500,000) from the "retained earnings" account and an amount of five hundred thousand Saudi Riyals (SAR 500,000) from the Company's "statutory reserve" account, as of 31/10/2019G, by virtue of the certificate issued by the Auditor in that regard. Pursuant to Ministry of Commerce Resolution No. 772 issued on 16/05/1443H (corresponding to 20/12/2021G), the Company was converted from a limited liability company to a Saudi closed joint-stock company with a capital of twenty million Saudi Riyals (SAR 20,000,000) divided into two million (2,000,000) ordinary shares with a nominal value of ten Saudi Riyals (SAR 10) per share, all of which are fully paid. On 24/08/1443H (corresponding to 27/03/2022G), the Company's Extraordinary General Assembly agreed to increase the Company's capital from twenty million Saudi Riyals (SAR 20,000,000) to one hundred and fifty million Saudi Riyals (SAR 150,000,000) through the capitalization of six million Saudi Riyals (SAR 6,000,000) from the statutory reserve, an additional contribution of six million, six hundred and seventy thousand, three hundred and eleven Saudi Riyals (SAR 6,670,311) to the capital and an amount of one hundred and seventeen million, three hundred and twenty nine thousand, six hundred eighty nine Saudi Riyals (SAR 117,329,689) from retained earnings, according to the Auditor's certificate (for more information, please refer to Section 4.5 "**History of the Company, the Evolution of its Capital and Changes in Ownership Structure**").

The Company operates under a call center service provision license and an SMS service provision license issued by the Communications and Information Technology Commission.

The Company operates as a comprehensive ICT service and solutions provider, providing a range of solutions and services through three integrated business units (the "Business Units") as follows: Software Development Unit, Operation and Maintenance Unit and Customer Experience Unit (for more information, please refer to Section 4.8 "**Company Business Overview**" of this Prospectus), each of which covers an important segment in the ICT sector. The Business Units operate in an interconnected and integrative environment to deliver comprehensive and integrated solutions with the highest standards of quality and excellence in the market.

The Company started its business when it was incorporated in 2003G through the creation and development of the "TARASUL" system, which provides educational and entertainment content services (i.e. information services that are sent and broadcast to the public), interactive SMS services, and wa ring back tones (related to mobile phones) to a diverse client base. "TARASUL" allows users to provide interactive SMS messages on mobile phones, allowing the establishment of a communication channel via SMS between the service user and their client base. As its client base expanded, in 2005G the Company established an integrated customer service system to manage and operate call centers, and to provide care for customers of the "TARASUL" system.

In 2005G, the Company expanded and introduced a new package of IT products and services through the establishment of an internally developed electronic payment system, which was named "Smart Cash" or "Smart Payment", which was the first integrated payment system in the Kingdom. However, suspension of this system and the associated services due to the change in trends and legislation in force at the time led to the use of SADAD, one of the systems of the Saudi Central Bank, which was launched as a central system for the display and payment of bills and other payments electronically in the Kingdom.

In 2006G, the Company created and developed the "SMS966.com" platform, which allows individual clients to send SMS messages to others. This platform expanded and developed in 2007G to include the business sector through the development of an integrated SMS system called "Yamamah" (Yamamah.com). The Company is considered the first provider of this service in the Kingdom after telecom operators. Banks are among the first beneficiaries of this service to communicate with their customers. The Company is also one of the first developers of the SMPP protocol after telecom operators, a system that is characterized by its high capability to control the speed of sending messages and to block unwanted advertising messages, which enhances the security factor for its users. As of the date of this Prospectus, the Company is considered one of the leading SMS service providers among the business and retail sectors in the Kingdom.

In 2011G, the Company moved towards building strong partnerships with the top providers of global call center software and solutions, such as Interactive Intelligence, which was acquired by Genesys. Genesys is one of the world's largest call center services companies and is transforming the call center industry by bringing innovation to businesses of all sizes globally. Genesys is a leading platform integrating voice and digital channels seamlessly. It has the potential to empower call center agents, provide high level customer service, and generally create better business outcomes, through the use of artificial intelligence across all available services.

The Company won several awards, including the Award of Genesys' Best Partner in providing services to the public sector in 2019G and the Best Strategic Partner Award in 2020G. The Company also won an award from Insights for the best service provider operating large-scale call centers in the Middle East (more than 600 call operators).

In order to expand the scope of its services, in 2013G the Company targeted government operation and maintenance projects related to data centers, computers and software that automate the payment of salaries for project employees and collect dues through partnerships with Saudi banks and financing agreements.

The Board of Directors acknowledge that there is no intention to make any fundamental change to the nature of the Company's activities and that there has been no interruption in the Company's business that could affect or has had a noticeable effect on the Company's financial position during the last twelve (12) months.

As of 31 March 2022G, the Company has 3,881 employees (for more information regarding the Company's employees, please refer to Section 5.9 "**Employees**" of this Prospectus). The Company's total net revenues for the financial years ended 31 December 2019G, 2020G and 2021G, and the three-month period ended 31 March 2022G amount to SAR 298.10 million, SAR 482.48 million, SAR 655.48 million and SAR 193.49 million, respectively. Annual net profits for the same periods were SAR 23.01 million, SAR 64.37 million, SAR 80.62 million and SAR 22.08 million, respectively. In addition, the Company raised the its Saudization level, which had a positive impact on raising the Company's ranking to the Platinum level of the Nitaqat program.

4.2 Summary of Major Developments

Table (10): Summary of Major Developments

Year	Event
2003G	Incorporation of the Company and commencement of its activities through the introduction, creation and development of the "TARASUL" system.
2005G	• Establishment of the Software Development Unit to develop the Company's products. • Creation of an integrated system for the management of call centers. • Launch of the electronic payment service "Smart Cash".
2006G	Establishment of an SMS platform under the name "SMS966.com" targeting the retail sector.
2007G	Development of an integrated system for SMS under the name "Yamamah" (Yamamah.com) targeting the business sector.
2008G	The Company was ranked as the second fastest growing company in the Kingdom of Saudi Arabia by Harvard Business School.
2009G	• The Company expanded its scope by providing "TARASUL" system services to the public sector. • Establishment of a business unit specialized in selling the services of establishing, managing, operating and developing call centers to government entities.
2011G	• Signing strategic partnerships with the best providers of global call center software technologies and solutions. • The Company signed a franchise agreement with Dynatrace, one of the top global companies providing solutions for monitoring software performance and user experience solutions. Under such agreement, the Company became its official representative in the Kingdom of Saudi Arabia.

Year	Event
2013G	• The Company established the Operation and Maintenance Unit. • The Company obtained the first government contract for operation and maintenance. • The Company became one of the first Saudi companies to obtain the CMMI-Dev L3 global classification in software development.
2015G	The Company started providing software development services to its clients through the Software Development Unit.
2018G	The number of employees engaged in operation and maintenance projects reached 1,000 engineers.
2019G	The Company won the award of Genesys' Best Public Sector Partner.
2020G	• The Company was promoted to the Platinum category of the Nitaqat program. • The Company was awarded Genesys' Best Strategic Partner and Genesys Gold Partner Award. • The Company signed a strategic partnership contract to be the official representative of Construx to provide best global practices and methodologies in software development.
2021G	The Company won an award from Insights as the best large-scale call center operation service provider in the Middle East (more than 600 call operators).
2022G	In February 2022G, the Company participated in the international tech conference "LEAP" held in the Kingdom of Saudi Arabia, which is the largest conference and technological exhibition concerned with the future of technologies and their role in the prosperity of humanity.

Source: The Company

4.3 Vision, Mission and Strategy

4.3.1 Vision

To maintain and enhance its position as a leading company in the field of technology solutions and digital transformation targeting the business sector.

4.3.2 Mission

To provide technical solutions and digital transformation services centered around meeting the evolving needs of the market.

4.3.3 Company Strategy

The Company provides a wide range of comprehensive ICT services and solutions to its clients through three integrated business units, namely the Software Development Unit, Operation and Maintenance Unit and Customer Experience Unit. Each of these Units covers an important part of the ICT and professional fields, with each of them operating in an interconnected and integrated environment to meet the requirements of all clients while maintaining the highest market standards for quality and excellence.

The Company seeks to increase its market share and coverage, and enhance its portfolio of products and services, by strengthening its partnerships with its public- and private-sector clients in the ICT sector, in addition to focusing on local technologies. The Company also intends to play an active role in the information technology industry in the Kingdom. The Company has adopted business strategies covering the following areas:

4.3.3.1 Contributing to the Development of Local Content and the Localization of Technology

The Company focuses on participating in the development of local content, through the participation of Saudi elements in the manpower, goods, services, assets and technology, and through the localization of technology and enabling young men and women to benefit from their creativity to create an advanced technological society which contributes to the realization of the Kingdom's Vision 2030.

4.3.3.2 Consolidating and Expanding International Relations

The Company has well-established and long-standing relationships with a number of the world's leading ICT companies for each of the Company's main Business Units, the most important of which are Oracle, ESRI, IBM, Hewlett-Packard Enterprise (HPE), VMWARE, Microsoft, Dell EMC, Veem, Citrix, F5, Micro Focus for hardware and systems' solutions, Cisco, Huawei, Genesys, and Veirnt for call center solutions and customer experience, as well as many others (for more information, please see Section 4.11 "**Suppliers**" of this Prospectus). Through its strategy, the Company seeks to expand the circle of its partnerships globally, enabling it to develop its products and services, keep pace with developments in the field of communications and information technology and enter into wider markets and fields in the Kingdom.

4.3.3.3 Increasing and Improving Productivity

The Company is always focused on developing and training its employees to increase their efficiency, production capacity and creativity in carrying out their work. The Company also constantly seeks to evaluate the current capabilities and develop the competencies, skills and capabilities of its employees to achieve a high level of performance in line with the Company's vision and market requirements. In this regard, the Company intends, through its strategy, to continue adopting initiatives aimed at developing the human factor, such as training courses and improving production efficiency.

4.4 Strengths and Competitive Advantages

The main strengths and competitive advantages of the Company are summarized in the following:

4.4.1 Comprehensive and Integrated Services (One Stop Shop)

The diversity and integration of the Company's products and services and continuous development contribute to covering all current and future client needs. The Company has three main integrated Business Units (for more information regarding the Company's Business Units, please refer to Section 4.9 "**Overview of the Company's products**" of this Prospectus):

4.4.1.1 Software Development Unit

The Software Development Unit is concerned with developing products and providing design, development and management services for software and specialized electronic platforms to clients by following best practices and methodologies in software development and management of software development projects. This Unit consists of professional software engineers with extensive experience, specialists in the field of software and electronic platform development and specialists in technical consulting services in the field of software. This Unit also provides unified technical support services around the clock, as the Company is a certified service partner for major international software companies, including, but not limited to, Microsoft, Oracle and IBM. In addition, this Unit develops software, websites, decision support systems, biometric solutions, Bulk SMS services (Yamamah), integrated communications systems, system integration solutions, e-government services, electronic payment solutions, application performance monitoring solution (Dynatrace) and business intelligence solutions.

4.4.1.2 Operation and Maintenance Unit

The Operation and Maintenance Unit is responsible for supporting all of the Company's projects by providing maintenance services throughout the Kingdom. This Unit is responsible for managing, maintaining and updating the software, hardware and network infrastructure of its clients, through its team of technically skilled staff and in coordination with the client's internal information technology department.

4.4.1.3 Customer Experience Unit

The Customer Experience Unit is one of the most important units of the Company. It is the Unit responsible for the call centers and customer experience (Customer Experience or CX), providing consulting services, designing and developing the client journey and other services through supporting them with the management of software and electronic platforms by following best practices and methodologies, such as providing setup and fit-out services (for systems, infrastructure, civil works and decor), full outsourcing / Business Process Outsourcing (BPO), call center technologies (CX Platform), CX consultancy and specialized training.

4.4.2 Experienced Management Team and Highly Qualified Staff

The Company's management team consists of individuals with high operational experience and executive capabilities gained through extensive interactions with clients during their work with the Company and within the sector, with experience of an average of 17 years in the sector (for more information regarding the members of the Company's Executive Management, please refer to Section 5.1 "**Organizational Structure**" of this Prospectus). In addition, the Company offers a high-quality training program for all its employees to develop key skills, while also maintaining a competitive salary and bonus structure that is regularly evaluated and updated in order to keep pace with employee expectations. The Company believes that its employee base is essential in continuing to provide the best services to its clients. Therefore, it seeks to create and maintain a unique corporate culture among its employees, by developing employee initiatives and strategies to enhance engagement that aim to identify and develop the strengths and competencies of individual employees (for more information regarding the Company's employees, please refer to Section 5.9 "**Employees**" of this Prospectus).

4.4.3 Ability to Keep Pace with the Market

One of the most important factors that contributed to the Company's growth is its deep knowledge and understanding of the culture and work environment of its clients in both the public and private sectors. The Company has gained this deep understanding through its long history as a Saudi company working in the field of information technology (since 2004G) and its development of several technology products since its incorporation. In addition, the Company has the ability to attract and maintain employees with a high level of expertise and competencies. The Company uses its detailed knowledge and deep understanding of the market to provide customized solutions to its clients that best meet their needs. It is also worth noting that the Company relies on its deep understanding of the Saudi technology market and its developments over the years to build strong relationships with suppliers from foreign companies that wish to initiate partnerships with Saudi companies (such as Perfect Presentation) to serve the Saudi market. The Company's current partnerships with global suppliers are evidence of this (for more information, please refer to Section 4.11 "**Suppliers**" of this Prospectus).

4.4.4 International and Local Awards

The Company has continuously developed its methodology and managed its products. It won second place in the competition for the fastest growing companies in the Kingdom, held by Harvard Business School on the sidelines of the International Forum for Competitiveness, which was held at the Ministry of Investment in Riyadh in 2008G. The Company has also won several awards under the title "The 100 Fastest Growing Saudi Companies", in addition to a number of certificates as follows:

- Capability Maturity Model Integration Certificate in Software Development Level 3 (CMMI- Dev L3), a certificate issued by CMMI Institute, first obtained in 2015G and renewed in 2020G.
- Quality Management System Certificate (ISO 9001), a certificate issued by TUV Austria, first obtained in 2018G and renewed in 2021G.
- Information Security and Confidentiality Management System Certificate (ISO 27001), a certificate issued by TUV Austria in 2021G.
- Occupational Health and Safety Management System Certificate (ISO 45001), a certificate issued by TUV Austria in 2021G.
- Business Continuity Certificate (ISO 22301), a certificate issued by TUV Austria in 2021G.

4.5 History of the Company, the Evolution of its Capital and Changes in Ownership Structure

4.5.1 Incorporation (2003G)

On 03/07/1424H (corresponding to 31/08/2003G), the Company was incorporated as an establishment under the name "Perfect Presentation Office for Commercial Services" owned by Nasser Abdullah Mohamed Albassam, registered in Riyadh under Commercial Registration No. 1010189563, dated 03/07/1424H (corresponding to 31/08/2003G), with a capital of twenty-five thousand Saudi Riyals (SAR 25,000).

4.5.2 Conversion into a Limited Liability Company (2004G)

On 25/10/1425H (corresponding to 08/12/2004G), "Perfect Presentation Office for Commercial Services" was converted into a limited liability company owned by: Fawaz Sulaiman Abdulaziz Al Rajhi, Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam, under the name "Perfect Presentation for Commercial Services" under Commercial Registration No. 1010203693 issued on 25/10/1425H (corresponding to 08/12/2004G) in Riyadh, with a capital of five hundred thousand Saudi Riyals (SAR 500,000) divided into 500 shares, with a nominal value of one thousand Saudi Riyals (SAR 1,000) per share.

The following table shows the Company's structure upon conversion to a limited liability company:

Table (11): Ownership Structure of the Company upon Conversion to a Limited Liability Company on 1425/10/25H (corresponding to 2004/12/08G)

Shareholder	No. of Shares	Total Nominal Value of Shares (SAR)	Ownership (%)
Fawaz Sulaiman Abdulaziz Al Rajhi	200	200,000	40%
Saleh Ibrahim Hamad Al Mazroua	125	125,000	25%
Nasser Abdullah Mohamed Albassam	175	175,000	35%
Total	**500**	**500,000**	**100%**

Source: The Company

4.5.3 Ownership Change and Capital Increase (January 2007G)

On 27/12/1427H (corresponding to 17/01/2007G), the Company's capital was increased to SAR 920,000 divided into 920 shares with a nominal value of SAR 1,000 per share, through the issuance of new cash shares with a value of SAR 420,000 that were paid through the Shareholders' current account. In addition, new partners joined, namely Ziad Abdulaziz Abdullah Al Jalal and Golden Assets Investment Company, through the purchase of the entire shares of Fawaz Sulaiman Abdulaziz Al Rajhi.

The following table shows the Company's structure upon the change in ownership and capital increase:

Table (12): Ownership Structure of the Company upon the Change in Ownership and Capital Increase of 1427/12/27H (corresponding to 2007/01/17G)

Shareholder	No. of Shares	Total Nominal Value of Shares (SAR)	Ownership (%)
Saleh Ibrahim Hamad Al Mazroua	240	240,000	27%
Nasser Abdullah Mohamed Albassam	360	360,000	39%
Ziyad Abdulaziz Abdullah Al Jalal	120	120,000	13%
Golden Assets Investment Company	200	200,000	21%
Total	**920**	**920,000**	**100%**

Source: The Company

4.5.4 Ownership Change and Capital Increase (November 2007G)

On 03/11/1428H (corresponding to 13/11/ 2007G), Golden Assets Investment Company transferred all of its shares in the Company to Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam. The latter also transferred a portion of his shares to Ziad Abdulaziz Abdullah Al Jalal. The Company's capital was increased to SAR 1,000,000 divided into 1,000 shares with a nominal value of SAR 1,000 per share by transferring an amount of SAR 80,000 from the Company's "retained earnings" account, as of 31/10/ 2007G, by virtue of the certificate issued by the Auditor in that regard.

The following table shows the Company's structure upon the change in ownership and capital increase:

Table (13): Ownership Structure of the Company upon the Change in Ownership and Capital Increase of 1428/11/03H (corresponding to 2007/11/13G)

Shareholder	No. of Shares	Total Nominal Value of Shares (SAR)	Ownership (%)
Saleh Ibrahim Hamad Al Mazroua	370	370,000	37%
Nasser Abdullah Mohamed Albassam	370	370,000	37%
Ziyad Abdulaziz Abdullah Al Jalal	260	260,000	26%
Total	**1,000**	**1,000,000**	**100%**

Source: The Company

4.5.5 Change of Ownership (2008G)

On 05/05/1429H (corresponding to 10/05/2008G), Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam transferred their entire shares in the Company to The Ideal for Business and Investment Trade Company The following table shows the Company's structure upon the change in ownership:

Table (14): Ownership Structure of the Company upon the Change in Ownership of 1429/05/05H (corresponding to 2008/05/10G)

Shareholder	No. of Shares	Total Nominal Value of Shares (SAR)	Ownership (%)
The Ideal for Business and Investment Trade Company	740	740,000	74%
Ziyad Abdulaziz Abdullah Al Jalal	260	260,000	26%
Total	**1,000**	**1,000,000**	**100%**

Source: The Company

4.5.6 Change of Ownership (April 2019G)

On 18/08/1440H (corresponding to 23/04/2019G), Ziad Abdulaziz Abdullah Al Jalal transferred his entire shares in the Company to Saleh Ibrahim Hamad Al Mazroua and Nasser Abdullah Mohamed Albassam. The following table shows the Company's structure upon the change in ownership:

Table (15): Ownership Structure of the Company upon the Change in Ownership and Capital Increase of 1440/08/18H (corresponding to 2019/04/23G)

Shareholder	No. of Shares	Total Nominal Value of Shares (SAR)	Ownership (%)
The Ideal for Business and Investment Trade Company	740	740,000	74%
Saleh Ibrahim Hamad Al Mazroua	130	130,000	13%
Nasser Abdullah Mohamed Albassam	130	130,000	13%
Total	**1,000**	**1,000,000**	**100%**

Source: The Company

4.5.7 Capital Increase (September 2019G)

On 27/01/1441H (corresponding to 26/09/2019G), the Company's capital was increased to SAR 20,000,000, divided into 1,000 shares with a nominal value of SAR 20,000 per share, through transferring an amount of SAR 18,500,000 from the "retained earnings" account and an amount of SAR 500,000 from the Company's "statutory reserve" account, as of 26/09/2019G, pursuant to the certificate issued by the Auditor in that regard.

The following table shows the Company's structure upon the capital increase:

Table (16): Ownership Structure of the Company upon the Capital Increase of 1441/01/27H (corresponding to 2019/09/26G)

Shareholder	No. of Shares	Total Nominal Value of Shares (SAR)	Ownership (%)
The Ideal for Business and Investment Trade Company	740	14,800,000	74%
Saleh Ibrahim Hamad Al Mazroua	130	2,600,000	13%
Nasser Abdullah Mohamed Albassam	130	2,600,000	13%
Total	**1,000**	**20,000,000**	**100%**

Source: The Company

4.5.8 Change of Ownership and Conversion of the Company into a Limited Liability Company (2021G)

On 09/05/1443H (corresponding to 13/12/2021G), The Ideal for Business and Investment Trade Company transferred a portion of its shares in the Company to Hessa Sultan Mohamed Al Sultan, Aseel Nasser Albassam, Sadeem Nasser Albassam, Abdullah Nasser Albassam, Youssef Nasser Albassam, Nada Mohamed Al Issa, Ibrahim Saleh Al Mazroua and Aljohara Saleh Al Mazroua.

The Company was converted from a limited liability company to a Saudi closed joint stock company pursuant to Ministry of Commerce Resolution No. 772 issued on 16/05/1443H (corresponding to 20/12/2021G) with a capital of SAR 20,000,000, divided into 2,000,000 ordinary shares with a fully-paid nominal value of SAR 10 per share.

The following table shows the Company's structure upon the change in ownership and conversion into a joint stock company:

Table (17): Ownership Structure of the Company upon the Change in Ownership and Conversion into a Joint Stock Company

Shareholder Name	No. of Shares	Total Nominal Value of Shares (SAR)	Ownership (%)
The Ideal for Business and Investment Trade Company	652,000	6,520,000	32.6%
Saleh Ibrahim Hamad Al Mazroua	260,000	2,600,000	13%
Nasser Abdullah Mohamed Albassam	260,000	2,600,000	13%
Hessa Sultan Mohamed Al Sultan	82,800	828,000	4.14%
Aseel Nasser Albassam	82,800	828,000	4.14%
Sadeem Nasser Albassam	82,800	828,000	4.14%

Shareholder Name	No. of Shares	Total Nominal Value of Shares (SAR)	Ownership (%)
Abdullah Nasser Albassam	82,800	828,000	4.14%
Youssef Nasser Albassam	82,800	828,000	4.14%
Nada Mohamed Al Issa	138,000	1,380,000	6.9%
Ibrahim Saleh Al Mazroua	138,000	1,380,000	6.9%
Aljohara Saleh Al Mazroua	138,000	1,380,000	6.9%
Total	**2,000,000**	**20,000,000**	**100%**

Source: The Company

4.5.9 Capital Increase (2022G)

On 24/08/1443H (corresponding to 27/03/2022G), the Company's Extraordinary General Assembly agreed to increase the Company's capital from SAR 20,000,000 to SAR 150,000,000 through capitalization of SAR 6,000,000 from the statutory reserve, an additional contribution of SAR 6,670,311 to the capital, and SAR 117,329,689 from retained earnings, pursuant to the certificate issued by the Auditor, Baker Tilly MKM and Company (dated 20/08/1443H (corresponding to 23/03/2022G)).

The following table shows the Company's structure upon the capital increase:

Table (18): Ownership Structure of the Company upon the Capital Increase of 1443/08/24H (corresponding to 2022/03/27G)

Shareholder Name	No. of Shares	Total Nominal Value of Shares (SAR)	Ownership (%)
The Ideal for Business and Investment Trade Company	4,890,000	48,900,000	32.6%
Saleh Ibrahim Hamad Al Mazroua	1,950,000	19,500,000	13%
Nasser Abdullah Mohamed Albassam	1,950,000	19,500,000	13%
Hessa Sultan Mohamed Al Sultan	621,000	6,210,000	4.14%
Aseel Nasser Albassam	621,000	6,210,000	4.14%
Sadeem Nasser Albassam	621,000	6,210,000	4.14%
Abdullah Nasser Albassam	621,000	6,210,000	4.14%
Youssef Nasser Albassam	621,000	6,210,000	4.14%
Nada Mohamed Al Issa	1,035,000	10,350,000	6.9%
Ibrahim Saleh Al Mazroua	1,035,000	10,350,000	6.9%
Aljohara Saleh Al Mazroua	1,035,000	10,350,000	6.9%
Total	**15,000,000**	**150,000,000**	**100%**

Source: The Company

4.6 Ownership Structure of the Company Pre- and Post-Offering

The Company's capital is one hundred and fifty million Saudi Riyals (SAR 150,000,000) divided into fifteen million (15,000,000) ordinary shares with a fully paid nominal value of ten (10) Saudi Riyals per share. The following table shows the Company's ownership structure pre- and post-Offering:

Table (19): Ownership Structure of the Company Pre- and Post-Offering

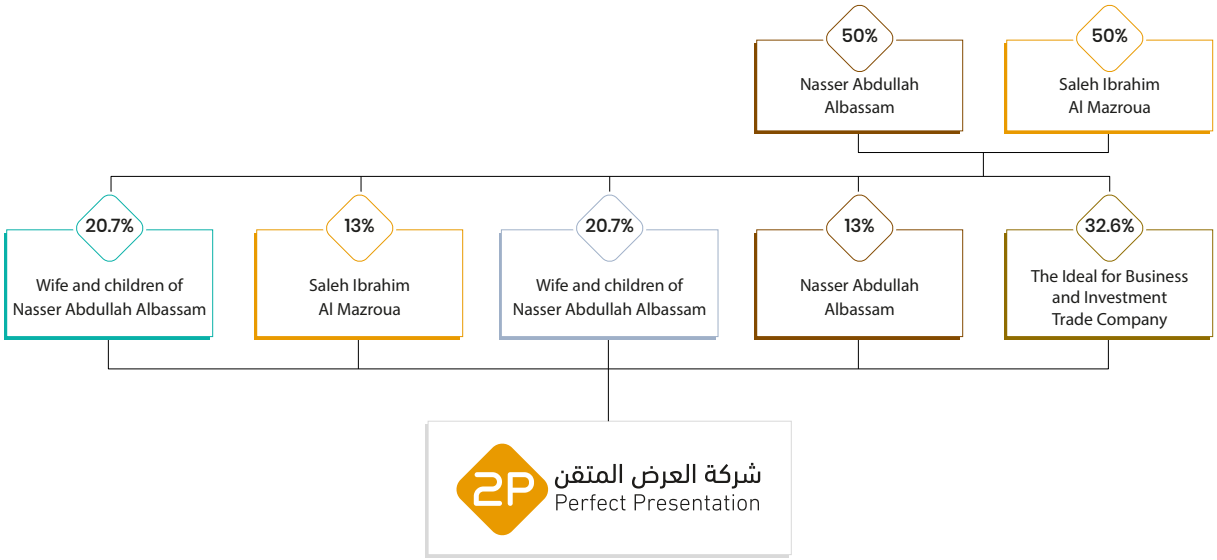
Shareholder Name	Pre-Offering			Post-Offering		
	Number of shares	Nominal value (SAR)	Direct Ownership (%)	Number of shares	Nominal value (SAR)	Direct Ownership (%)
The Ideal for Business and Investment Trade Company	4,890,000	48,900,000	32.6%	3,423,000	34,230,000	22.82%
Saleh Ibrahim Hamad Al Mazroua	1,950,000	19,500,000	13%	1,365,000	13,650,000	9.10%
Nasser Abdullah Mohamed Albassam	1,950,000	19,500,000	13%	1,365,000	13,650,000	9.10%
Hessa Sultan Mohamed Al Sultan	621,000	6,210,000	4.14%	434,700	4,347,000	2.90%
Aseel Nasser Albassam	621,000	6,210,000	4.14%	434,700	4,347,000	2.90%
Sadeem Nasser Albassam	621,000	6,210,000	4.14%	434,700	4,347,000	2.90%
Abdullah Nasser Albassam	621,000	6,210,000	4.14%	434,700	4,347,000	2.90%

Shareholder Name	Pre-Offering			Post-Offering		
	Number of shares	Nominal value (SAR)	Direct Ownership (%)	Number of shares	Nominal value (SAR)	Direct Ownership (%)
Youssef Nasser Albassam	621,000	6,210,000	4.14%	434,700	4,347,000	2.90%
Nada Mohamed Al Issa	1,035,000	10,350,000	6.90%	724,500	7,245,000	4.83%
Ibrahim Saleh Al Mazroua	1,035,000	10,350,000	6.90%	724,500	7,245,000	4.83%
Aljohara Saleh Al Mazroua	1,035,000	10,350,000	6.90%	724,500	7,245,000	4.83%
Public	-	-	-	4,500,000	45,000,000	30%
Total	**15,000,000**	**150,000,000**	**100%**	**15,000,000**	**150,000,000**	**100%**

Source: The Company

4.7 Ownership Structure of the Company

The Company operates throughout the Kingdom through its headquarters in Riyadh. It has branches in both Makkah and Riyadh. The following chart shows the Company's ownership structure prior to the Offering:



4.7.1 Overview of the Company's Significant Shareholders

4.7.1.1 The Ideal for Business and Investment Trade Company

The Ideal for Business and Investment Trade Company was incorporated as a limited liability company registered in Riyadh under Commercial Registration No. 1010228437 on 26/01/1428H (corresponding to 14/02/2007G), with a paid-up capital of SAR 500,000. The activities of The Ideal for Business and Investment Trade Company are real estate activities, construction activities, information and communications activities, repair of computers and consumer electronic devices and the sale of computers and software.

The following table shows the ownership structure of The Ideal for Business and Investment Trade Company:

Table (20): Ownership Structure of The Ideal for Business and Investment Trade Company

Shareholder	No. of Shares	Total Nominal Value of Shares (SAR)	Ownership (%)
Saleh Ibrahim Hamad Al Mazroua	250	250,000	50%
Nasser Abdullah Mohamed Albassam	250	250,000	50%
Total	**500**	**500,000**	**100%**

Source: The Company

4.7.2 Company's Branches

The Company has two branches in the Kingdom. The following table shows details of the two registered branches of the Company as of the date of this Prospectus:

Table (21): The Company's Branches as of the date of this Prospectus

Branch Location	Commercial Registration No.	Responsibilities and Services
Makkah	4031218300	Project Management
Riyadh	1010290349	Smart Payments

Source: The Company

4.8 Company Business Overview

The Company operates as a provider of comprehensive services and solutions in information and communication technology. It provides its services through the following three integrated business units (the "Business Units"): Software Development Unit, Operation and Maintenance Unit and Customer Experience Unit (as detailed below), each of which covers an important segment in the ICT sector. The Business Units operate in an interconnected and robust environment to provide comprehensive and integrated solutions with the highest quality and excellence standards.

The scope of the Company's business has evolved over the years thanks to its diverse products and services, which reflects the rapidly changing nature of the information and communications technology sector. This development is at the same time also evidence of the competence of the Company's management team and the flexibility it enjoys in keeping pace with clients' requirements. Such team was, and still is, able to run the Company's business and align it with the prevailing market trends.

The Company's business portfolio as of the date of this Prospectus includes the following three Business Units:

- **Software Development Unit:** Provides software design, development and management services and specialized electronic platforms to clients by following best practices and methodologies in software development and management of software development projects.
- **Operation and Maintenance Unit:** Provides clients with qualified and trained technical labor to meet their needs for qualified personnel. It also provides preventive and corrective maintenance services and managed information technology services for data centers.
- **Customer Experience Unit:** Provides customer journey design and development services and offers a number of services related to the management and operation of contact centers and customer service through the management of all communication channels. This includes contact centers, digital channels and social media channels.
- In its organization and management, the Company is divided into five main administrative departments that handle the management of the Company in terms of developing and implementing plans associated with the Company's general objectives. The administrative departments of the Company are as follows: the Sales Accounts Department, Technology and Digital Transformation Department, Project Management Department, Shared Services Department and Finance Department (for more information about the supporting departments, please refer to Section 4.12 "**Head Office Departments and Support Functions**" of this Prospectus). The Company's management constantly evaluates the performance of these five units separately, in order to make decisions regarding the allocation of resources to them. The following table provides an overview of the basic operating data for each of the sub-units for the years ended 31 December 2019G, 2020G, 2021G and the three-month period ended 31 March 2022G:

Table (22): The Company's net revenues by service category for 2019G, 2020G, 2021G and the Three-Month period ended 31 March 2022G

Business Unit	Year ended 31 December 2019G		Year ended 31 December 2020G		Year ended 31 December 2021G		Three-Month Period Ended 31 March 2022G	
	Revenue (SAR'000)	Contribution (%)	Revenue (SAR'000)	Contribution (%)	Revenue (SAR'000)	Contribution (%)	Revenue (SAR'000)	Contribution (%)
Software Development Unit	75,750	25.4%	116,802	24.2%	141,339	21.6%	40,788	21.1%
Operation and Maintenance Unit	114,943	38.6%	134,494	27.9%	212,473	32.4%	66,784	34.5%
Customer Experience Unit	107,409	36%	231,179	47.9%	301,666	46%	85,921	44.4%
Total	**298,102**	**100%**	**482,475**	**100%**	**655,478**	**100%**	**193,493**	**100%**

Source: The Company

The following sections provide an overview of each of the Company's Business Units.

4.8.1 Software Development Unit

The Software Development services provided through this unit are divided into two parts:

- **Custom Application Development (CAD):** Providing software development services to clients through various technologies that suit the client's needs. The Company has obtained a Certificate of Capability Maturity Model - Level 3 in Software Development (CMMI-Dev L3) as it has a team of specialists in analyzing business requirements and developing software through various technologies. This Unit also enabled the Company to become one of the leading companies in software development. The Company is a Gold Partner of the largest software technology providers in the world, including Microsoft, Oracle and Software AG. This enables the Company to provide the optimal solutions to clients without relying on specific technologies or a specific technology provider, by adopting best practices and methodologies in software development. The Company has also become the main representative and partner of Construx in the Kingdom, which is a leading company in implementing and adopting software development best practices throughout the delivery lifecycle of software development projects.
- **Decision Support Systems:** Providing data collection and analysis services through the configuration and installation of a group of specialized software packages and providing supportive services for decision-making to support digital transformation through data reliance (Data-Driven Organizations), including software and services for big data analysis, business intelligence and analysis and management of software performance and digital customer experience.

This Unit also undertakes the task of providing technical services to the other Business Units of the Company through the development of certain applications. The Company is distinguished from its competitors through its ability to provide integrated services to its clients, including services that combine the Software Development Unit, the Customer Experience Business Unit and the Operation and Maintenance Business Unit, as there is currently no competitor in the local market that provides Customer Experience and/or Operation and Maintenance services through a professional business units while specialized in developing software solutions.

Software Development Unit sales amounted to SAR 75.75 million in 2019G, SAR 116.80 million in 2020G, SAR 141.34 million in 2021G and SAR 40.79 million in the three-month period ended 31 March 2022G,equivalent to 25.41%, 24.21%, 21.6% and 21.1% of the Company's total sales for the years 2019G, 2020G, and2021G and the three-month period ended 31 March 2022G, respectively.

4.8.2 Operation and Maintenance Unit

The Company's services provided through this unit are divided into two parts:

- **Business support services for the operation of the IT system:** This is done by employing qualified and experienced IT professionals to manage and operate the client's IT unit. The Company is distinguished by upgrading the qualifications of its cadres through continuous training, as a qualified technical cadre represents an important resource in meeting the increasing demand in the labor market, and responding to changes in the IT market and client requirements. The Company's record of success in achieving and maintaining the highest position in the Saudization of IT professions with the Ministry of Human Resources and Social Development qualifies it to attract the best technical competencies.
- **Managed IT Services:** Due to the shift in market needs and the tendency to outsource IT in particular, the Company is considered one of the pioneers in providing managed services to its clients, as it manages software by providing and implementing management needs, including preventive and corrective maintenance of data centers by assigning the entire client information technology work to the Company's technical team. The services include, but are not limited to, the following:
- **Preventive maintenance:** The regular and routine maintenance of IT assets including infrastructure, networks, applications and off-the-shelf software, in order to maintain the level of service performance, readiness and efficiency and proactively prevent any unplanned outages, including scheduled maintenance times before a problem occurs.
- **Corrective maintenance:** A dynamic approach to maintain IT assets using methods that rely on live and historical data to continuously analyze the state of equipment, infrastructure and software components to predict any problems before they occur and plan maintenance work through a clear schedule.

Operation and Maintenance Unit sales amounted to SAR 114.94 million in 2019G, SAR 134.49 million in 2020G, SAR 212.47 million in 2021G and SAR 66.78 million in the three-month period ended 31 March 2022G, equivalent to 38.56%, 27.88%, 32.4% and 34.5% of the Company's total sales for the years 2019G, 2020G and 2021G and the three-month period ended 31 March 2022G, respectively.

4.8.3 Customer Experience Unit

The Company's services provided through this unit are divided into two parts:

- **Business Process Outsourcing (BPO):** Responsible for customer care services, including managing and executing customer service activities across all channels, including phone calls, social media, interactive chat, web and email channels. Through this service, the Company enhances customer experience and protects the clients' brand. The Company also provides such service with different specifications according to the nature of each client's work, along with the application of best practices for managing and operating customer service. It integrates new technologies and automates the services using digital assistant technologies, proactively profiling each client and identifying their needs to enhance the end-user experience. Business Process Outsourcing of the Customer Experience system include design, implementation, recruitment, training, operation, quality assurance, auditing, manpower management, improvement from within the Company's operation premises or clients' headquarters and work sites, as well as client communication services, in addition to business activities supporting the Business Process Outsourcing Unit to operate the Customer Experience system on behalf of the client.
- **Technology Solutions:** The Company is distinguished by its Gold Partnership status with Genesys, a leading company in the global market, which contributes to providing the Company with a customer experience platform as a technical provider that provides technology allowing communication with customers and evaluation of customer experience. The Company integrates the platform with other platforms such as the customer relationship management (CRM) system, ticketing systems, knowledge management, interactive chat and the digital assistant (Chatbot) to provide a comprehensive technology platform innovatively designed to allow customers to operate and manage multiple channels and provide them with a comprehensive view of the beneficiary interaction journey.

Customer Experience Unit sales amounted to SAR 107.41 million in 2019G, SAR 231.18 million in 2020G, SAR 301.67 million in 2021G and SAR 85.92 million in the three-month period ended 31 March 2022G, equivalent to 36.03%, 47.92%, 46% and 44.4% of the Company's total sales for the years 2019G, 2020G and 2021G and the three-month period ended 31 March 2022G, respectively.

4.9 Overview of the Company's products

The Company offers a number of solutions and products in various IT fields some of them are intellictual proprietary for the Company. The following is an overview of the products offered by the Company to its clients from the government and private sectors:

4.9.1 Yamamah

Yamamah provides text messaging services (Bulk SMS) to government and private institutions in various sectors, as the "Bulk SMS" service is one of the easiest, fastest, most effective and least expensive method for information exchange and notifications. Through Yamamah, the client can communicate the information they want at the appropriate time reliably and securely. Bulk SMS represent a highly effective channel for direct communication and marketing. The latest statistics indicate that more than 98% of messages sent through a mobile phone are viewed and read. Furthermore, the percentage of mobile ownership in the Kingdom is in excess of 132%. Yamamah also features the following:

- Yamamah enables the client to accurately target SMS campaigns through a combination of demographic factors such as location, age, income and education.
- Messages are sent to any location inside or outside the Kingdom, at any time and within seconds.
- Yamamah service also provides many advantages to its clients, including:
  - Creating and sending targeted and scheduled advertising campaigns through multiple channels (websites, mobile applications, short code etc.).
  - Cost reduction through unified pricing on all networks.
  - Detailed and comprehensive reporting.
  - Creating and managing sub-accounts and distributing balances and permissions.
  - Ease of payment method through credit cards, and SADAD payments.
  - The possibility of appointing an account manager for the client to monitor all needs.

4.9.2 Wesal

Wesal provides cloud-based communication solutions over the Internet for the business sector (VoIP & CaaS), which allows organizations to use the public information network (the internet) to build a voice communication system that guarantees the quality of the voice service, just like the public telephone network, and integrates multiple communication methods such as telephone, fax, conference calls, messaging and SMS systems to enrich the means of employee communication and improve the efficiency of communication through integration with the IT applications in the organization to keep employees in constant contact with the organization and its clients from any place and at any time. This service is considered the first of its kind in the Middle East and North Africa.

Wesal allows its users to do the following:

- Conduct voice communication within the organization through public information networks established by the organization and not through telephone or mobile networks, which contributes to saving internal communication fees among employees.
- Reduce the costs of maintaining internal communication networks through the use of public information networks instead of building internal telephone networks as in the legacy systems.
- Integration with IT applications in organizations with various value-added services.

In designing Wesal, the Company takes into account the best international standards to achieve two basic principles in communication systems over the information network, which are: (1) Optimizing the use of devices in the organization, and (2) utilizing the advantages of the information network of the organization to transfer data in order to ensure the required coordination between the transfer of voice data and data of other applications.

The Wesal service also provides many advantages to its customers, including:

- Obtaining a 9200 unified contact number within 30 minutes.
- A web-based control panel that allows control of the system's features and provides detailed reports on the operations of the system.
- Invoice control through the pay-per-use feature to reduce the operational cost of the organization according to its needs, while maintaining the best performance expected from clients.
- Integration with information technology systems and customer service.
- Voicemail and the ability to receive voicemail on email.
- Fax and the ability to receive fax via email.
- Conference calls, call recording and call forwarding.

4.9.3 Internet Service Provider

The Company provides internet services, connectivity, hosting and the establishment of information centers and networks. The Company uses internet services from three internet gateways that it obtains from Telecom Company No. 1, Telecom Company No. 2 and Integrated Telecom Company. Each gateway uses a different submarine cable for connection from global source providers, providing the Company's clients with a continuous and high-quality network connection.

The internet service also provides many advantages to its clients, including:

- An operational and efficiency rate of 99.9% for all the Company's products and services.
- A high percentage and scalability, as it is possible to expand or reduce the number of servers as needed.
- Securing infrastructure against any external threats or environmental factors.
- Effective monitoring of all services granted to clients.

4.9.4 Tarasul

In an era of information and communication technology, mobile phones have become the fastest way to send and receive information in its various forms through text messages and multimedia messages, such as voice and video messages. Consequently, the Company activated the Tarasul service, which provides the best educational and entertainment content services, interactive SMS services and waiting tone services. The interactive SMS service on mobile phones allows the establishment of a communication channel via SMS between clients and their audiences.

The Tarasul service also provides many advantages to its clients, including:

- Activation of services on all operator networks within the Kingdom under a unified short code from the Communications and Information Technology Commission.

- Activation of an application for Islamic Ring Back Tones in the Kingdom.
- Activation of charitable donations services via SMS.
- Easy access to program functions through options and menus using the main mobile buttons.
- Ease of dealing with maps and the ability to move and browse easily using the arrow buttons.
- Ease of installing programs and downloading them to the devices.
- Program materials and maps can be enlarged and reduced as needed.
- There is also a team for technical support and program development to achieve the best results and desired goals.

4.10 Clients

The Company has a diverse client base in the public and private sectors and targets only institutional clients.

As of 31 March 2022G, the Company's sales value for government and private sector clients was as follows:

- The value of sales from government clients amounted to SAR 171.7 million, equivalent to 88.7% of the Company's sales.
- The value of sales from private sector clients amounted to SAR 21.8 million, equivalent to 11.3% of the Company's sales.

Government clients include ministries and government entities directly. The table below shows the basic information of the Company's top five clients from the public and private sectors for the years 2019G, 2020G and 2021G and the three-month period ended 31 March 2022G:

Table (23): The Company's Top Five Clients for the Years 2019G, 2020G and 2021G and the Three-Month Period Ended 31 March 2022G

	Type of Client	Year ended 31 December 2019G		Year ended 31 December 2020G		Year ended 31 December 2021G		Three-Month Period Ended 31 March 2022G	
		Sales (SAR'000)	Percentage of the Company's total sales	Sales (SAR'000)	Percentage of the Company's total sales	Sales (SAR'000)	Percentage of the Company's total sales	Sales (SAR'000)	Percentage of the Company's total sales
1.	Government clients	132.45	44.4%	245.00	50.8%	277.76	42.4%	87.68	45.3%
2.	Private sector clients	15.88	5.3%	27.56	5.7%	24.55	3.7%	10.50	5.4%

Source: The Company

During the years 2019G, 2020G and 2021G and the three-month period ended 31 March 2022G, the Company's top five clients from the public sector accounted for 44.4%, 50.8%, 42.4% and 45.3%, respectively, equivalent to SAR 132.45 million in 2019G, SAR 245.00 million in 2020G, SAR 277.76 million in 2021G and SAR 87.68 million in the three-month period ended 31 March 2022G, of the Company's total sales. The Company has a number of long-term strategic clients (over 10 years). Section 12 "**Legal Information**" of this Prospectus provides a summary of the main contracts concluded between the Company and its key clients.

4.11 Suppliers

Within the framework of its current business model, the Company markets and sells ICT products and solutions produced by international companies, as the Company has strong, long-term relations with leading suppliers across all its Business Units. The Company has also received awards from its suppliers, such as Genesys' Best Strategic Partner and Gold Partner Award, Insights' Best Large-Scale Call Center Operation Service Provider (more than 600 call operators) in the Middle East and Genesys' Best Public Sector Partner Award.

Due to its distinguished position achieved by meeting standards, quality and quantities, the Company is able to obtain competitive prices from its major suppliers. This distinguished position is subject to periodic evaluation.

During the years 2019G, 2020G and 2021G and the three-month period ended 31 March 2022G, the percentage of the cost of obtaining services from the Company's top five suppliers amounted to 30%, 19.4%, 17.4% and 15.9%, respectively, equivalent to SAR 73.11 million in 2019G, SAR 75.80 million in 2020G, SAR 93.63 million in 2021G and SAR 36.37 million in the three-month period ended 31 March 2022G, of its total sales costs. The following table shows the main information related to the Company's top five suppliers.

Table (24): The Company's Top Five Suppliers for the Years 2019G, 2020G and 2021G and the Three-Month Period Ended 31 March 2022G

	Supplier	Description	Business Unit	Year ended 31 December 2019G		Year ended 31 December 2020G		Year ended 31 December 2021G		Three-Month Period Ended 31 March 2022G	
				Cost (SAR'000)	Percentage of the Company's total costs	Cost (SAR'000)	Percentage of the Company's total costs	Cost (SAR'000)	Percentage of the Company's total costs	Cost (SAR'000)	Percentage of the Company's total costs
1.	Telecom Company No. 1	Provision of internet lines and text messages	Software Solutions	37	15.2%	32	8.2%	43	8%	13,500	8%
2.	Telecom Company No. 2	Provision of text messages	Software Solutions	22	9%	19.9	5.1%	16.5	3.1%	3,950	2%
3.	Telecom Company No. 3	Provision of text messages	Software Solutions	7.3	3%	11.5	2.9%	12	2.2%	6.9	4%
4.	Aptec Saudi Arabia	Software licenses and hardware	Operation and Maintenance	2.8	1.1%	3.1	0.8%	11	2.1%	120	0.50%
5.	Dynatrace	Software licenses	Software Solutions	4	1.7%	9.2	2.4%	11	2%	7,054	2%

Source: The Company

Section 12 "**Legal Information**" of this Prospectus provides a summary of the contracts concluded between the Company and its key suppliers.

4.12 Head Office Departments and Support Functions

The Company has several administrative departments that support its various activities. All the administrative departments are located in the Company's head office in the city of Riyadh. These departments consist of the following:

4.12.1 Client Accounts Management Department

The Client Accounts Management Department is responsible for managing and monitoring the needs of the Company's existing clients and attracting new clients. Its principal activities include:

- Preparing and evaluating sales analysis reports and regular pricing research procedures, enabling the Company to compete.
- Renewing contracts with clients and conducting regular client satisfaction surveys.
- Reviewing client complaints, responding to them and following up on the implementation of corrective actions with the concerned units.

The Client Accounts Management Department is divided into two sub-units:

- Public Sector Client Accounts Units.
- Private Sector Client Accounts Units.

4.12.2 Technology and Digital Transformation Department

The Technology and Digital Transformation Department handles the main tasks related to research and development services and design of technical solutions to suit the requirements of existing and new clients, by relying on the analysis of the Client Accounts Management Department. The Technology and Digital Transformation Department is divided into three sub-units as follows:

4.12.2.1 Product and Sales Engineering Unit

The main tasks of this unit include:

- Research and development of the Company's products by examining the needs of the local market and tracking global technological developments to provide comprehensive solutions and localization of technology by maintaining the continuous development of products, in line with the aspirations and needs of clients.
- Sales engineering, designing optimal technical solutions to meet the client needs and determining the cost of solutions provided, the required resources and the required schedule for implementation.
- Strategic partnerships, attracting partnerships with leading international companies in the manufacture and development of technologies for off-the-shelf software that achieve the Company's strategic objectives.

4.12.2.2 Software Development Unit

The main tasks of this unit are software development, which consists in providing software analysis, design and development services.

4.12.2.3 IT and Technical Support Unit

The main tasks of this unit include:

- Technical support and operation, which consists in providing technical support services and operating the Company's systems and data centers.
- Providing preventive and corrective maintenance services and managed services for data centers.

4.12.3 Project Management Department

The Project Management Department is responsible for supervising and implementing the various projects of the Company, including the following:

- Following up on project schedules, estimated budgets, Request for Proposals (RFPs), initial dilemmas and other obstacles that may arise during the project life cycle.
- Monitoring, improving and distributing human resources for each project and benefiting from them.
- Assisting in the selection and appointment of external parties and subcontractors.
- Supporting and monitoring project budgets (including addressing and resolving budget overruns).
- Ensuring compliance of all contracts concluded by the Company and ensuring their timely and satisfactory payment, resolving disputes and making change orders with the Company's suppliers and clients.

The Project Management Department is divided into three main portfolios, each of which manages the projects of a specific Business Unit as per the following:

- Software Development Projects Portfolio, which is responsible for managing Software Development projects and preparing strategic plans for developing systems, finding software solutions and overseeing Software Development Delivery Operations.
- Customer Experience Projects Portfolio, which is responsible for managing and operating Customer Experience projects, as well as developing and implementing strategic plans for operating contact centers and supervising the operation of these centers in accordance with the highest international standards to achieve the highest levels of client satisfaction.
- Operation and Maintenance Projects Portfolio, which is responsible for managing operation and maintenance projects of all kinds, including infrastructure projects. It is also responsible for monitoring preventive and corrective maintenance of projects delivery and overseeing operations.

The Department also includes the following supporting units:

- Cost Control Unit, which is responsible for conducting cost analysis, preparing budget reports, maintaining an expenditure database and defining project costs.
- Collection Unit, which is responsible for following up on client receivables and ensuring that the amounts are collected in accordance with the Company's approved policy for the public and private sectors.

4.12.4 Shared Services Department

The Shared Services Department is responsible for providing support services to other departments. The Shared Services Department is divided into three sub-units as follows:

4.12.4.1 Human Resources Unit

The main tasks of this unit include:

- Developing and preparing job descriptions, recruitment policies and procedures.
- Attracting qualified talent to meet the Company's recruitment needs.
- Preparing and implementing an induction training plan for newly hired employees.
- Providing guidance and reviewing and developing employee performance.
- Ensuring compliance with the requirements of the Labor Law, Social Security Law and other relevant laws and regulations.
- Monitoring employees affairs and resolving the difficulties and problems they may face.
- Supporting employee welfare by organizing social activities and providing medical insurance and other related services.

4.12.4.2 Procurement Unit

The main tasks of this unit include:

- Supplier relation services.
- Procurement and logistics services.
- Warehouse management services.

4.12.4.3 Facility Management Unit

The main tasks of this unit include monitoring occupational health and safety operations within workplaces and company facilities in order to ensure the safety of all staff members from the risks to which they may be exposed.

The main tasks of this unit include following up on the maintenance and cleaning of the Company's facilities.

4.12.5 Finance Department

The Finance Department is responsible for keeping accounts, issuing reports and financial statements, improving the Company's internal control policy, protecting financial assets and providing financial information, which includes:

- Preparing financial reports.
- Formulating accounting policies and procedures and ensuring compliance with relevant regulatory requirements.
- Ensuring adequate liquidity, managing and improving working capital requirements to fulfill the Company's current and future plans and obligations, including setting and measuring key performance indicators for the Company's activities and performance.
- Managing payments to suppliers and relations with banks, as well as preparing and submitting Zakat and tax returns.
- Overseeing bill payments and letters of credit, including issuing orders that allow the Company's suppliers to obtain payment authorization.
- Cooperating with internal and external auditors to effectively audit and review the Company's accounts.

4.13 Management Systems

The Company has multiple systems to manage internal and client operations. In order to improve internal collaboration, the Company established a platform used for interactive social networking functions such as sharing and discussing information. In addition, the Company maintains a platform for business process management, automation (self-operation), control and e-services, which are used across the organization to achieve seamless and transparent collaboration. Similarly, the Company operates several external interface tools, which are currently in use to ensure the highest level of customer experience, including:

- **Enterprise Resource Planning (ERP) platform:** An internal tool for managing the Company's resources which includes the most important aspects related to finance, supply chain, projects and human resources, including human resources self-services, which would enable employees to manage their human resources services easily. It also includes a platform for dealing with suppliers, which allows them to submit their invoices and follow up on payment.
- **Customer Relationship Management (CRM) platform:** A customer relationship management platform that includes all aspects related to clients and sales and which allows monitoring the progress of work, approvals and reports.
- **Enterprise Project Management (EPM):** An internal tool that provides enterprise project management by allowing project managers to monitor and manage project performance and requests made.

While the above technology solutions are already in place, the Company continues to work towards providing greater automation (self-operation) related to talent discovery, testing, interviewing, performance tracking, training and external manpower management.

4.14 Business Continuity

The Board of Directors acknowledge, as of the date of this Prospectus, that there has been no interruption in the Company's business that could affect or has had a noticeable effect on its financial position during the last twelve (12) months.

The Board of Directors acknowledge, as of the date of this Prospectus, that the Issuer has no business activity (or a substantial part of its assets) outside the Kingdom.

The Board of Directors acknowledge, as of the date of this Prospectus, that the Issuer has had no policy regarding research and development of new products or production methods within the previous three financial years.

The Board of Directors acknowledge, as of the date of this Prospectus, that the Issuer has no intention to make any material change to the nature of its activities.

The Board of Directors acknowledge, as of the date of this Prospectus, that the Issuer has no intention to introduce new products or undertake significant new activities.

4.15 Awards, Certificates and Accreditations

The Company has received a number of awards from its key suppliers in recognition of the quality of the brand and services it provides, some of which are summarized below.

Table (25): Awards, Certificates and Accreditations Obtained by the Company from its Key Suppliers during the Period between 2018G and 2022/03/31G

Supplier	Award description	Year
Genesys	Best Strategic Partner and Gold Partner	2020G
Insights	Best Large-Scale Call Center Operation Service Provider (more than 600 call operators) in the Middle East	2021G
Genesys	Best Public Sector Partner Award	2019G
CMMI Institute	Certificate of Capability Maturity Model - Level 3 in Software Development (CMMI-Dev L3)	2015G – 2020G
TÜV Austria	Quality Management System Certificate (ISO 9001)	2018G – 2021G
TÜV Austria	Information Security and Confidentiality Management System Certificate (ISO 27001)	2021G
TÜV Austria	Occupational Health and Safety Management System Certificate (ISO 45001)	2021G
TÜV Austria	Business Continuity Certificate (ISO 22301)	2021G

Source: The Company

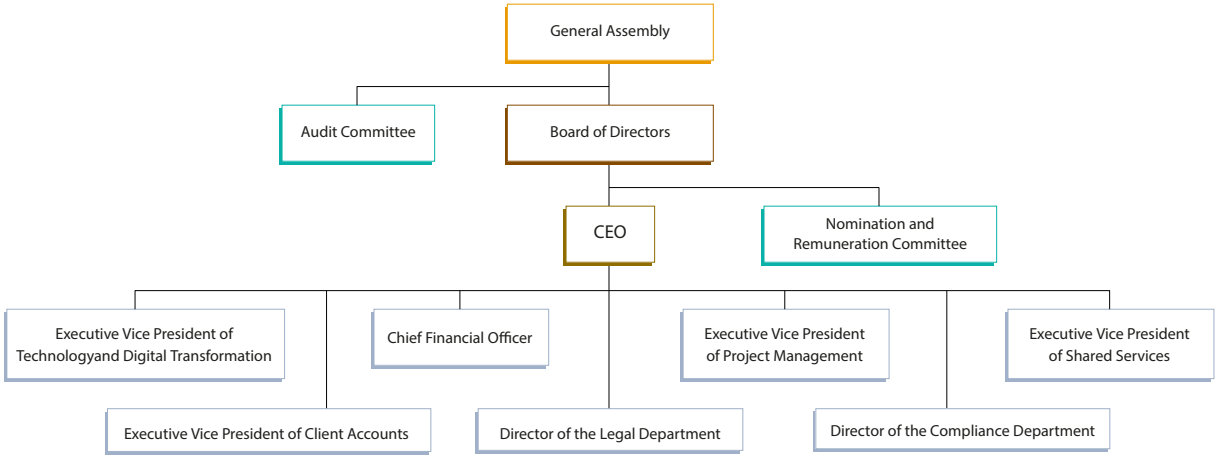
5. Organizational Structure and Corporate Governance

5.1 Organizational Structure

The organizational structure of the Company consists of the Board of Directors and the Committees emanating from it and from the General Assembly, namely the Audit Committee and the Nomination and Remuneration Committee. Under the provisions of the Companies Law and the Company's Bylaws, the Board of Directors is responsible for the overall direction, supervision and control of the Company. The Board of Directors also entrusts the Senior Management of the Company, and in particular the CEO, with the responsibility of managing the general day-to-day business of the Company.

The following diagram shows the organizational structure of the Company:

Figure NO. (5): Organizational Structure of the Company



Source: The Company.

The Company has outsourced its internal audit functions to Saad Saleh Alsabti & Partners Company Chartered Accountants and Auditors (Ecovis Saudi Arabia), an audit Company licensed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Table (26): Direct Ownership Structure of the Company Pre- and Post-Offering

Shareholder Name	Pre-Offering			Post-Offering		
	Number of shares	Nominal value (SAR)	Direct Ownership (%)	Number of shares	Nominal value (SAR)	Direct Ownership (%)
The Ideal for Business and Investment Trade Company	4,890,000	48,900,000	32.6%	3,423,000	34,230,000	22.82%
Saleh Ibrahim Hamad Al Mazroua	1,950,000	19,500,000	13%	1,365,000	13,650,000	9.10%
Nasser Abdullah Mohamed Albassam	1,950,000	19,500,000	13%	1,365,000	13,650,000	9.10%
Hessa Sultan Mohamed Al Sultan	621,000	6,210,000	4.14%	434,700	4,347,000	2.90%
Aseel Nasser Albassam	621,000	6,210,000	4.14%	434,700	4,347,000	2.90%
Sadeem Nasser Albassam	621,000	6,210,000	4.14%	434,700	4,347,000	2.90%
Abdullah Nasser Albassam	621,000	6,210,000	4.14%	434,700	4,347,000	2.90%
Youssef Nasser Albassam	621,000	6,210,000	4.14%	434,700	4,347,000	2.90%
Nada Mohamed Al Issa	1,035,000	10,350,000	6.90%	724,500	7,245,000	4.83%
Ibrahim Saleh Al Mazroua	1,035,000	10,350,000	6.90%	724,500	7,245,000	4.83%
Aljohara Saleh Al Mazroua	1,035,000	10,350,000	6.90%	724,500	7,245,000	4.83%
Public	-	-	-	4,500,000	45,000,000	30%
Total	**15,000,000**	**150,000,000**	**100%**	**15,000,000**	**150,000,000**	**100%**

Source: The Company

5.2 Members of the Board of Directors and the Board Secretary

5.2.1 Composition of the Board of Directors

According to the Company's Bylaws, the Board of Directors shall consist of six (6) members appointed by the Ordinary General Assembly of Shareholders by means of cumulative vote. The Companies Law, Corporate Governance Regulations, Bylaws and Internal Corporate Governance Manual all define the duties and responsibilities of the Board of Directors. The term of office of each member, including the Chairman of the Board, shall be a maximum of three (3) years, however, as an exception to this, the Conversion Assembly has appointed the first Board of Directors for a term of five (5) years.

The following table shows the names of the Board Members as of the date of this Prospectus:

Table (27): Members of the Company's Board of Directors

No.	Name	Position	Nationality	Status	Direct Ownership		Indirect Ownership[1]		Date of Appointment[2]
					Pre-Offering	Post-Offering	Pre-Offering	Post-Offering	
1-	Nasser Abdullah Mohamed Albassam	Chairman of the Board of Directors	Saudi	Non-executive/ Non-independent	13%	9.10%	16.30%[3]	11.41%	19/12/2021G
2-	Tariq Abdullah Hassan Al Naeem	Vice Chairman of the Board of Directors	Saudi	Non-executive/ Independent	-	-	-	-	19/12/2021G
3-	Yusuf Mohamed Manee Al-Khelaiwi	Member	Saudi	Non-executive/ Independent	-	-	-	-	19/12/2021G
4-	Ehsan Adnan Ahmed Doughman	Member/ CEO	Palestinian	Executive/ Non-independent	-	-	-	-	19/12/2021G
5-	Fahd Ibrahim Yacoub Al Hussein	Member	Saudi	Non-executive/ Independent	-	-	-	-	19/12/2021G
6-	Sulaiman Abdul Rahman Mohamed Fatani	Member	Saudi	Non-executive/ Independent	-	-	-	-	19/12/2021G

Source: The Company

(1) Direct and indirect ownership percentages are approximate.

(2) The dates provided in this table are the start dates of the appointment of members of the Board of Directors for the current session of the Board. Their respective biographies contained in Section 5.2.3 "**Biographies of the Board Members and Board Secretary**" describe their dates of appointment, whether to the Board of Directors or to any other position.

(3) Nasser Abdullah Mohamed Albassam has indirect ownership of 16.30% pre-Offering due to his ownership of 50% of The Ideal for Business and Investment Trade Company, which owns 32.60% of the Company's shares.

The Company's current Secretary is Ahmed Abdulaziz Abdullah Al-Jumah, and he does not own any shares in the Company.

5.2.2 Responsibilities of the Board of Directors

The responsibilities of the Chairman, members and Secretary of the Board of Directors include the following:

5.2.2.1 Board of Directors

A. Responsibility of the Board of Directors

- The Board of Directors represents all shareholders and shall exercise the duties of care and loyalty in the management of the Company and all that would safeguard, develop and maximize its value.
- The Board of Directors of the Company is responsible for its actions even if it delegates committees, entities or individuals to exercise certain competencies.
- The Board of Directors may not issue a general or indefinite mandate.

B. Main Functions of the Board of Directors

Taking into account the terms of reference established for the General Assembly in the Companies Law, its executive regulations and the Company's Bylaws, the Board of Directors shall have the widest powers to manage the Company and direct its business in order to achieve its purposes. The functions and terms of reference of the Board of Directors include the following:

- Developing plans, policies, strategies and the main objectives of the Company, supervising their implementation and reviewing them periodically, and ensuring the availability of human and financial resources necessary to achieve them, including:
  - Developing, reviewing and guiding the Company's overall strategy, master business plans, risk management policies and procedures.
  - Determining the optimal capital structure of the Company, its financial strategies and objectives and approving estimated budgets of all kinds.
  - Supervising the main capital expenditures of the Company and ownership and disposal of assets.
  - Setting performance goals and monitoring implementation and overall performance in the Company.
  - Periodic review and approval of the organizational and functional structures in the Company.
  - Verifying the availability of human and financial resources necessary to achieve the Company's main goals and plans.
- Establishing and supervising internal control policies and regulations, including:
  - Developing a written policy to address actual and potential conflicts of interest of Directors, Senior Management and Shareholders, including misuse of the Company's assets and facilities and misconduct resulting from dealings with Related Parties.
  - Ensuring the integrity of financial and accounting systems, including those related to the preparation of financial reports.
  - Ensuring that appropriate control systems are in place to measure and manage risks by developing a general perception of the risks that the Company may face, creating an environment well-informed about the Company-wide risk management culture, and presenting it transparently to stakeholders and Related Parties of the Company.
  - Annual review of the effectiveness of internal control procedures in the Company.
- Preparing clear and specific policies, standards and procedures for membership in the Board of Directors in a manner that does not contradict the mandatory provisions in this Regulation, and putting them into effect after approval by the General Assembly.
- Developing a written policy regulating the relationship with stakeholders in accordance with the provisions of this Regulation.
- Developing policies and procedures that ensure the Company's compliance with laws and regulations and its obligation to disclose material information to Shareholders and stakeholders, and verifying the compliance of Senior Management with the same.
- Supervising the management of the Company's finances and cash flows and its financial and credit relations with third parties.
- Presenting proposals to the Extraordinary General Assembly regarding the following:
  - Increasing or decreasing the Company's capital.
  - Dissolution of the Company before the term assigned to it in the Company's Bylaws or deciding its continuation.
- Presenting proposals to the Ordinary General Assembly regarding the following:
  - Using the Company's consensual reserve in the case of its formation by the Extraordinary General Assembly and provided it has not been allocated for a specific purpose.
  - Forming additional reserves or financial allocations for the Company.
  - The method of distributing the Company's net profits.
- Preparing the Company's initial and annual financial statements and approving them before their publication.
- Preparing and approving the report of the Board of Directors before its publication.
- Ensuring the accuracy and integrity of the data and information to be disclosed in accordance with the applicable disclosure and transparency policies and laws.

- Establishing effective communication channels that allow shareholders to be informed on an ongoing and periodic basis about the various aspects of the Company's activities and any significant developments.
- Forming specialized committees emanating from it through resolutions specifying the term of the committee, its powers and responsibilities, and how it will be supervised by the Board, provided that the formation resolution includes naming the members and specifies their tasks, rights and duties, as well as evaluating the performance and work of such committees and their members.
- Determining the types of remuneration granted to employees of the Company, such as fixed Remuneration, performance-related bonuses, and bonuses in the form of shares, in a manner that does not contradict the regulatory controls and procedures issued based on the Companies Law for listed joint stock companies.
- Setting the values and standards that govern work in the Company.
- Distributing terms of reference and tasks, whereby the Board must ensure that the organizational structure of the Company determines the terms of reference and distribution of tasks between the Board of Directors and Senior Management. In order to achieve this, it must do the following:
  - Approving and developing internal policies related to the Company's work, including defining tasks, terms of reference and responsibilities assigned to the various organizational levels.
  - Approving a written and detailed policy specifying the powers delegated to Senior Management and a table showing such powers, their method of implementation and the term of delegation. The Board of Directors may request Senior Management to submit periodic reports on its exercise of the delegated powers.
  - Determining the matters on which the Board reserves the power to decide.

The Company confirms that it has not concluded employment contracts with members of the Board of Directors, except for Mr. Ehsan Adnan Ahmed Doughman, in his capacity as CEO of the Company. The contract concluded with Mr. Ehsan Adnan Ahmed Doughman is summarized in Section 5.4.3 " **Employment Contracts with Senior Executives**" of this Prospectus.

5.2.2.2 Chairman of the Board of Directors

The Chairman of the Board shall be responsible for representing the Company in its relations with others, before the judiciary and the notary public, and before all government departments and dispute resolution committees of all kinds and degrees and all other bodies, and shall have the right to represent the Company in the purchase, sale and conveyance of land and real estate, the right to sign articles of association of companies in which it participates, as well as other contracts, and shall have the right to delegate any of these powers to others.

Without prejudice to the terms of reference of the Board of Directors, the Chairman of the Board of Directors shall lead the Board and supervise the conduct of its work and the effective performance of its functions. In particular, the duties and terms of reference of the Chairman of the Board of Directors shall include the following:

- Ensuring members of the Board have timely access to complete, clear, correct and non-misleading information.
- Verifying that the Board of Directors discusses all key issues effectively and in a timely manner.
- Representing the Company before third parties as stipulated in the Companies Law, its executive regulations and the Company's Bylaws.
- Encouraging members of the Board of Directors to exercise their duties effectively and in a manner that achieves the interests of the Company.
- Ensuring there are channels for effective communication with Shareholders and the communicating their opinions to the Board of Directors.
- Encouraging constructive relationships and effective engagement between both the Board of Directors and Senior Management and between executive, non-executive and independent members, and creating a culture that encourages constructive criticism.
- Preparing the agenda of the Board of Directors' meetings, taking into account any issue raised by a member of the Board of Directors or by the Auditor and consulting with the Board of Directors and the CEO when preparing the agenda of the Board.
- Holding regular meetings with non-executive Board Members without the presence of any executive of the Company.
- Informing the Ordinary General Assembly, when it is convened, of the business and contracts in which a member of the Board of Directors has a direct or indirect interest.

Other responsibilities of the Chairman include being the official spokesperson of the Board. In addition, the Chairman is the main link between the management and the Board.

Among the duties of the Chairman is also to manage the annual general meetings and play the leading role in the Company's relationship with any of the Company's stakeholders.

5.2.2.3 Vice Chairman of the Board of Directors

The duties and terms of reference of the Vice Chairman of the Board of Directors include:

- Assisting the Chairman of the Board of Directors in matters and issues related to the Company's Board of Directors.
- Calling on the Board to convene in the absence of the Chairman.
- Chairing the meetings of the Board in the absence of the Chairman.
- Chairing the meetings of the General Assembly in the absence of the Chairman.
- Assuming the role of the Chairman in his absence.

The Vice Chairman of the Board of Directors is responsible for directing management and reviewing major decisions before passing them to the Board of Directors' bodies. The Vice Chairman of the Board of Directors shall have the widest powers to represent the Company before various government entities.

5.2.2.4 Secretary of the Board of Directors

The Secretary of the Board of Directors shall be responsible for organizing the meetings of the Board. Pursuant to the Company's Internal Governance Regulations, the main responsibilities of the Secretary of the Board of Directors include:

a. Documenting the meetings of the Board of Directors and preparing minutes for them.
b. Maintaining reports submitted to the Board of Directors and reports prepared by the Board.
c. Providing members of the Board of Directors with the Board agenda, working papers, documents and information related to it, and any additional documents or information requested by any member of the Board of Directors related to the topics covered in the meeting agenda.
d. Verifying compliance of members of the Board of Directors with the procedures approved by the Board.
e. Notifying members of the Board of Directors of the dates of Board meetings with sufficient notice prior to the specified date.
f. Presenting the draft minutes to members of the Board of Directors to express their views thereon before signing them.
g. Verifying that the Board of Directors have full and prompt access to a copy of minutes of the Board meetings and information and documents related to the Company.
h. Coordination between members of the Board of Directors.
i. Organizing the disclosures register of the Board of Directors' members and Senior Management.
j. Providing assistance and advice to members of the Board of Directors.

5.2.2.5 CEO

The CEO is responsible for the financial and operational performance of the Company, the development and implementation of the Company's strategy, and the implementation of the Company's annual business plans approved by the Board of Directors. The CEO exercises his duties under the direct supervision of the Board of Directors and acts as a liaison between the Board of Directors and the Senior Management of the Company. Further, his duties include managing the Company's daily affairs, supervising the workflow in all departments and units of the Company, following up the performance of all activities, and taking necessary decisions to regulate work and achieve goals, as well as working to increase client satisfaction with the Company.

5.2.3 Biographies of the Board Members and Board Secretary

An overview of the current and previous experiences, qualifications and positions of each member of the Board of Directors and the Secretary of the Board is set out below.

5.2.3.1 Nasser Abdullah Mohamed Albassam

Age:	49 years
Nationality:	Saudi
Current position:	Chairman of the Board of Directors
Date of Appointment:	19/12/2021G
Academic Qualifications:	Bachelor's degree in Computer Science and Information Systems, King Saud University, Kingdom of Saudi Arabia, 1996G.
Current Executive Positions:	From 2014G to date: Managing Director of Cloud Distribution, a limited liability company operating in the field of IT and services.
Other Current Positions:	• From 2017G to date: Vice Chairman of the board of directors of Sustainable Technology Company, a limited liability company operating in the field of energy and control device solutions. • From 2011G to date: Vice Chairman of the board of directors of MadfooatCom, a limited liability company established in Jordan, operating in the field of financial services technology. • From 2009G to date: Chairman of the board of directors of The Ideal for Business and Investment Trade Company, a limited liability holding company operating in the field of import and export, general contracting and the design of computer programs and systems.
Previous Executive Positions:	• 2004G – 2020G: General Manager at Perfect Presentation Company, a joint-stock company operating in the field of IT solutions and services. • 2001G – 2004G: Application Development Manager at Al Rajhi Bank, a joint stock company operating in the field of banking. • 1997G – 2001G: Application Development Supervisor at the Saline Water Conversion Corporation (SWCC), a government institution operating in the field of seawater desalination and delivery of desalinated water to regions. • 1996G – 1997G: Billing Application Support Engineer at Lucent Technologies, Inc., a joint stock company operating in the field of telecommunications equipment.

5.2.3.2 Tariq Abdullah Hassan Al Naeem

Age:	48 years
Nationality:	Saudi
Current position:	Vice Chairman of the Board of Directors
Date of Appointment:	19/12/2021G
Academic Qualifications:	Ph.D. in Information Systems, University of New South Wales, Australia, 2006G. Master's degree in Computer Science, King Saud University, Kingdom of Saudi Arabia, 2002G. Bachelor's degree in Computer Science, King Saud University, Kingdom of Saudi Arabia, 1996G.
Current Executive Positions:	From 2021G to date: CEO of Water Transmission and Technologies Company, a government company operating in the development, financing and operation of infrastructure projects in the water sector.
Other Current Positions:	• From 2021G to date: Vice Chairman of the board of directors of the Securities Depository Center Company (Edaa), a joint-stock company operating in the field of securities. • From 2021G to date: Member of the board of directors of Credit Suisse Saudi Arabia, a joint stock company operating in the field of securities. • From 2021G to date: Vice Chairman of the board of directors of Al Alamiya for Cooperative Insurance Company (Al Alamiya), a listed joint stock company operating in the field of insurance. • From 2018G to date: Vice Chairman of the board of directors of Bayan Credit Bureau, a joint stock company operating in the field of credit information.
Previous Executive Positions:	• 2018G – 2020G: CEO of MEDGULF, a listed joint stock company operating in the field of insurance. • 2016G – 2017G: Member of the board of directors of the Capital Market Authority, a governmental body. • 2014G – 2016G: Undersecretary for Internal Trade at the Ministry of Commerce. • 2012G – 2014G: General Manager of the Strategic Group at Al Rajhi Bank, a listed joint stock company operating in banking. • 2007G – 2012G: General Manager of Investment Asset Services at Tadawul, a listed joint stock company operating in the field of listing and trading of securities. • 2006G – 2007G: Assistant Professor at Prince Sultan University, an academic institution operating in the field of education. • 1996G – 2002G: Payment Systems Officer at the Saudi Central Bank, a government institution.

Previous Positions:	• 2018G – 2021G: Chairman of the board of directors of Bayan Credit Bureau, a joint stock company operating in the field of credit information. • 2018G – 2019G: Member of the board of directors of MEDGULF, a joint stock company operating in the field of insurance. • 2018G – 2019G: Member of the board of directors of Leejam Sports Company, a listed joint stock company operating in the field of sports. • 2014G – 2016G: Member of the board of directors of the Saudi Organization for Chartered and Professional Accountants (SOCPA), a government authority.

5.2.3.3 Yusuf Mohamed Manee Al-Khelaiwi

Age:	56 years
Nationality:	Saudi
Current position:	Independent Board Member
Date of Appointment:	19/12/2021G
Academic Qualifications:	Bachelor's degree in Systems, King Saud University, Kingdom of Saudi Arabia, 1986G.
Current Executive Positions:	From 2015G to date: Chief Governance Officer and Corporate Secretary of Bank Albilad, a listed joint stock company operating in the field of banking.
Other Current Positions:	From 2016G to date: Member of the board of directors, Chairman of the Governance, Compliance and Risk Committee and Member of the Nomination and Remuneration Committee at Bayan Credit Bureau, a joint stock company operating in the field of credit information.
Previous Executive Positions:	• 2010G – 2015G: Director of the Legal Affairs Division at Bank Albilad. • 2007G – 2008G: Owner at Yousef Al Kheleiwi Law Firm, an individual establishment operating in the field of law practice. • 2003G – 2008G: Assistant General Manager at Al Rajhi Bank, a listed joint stock company operating in the field of banking. • 1999G – 2003G: Director of the Debt Management Department at Al Rajhi Bank. • 1997G – 1999G: Legal Advisor at the United Saudi Bank, a joint stock company operating in the field of banking. • 1994G – 1997G: Director of the Loan Processing Department at Riyad Bank, a listed joint stock company operating in the field of banking. • 1992G - 1994G: Director of the Debt Collection Department, Riyad Bank. • 1986G – 1992G: Legal Advisor at Riyad Bank, a listed joint stock company operating in the field of banking.
Previous Positions:	2017G – 2019G: Chairman of the Governance, Compliance and Risk Committee at Albilad Capital, a joint stock company operating in the field of securities.

5.2.3.4 Ehsan Adnan Ahmed Doughman

Age:	38 years
Nationality:	Palestinian
Current position:	Board Member and CEO
Date of Appointment:	19/12/2021G
Academic Qualifications:	Bachelor's degree in Technology and Applied Sciences, Al-Quds Open University, Palestine, 2007G.
Current Executive Positions:	From 2020G to date: CEO of Perfect Presentation Company, a joint stock company operating in the field of IT solutions and services.
Previous Executive Positions:	• 2019G – 2019G: Chief Operating Officer of Perfect Presentation Company, a joint stock company operating in the field of IT solutions and services. • 2013G – 2019G: Executive Vice President of Account Management at Perfect Presentation Company, a joint stock company operating in the field of IT solutions and services. • 2011G – 2013G: Project Manager at Arabic Computer Systems Saudi, a limited liability company operating in the field of IT solutions and services. • 2008G – 2011G: Project Manager and Marketing Specialist at Ipsos, a limited liability company operating in the field of marketing. • 2005G – 2007G: Project Manager and Sales Coordinator at Al-Khaleej Computers & Electronic Systems, a limited liability company operating in the field of technical services.

5.2.3.5 Fahd Ibrahim Yacoub Al Hussein

Age:	55 years
Nationality:	Saudi
Current position:	Independent Board Member
Date of Appointment:	19/12/2021G
Academic Qualifications:	• Master's degree in Electrical Engineering, California State University, USA, 1998G. • Bachelor's degree in Physics, King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia, 1988G.
Current Executive Positions:	From 2012G to date: CEO of the Saudi Technology Development and Investment Company (TAQNIA), a joint stock company operating in the field of research investment and commercialization solutions.
Other Current Positions:	• From 2017G to date: Vice Chairman of the board of directors of the GCC Electrical Testing Laboratory (GCCELAB), a joint stock company operating in the field of inspecting electrical equipment. • From 2017G to date: Member of the board of directors of Sehaty, a joint stock company operating in the field of medical investment.
Previous Executive Positions:	• 2008G – 2012G: CEO of International Systems Engineering (ISE), a joint stock company operating in the field of communications and information technology. • 2003G – 2008G: CEO of AwalNet, a joint stock company operating in the field of communications and information technology.

5.2.3.6 Sulaiman Abdul Rahman Mohamed Fatani

Age:	39 years
Nationality:	Saudi
Current position:	Independent Board Member
Date of Appointment:	19/12/2021G
Academic Qualifications:	Master of Business Administration, Aston University, UK, 2014G. Bachelor's degree in Financial Sciences, Prince Sultan University, Kingdom of Saudi Arabia, 2007G.
Current Executive Positions:	From 2020G to date: Director of the Investment Department at SABIC Investment and Local Content Development Company (Nusaned Investment), a joint stock company operating in the field of investment in the development of Saudi industrial projects.
Other Current Positions:	• From 2022G to date: Member of the Investment Committee of the Nusaned Investment Fund 2 for Private Equity, an investment fund operating in the field of investment in SMEs. • From 2021G to date: Member of the Internal Audit Committee of Perfect Presentation Company, a joint stock company operating in the field of IT solutions and services. • From 2021G to date: Member of the board of directors of Al Nazaer, a limited liability company operating in the field of radioactive sources.
Previous Executive Positions:	• 2017G – 2020G: Assistant Vice President of Investment Banking at GIB Capital, a limited liability company operating in the investment banking sector. • 2014G – 2017G: Head of Investment Banking at GIB Capital. • 2012G – 2014G: Senior Assistant at Deloitte Financial Advisory Services Limited, a limited liability company operating in non-securities financial advisory services. • 2007G – 2012G: Senior Assistant at Deloitte Corporate Finance Consulting, a joint venture firm operating in the field of corporate finance consulting. • 2006G – 2007G: Business Analyst at Deloitte Management Consulting, a subsidiary of Deloitte & Touche, operating in the field of management consultancy.

5.2.3.7 Ahmed Abdulaziz Abdullah Al-Jumah

Age:	33 years
Nationality:	Saudi
Current position:	Secretary of the Board
Date of Appointment:	01/02/2022G
Academic Qualifications:	Bachelor's degree in Business Administration, Imam Mohammad Ibn Saud Islamic University (IMSIU), Kingdom of Saudi Arabia, 2011G.
Other Current Positions:	From 2022G to date: Secretary of the board of directors of information technology Belt Company, a joint stock company operating in the field of information technology.
Previous Executive Positions:	• 2017G – 2021G: Office Manager of the Chairman of the board of directors, Secretary of the board and Investor Relations Officer at Al Jouf Cement Company, a listed joint stock company operating in the field of cement production. • 2013G – 2017G: Research Assistant for Salaries and Allowances at Imam Mohammad Ibn Saud Islamic University (IMSIU), a public university operating in the field of higher education. • 2011G – 2013G: Assistant for Auto Insurance Claims at Al Rajhi Takaful, a listed joint stock company operating in the insurance field.

5.3 Board Committees

The Board of Directors is concerned with the formation of committees to improve the management of the Company. Each committee has its own charter that sets out clear rules for its roles, powers and responsibilities. The Committees also hold periodic meetings for the purpose of carrying out their duties, and minutes must be prepared for all meetings of each Committee (such minutes are reviewed and approved by the Board of Directors).

The following is a summary of the structure, responsibilities and current members of each permanent Committee:

5.3.1 Nomination and Remuneration Committee

The primary task of the Nomination and Remuneration Committee is to identify qualified individuals and candidates for membership of the Board of Directors, as well as to assist the Board in developing a sound governance system and estabishing the necessary policies and procedures for the same. The scope of the Committee's work shall include carrying out all tasks that enable it to achieve its functions, including the following:

1. Preparing a clear policy for the remuneration of the Board of Directors' members, the Committees emanating from the Board and Senior Management, and submitting the same to the Board of Directors for consideration in order to be approved by the General Assembly, provided that such policy takes into account following performance-related standards, disclosure of them and ensures that they are implemented, in addition to reviewing such remunerations on an annual basis or at the request of the Board of Directors and making appropriate recommendations to the Board of Directors.
2. Clarifying the relationship between the remuneration granted and the applicable remuneration policy, and indicating any material deviation from such policy.
3. Reviewing the various collective remunerations based on the Company's performance and the performance of various departments and units and making recommendations related to such remunerations to the Board of Directors for review and approval.
4. Following up on the disclosure of remuneration, which is included in the annual report issued by the Board of Directors.
5. Carrying out periodic review of the remuneration policy and evaluating its effectiveness in terms of achieving its objectives.
6. Making recommendations to the Board of Directors with regard to the remuneration of members of the Board of Directors, its Committees and Senior Executives of the Company in accordance with the approved policy.
7. Making recommendations to the Board of Directors with regard to determining the criteria of candidates for the position of CEO, in addition to making recommendations related to the contract terms and preparing the job description, as well as making recommendations to the Board of Directors with regard to the nomination of candidates for the position of the CEO, CFO and Senior Executives.
8. Proposing clear policies and criteria for membership of the Board of Directors and Senior Management positions.
9. Making recommendations to the Board of Directors to nominate or re-nominate members in accordance with the approved policies and criteria, ensuring no person previously convicted of committing a breach of trust felony shall be nominated.

10. Preparing a description of the capabilities and qualifications required for membership of the Board of Directors and Senior Management positions.
11. Determining the time that members should allocate for the responsibilities of the Board of Directors.
12. Carrying out annual reviews of the required skills or appropriate expertise necessary for membership of the Board of Directors and Senior Management positions.
13. Reviewing the structure of the Board of Directors and the Senior Management and making recommendations regarding any possible changes.
14. Verifying the independence of independent members on an annual basis, and ensuring there is no conflict of interest in the event any member is a member of the board of directors of another company.
15. Developing job descriptions for executive members, non-executive members, independent members and Senior Executives.
16. Developing special procedures in the event that there is a vacancy in the Board of Directors or for Senior Executive positions.
17. Determining the strengths and weaknesses of the Board of Directors, and proposing solutions to address them in line with the Company's interests.

The Nomination and Remuneration Committee shall consist of at least three (3) members who are appointed by the Company's Board of Directors for a term of three (3) years. The Board of Directors shall take the necessary measures to enable the Committee to carry out the tasks entrusted to it, including informing the Committee, without any restrictions, of all data, information, reports, records, correspondence, or other matters that the Committee deems important to access.

The following members were appointed to the Nomination and Remuneration Committee by the Board of Directors on 20/07/1443H (corresponding to 21/02/2022G).

Table (28): Members of the Nomination and Remuneration Committee

	Name	Position
1	Yusuf Mohamed Manee Al-Khelaiwi	Chairman of the Committee
2	Tariq Abdullah Hassan Al Naeem	Member
3	Nasser Abdullah Mohamed Albassam	Member

Source: The Company

The following is a brief profile of the members of the Nomination and Remuneration Committee:

5.3.1.1 Yusuf Mohamed Manee Al-Khelaiwi

Please refer to Section 5.2.3 for more details regarding the experience, qualifications and current and previous positions of Yusuf Mohamed Manee Al-Khelaiwi.

5.3.1.2 Tariq Abdullah Hassan Al Naeem

Please refer to Section 5.2.3 for more details regarding the experience, qualifications and current and previous positions of Tariq Abdullah Hassan Al Naeem.

5.3.1.3 Nasser Abdullah Mohamed Albassam

Please refer to Section 5.2.3 for more details regarding the experience, qualifications and current and previous positions of Nasser Abdullah Mohamed Albassam.

5.3.2 Audit Committee

The existence of an effective internal control policy is one of the responsibilities entrusted to the Board of Directors. The main task of the Audit Committee is to verify the adequacy and effective implementation of the internal control policy, and to make any recommendations to the Board of Directors that would activate and develop the policy in order to achieve the objectives of the Company and protect the interests of Shareholders and investors with a high level of efficiency and at reasonable cost. The Committee shall also be responsible for reviewing risk management policies, the annual risk report and risk reduction plans before presenting the same to the Board of Directors. The Committee shall also be responsible for ensuring compliance with the Corporate Governance Regulations and practices issued by the Capital Market Authority, and the Company's Corporate Governance Guide and policy.

The Audit Committee shall be responsible for monitoring the Company's business and verifying the integrity of its reports, financial statements and internal control policies.The Committee's tasks shall include in particular the following:

1. Monitoring and supervising the performance and activities of the Internal Auditor and the Company's Internal Audit Department in order to ensure its efficacy with regard to carrying out the activities and tasks specified by the Board of Directors.
2. Studying the internal and financial control and risk management systems, preparing the written report on such systems and making recommendations in respect thereof, in addition to expressing its opinion on the adequacy of such policies and the tasks undertaken by the Committee within its competence, provided that the same is submitted to the General Assembly if required by law.
3. Studying the internal audit reports, taking into account the implementation of the correct procedures in relation to the comments mentioned in the reports.
4. Reviewing the reports of the regulatory authorities and verifying that the Company has taken the necessary measures in this regard.
5. Verifying the Company's compliance with the relevant laws, regulations, policies and directives, as well as reviewing the effectiveness of the Company's ethical conduct regulations.
6. Reviewing the proposed contracts and transactions to be conducted by the Company with Related Parties and making recommendations related thereto to the Board of Directors.
7. Reporting to the Board of Directors any matters it deems necessary to take action in relation thereto and making recommendations on the steps to be taken.
8. Monitoring operations related to management risks.
9. Reviewing the adequacy of the Company's internal control system, including the computer information and security system controls.
10. Making recommendations to the Board of Directors regarding the selection or termination of the Auditor its fees. Ensuring the independence of the Auditor before making any recommendation, taking into consideration the relevant rules and criteria.
11. Supervising the activities of the Auditor and approving any activity outside the scope of the work assigned to it during the implementation of its tasks.
12. Reviewing the audit plan with the Auditor and verifying that it does not perform any technical or administrative works outside the scope of the audit work, and making any observations in this regard.
13. Studying the Auditor's reports and notes on the financial statements and following up.
14. The actions taken in this regard.
15. Answering the Auditor's queries.
16. Reviewing the quarterly financial reports, annual financial statements and the declarations related to financial performance before submitting the same to the Board of Directors to ensure their integrity and fairness, and expressing opinions and recommendations thereon.
17. Studying the applicable accounting policies and providing advice to the Board of Directors regarding any recommendation related thereto.
18. Expressing technical opinions, at the request of the Board of Directors, on whether the Board's report and the Company's financial statements are fair, balanced and understandable and include information that allows Shareholders and investors to evaluate the Company's financial position and performance.
19. Studying any significant or unfamiliar matters contained in the financial reports and accounts and carefully researching any matters raised by the Company's CFO, Compliance Officer or the Auditor.
20. Verifying accounting estimates in relation to the material matters contained in the financial report.

The Audit Committee shall consist of three (3) members who are appointed by the Ordinary General Assembly for a term of three (3) years, provided that there is at least one (1) independent member among them (the Chairman of the Committee must be an independent member). It shall not include any executive members of the Board or any of the Company's Senior Executives, and one of its members must be specialized in finance and accounting.

The Board of Directors shall take the necessary measures to enable the Committee to carry out the tasks entrusted to it, including informing the Committee, without any restrictions, of all data, information, reports, records, correspondence, or other matters that the Committee deems important to access.

The following members were appointed to the Audit Committee at the Ordinary General Assembly held on 24/08/1443H (corresponding to 27/03/2022G).

Table (29): Members of the Audit Committee

No.	Name	Position
1	Sulaiman Abdul Rahman Mohamed Fatani	Chairman of the Committee
2	Tariq Abdullah Hassan Al Naeem	Member
3	Fahd Ibrahim Yacoub Al Hussein	Member

Source: The Company

The following is a brief profile of the members of the Audit Committee:

5.3.2.1 Sulaiman Abdul Rahman Mohamed Fatani

Please refer to Section 5.2.3 for more details regarding the experience, qualifications and current and previous positions of Sulaiman Abdul Rahman Mohamed Fatani.

5.3.2.2 Tariq Abdullah Hassan Al Naeem

Please refer to Section 5.2.3 for more details regarding the experience, qualifications and current and previous positions of Tariq Abdullah Hassan Al Naeem.

5.3.2.3 Fahd Ibrahim Yacoub Al Hussein

Please refer to Section 5.2.3 for more details regarding the experience, qualifications and current and previous positions of Fahd Ibrahim Yacoub Al Hussein.

5.4 Senior Management

5.4.1 Overview of Senior Management

The Company's Senior Management consists of a team with the expertise and skills necessary to manage the Company under the supervision of the Board of Directors. The CEO conducts the daily business of the Company in accordance with the directions and policies set by the Board of Directors to ensure that the Company achieves its objectives defined by the Board of Directors.

The Company's Senior Management team currently consists of six (6) employees, as shown in the following table:

Table (30): Details of Senior Management

Name	Position	Date of Appointment to Current Position	Nationality	Age	No. of Shares Owned Pre-Offering	No. of Shares Owned Post-Offering	Indirect Ownership (%)	
							Pre-Offering	Post-Offering
Ehsan Adnan Ahmed Doughman	CEO	01/01/2020G	Palestinian	38	-	-	-	-
Maher Tawfiq Fawzy Bawadi	CFO	01/02/2021G	Palestinian	44	-	-	-	-
Zainab Mohamed Mahmoud Naqrash	Executive VP of Shared Services	01/02/2021G	Syrian (mother of a national)	37	-	-	-	-
Mohamed Samih Mohamed Abu Sheikha	Executive VP of Client Accounts Management	01/01/2020G	Jordanian	42	-	-	-	-

Name	Position	Date of Appointment to Current Position	Nationality	Age	No. of Shares Owned Pre-Offering	No. of Shares Owned Post-Offering	Indirect Ownership (%)	
							Pre-Offering	Post-Offering
Mohamed Abdullah Mohamed Eida	Executive VP of Project Management	01/08/2019G	Jordanian	48	-	-	-	-
Hussam Ahmed Odeh Dwairi	Executive VP of Technology and Digital Transformation	01/12/2018G	Jordanian	38	-	-	-	-
Mohamed Qasim Mohamed Al-Hussein	Director of the Compliance Department	03/04/2022G	Saudi	38	-	-	-	-
Anas Abdul Malik Abdullah Al Sheikh	Director of the Legal Department	01/04/2022G	Saudi	32	-	-	-	-

Source: The Company

5.4.2 Biographies of Senior Executives

Below is an overview of the experience, qualifications, and current and previous positions of each member of Senior Management:

5.4.2.1 Ehsan Adnan Ahmed Doughman

Please refer to Section 5.2.3.4 for more details regarding the experience, qualifications and current and previous positions of Ehsan Adnan Ahmed Doughman.

5.4.2.2 Maher Tawfiq Fawzy Bawadi

Age:	44 years
Nationality:	Palestinian
Current position:	CFO
Date of Appointment:	01/02/2021G
Academic Qualifications:	Bachelor's degree in Business Administration and Accounting, Birzeit University, Palestine, 2001G.
Previous Executive Positions:	• 2019G – 2021G: CFO of the Company. • 2008G – 2018G: Director of the Financial and Accounting Department at Drake & Scull International, a limited liability company working in the field of electrical contracting. • 2005G – 2008G: Financial Accountant at Al-Manahil Company, a limited liability company working in the field of education, culture and entertainment. • 2004G – 2005G: Resource Planning Specialist at Netsoft Group, a limited liability company working in the field of software. • 2002G – 2004G: Accountant at National Finance Company, a limited liability company working in the field of finance. • 2001G – 2002G: Accountant at Masharef Najd Establishment, an institution working in the field of mechanical and electronic engineering.

5.4.2.3 Zainab Mohamed Mahmoud Naqrash

Age:	37 years
Nationality:	Syrian (mother of a national)
Current position:	Executive VP of Shared Services
Date of Appointment:	01/02/2021G
Academic Qualifications:	• Master's degree in Human Resource Management, Cambridge Training College, United Kingdom, 2020G. • Bachelor's degree in Economics and Administrative Sciences, Imam Mohammad Ibn Saud Islamic University, Kingdom of Saudi Arabia, 2013G.
Previous Executive Positions:	• 2016G – 2019G: COO of the Company. • 2014G – 2016G: Director of Human Resources at the Company. • 2011G – 2013G: Assistant Director at DXA Corporation, a limited liability company working in the field of software.

5.4.2.4 Mohamed Samih Mohamed Abu Sheikha

Age:	42 years
Nationality:	Jordanian
Current position:	Executive VP of Client Accounts Management
Date of Appointment:	01/01/2020G
Academic Qualifications:	Bachelor's degree in Computer Science, Al-Ahliyya Amman University, Hashemite Kingdom of Jordan, 2001G.
Previous Executive Positions:	• 2016G – 2019G: Sales Manager at Perfect Presentation Company • 2009G – 2016G: Sales Manager at Circles Information Technology Company, a Saudi limited liability company working in the field of IT and software solutions.

5.4.2.5 Mohamed Abdullah Mohamed Eida

Age:	48 years
Nationality:	Jordanian
Current position:	Executive VP of Project Management
Date of Appointment:	01/08/2019G
Academic Qualifications:	• Master's degree in Business Administration, American University in London, United Kingdom, 2006G. • Bachelor's degree in Computer Science, Al-Isra University, Hashemite Kingdom of Jordan, 1997G.
Previous Executive Positions:	• 2014G – 2019G: Project Manager at Technology Control Company Limited, a limited liability company working in the field of cybersecurity. • 2013G – 2014G: Project Manager at Al Watania Information Systems, a limited liability company working in the field of IT. • 2009G – 2013G: Project Manager at Saudi Arabic Computer Systems Saudi, a Saudi limited liability company working in the field of IT. • 2000G – 2009G: Technical Trainer at New Horizons Corporation, a limited liability company working in the field of training.

5.4.2.6 Hussam Ahmed Odeh Dwairi

Age:	38 years
Nationality:	Jordanian
Current position:	Executive VP of Technology and Digital Transformation
Date of Appointment:	01/12/2018G
Academic Qualifications:	Bachelor's degree in Management Information Systems, Yarmouk University, Hashemite Kingdom of Jordan, 2006G.
Previous Executive Positions:	• 2014G – 2018G: Director of the Product Department at Perfect Presentation Company • 2012G – 2014G: Director of the Application Support Department at Perfect Presentation Company • 2010G – 2012G: Senior Software Developer at Perfect Presentation Company • 2007G – 2010G: Software Developer at Perfect Presentation Company • 2006G – 2007G: Software Developer at Freesoft, a limited liability company established in Jordan working in the field of IT.

5.4.2.7 Mohamed Qasim Mohamed Al-Hussein

Age:	38 years
Nationality:	Saudi
Current position:	Director of the Compliance Department
Date of Appointment:	03/04/2022G
Academic Qualifications:	• Bachelor's degree in English Language, King Faisal University, Kingdom of Saudi Arabia, 2020G. • Diploma in Information Technology, University of Cambridge, United Kingdom, 2011G.
Previous Executive Positions:	• 2021G – 2022G: Director of the Compliance Department at Saudi Home Loans Company, a listed joint stock company working in the field of home financing. • 2020G – 2020G: Director of the Compliance and Anti-Money Laundering Department at Bayan Payments Limited, a limited liability company working in the field of payment technology. • 2017G – 2020G: Director of the Compliance and Anti-Money Laundering Department at Al Amthal Financing Company, a joint stock company working in the field of financing. • 2011G – 2017G: Analytical Investigator for Combating Money Laundering and Terrorist Financing at Arab National Bank, a listed joint stock company working in the field of banking. • 2010G – 2010G: Executive Assistant at Deutsche Bank, a listed joint stock company working in the field of banking. • 2004G – 2010G: Final Auditor at Samba Financial Group, a listed joint stock company working in the field of banking.

5.4.2.8 Anas Abdul Malik Abdullah Al Sheikh

Age:	32 years
Nationality:	Saudi
Current position:	Director of the Legal Department
Date of Appointment:	01/04/2022G
Academic Qualifications:	Bachelor's degree in Islamic Law (Sharia), Imam Mohammad Ibn Saud Islamic University, Kingdom of Saudi Arabia, 2011G.
Previous Executive Positions:	• 2020G – 2022G: Founding Partner of Al AlSheikh and AlOwain Law Firm, a professional firm working in the legal field. • 2019G – 2020G: Founding Partner of AlMubarak, Al AlSheikh and AlOwain Law Firm, a professional firm working in the legal field. • 2018G – 2019G: Licensed Lawyer and Legal Advisor at Sultan Bin Zahem Law Firm and Consultations, a professional institution working in the legal field. • 2014G – 2017G: Trainee Lawyer at Sultan Bin Zahem Law Firm and Consultations.

5.4.3 Employment Contracts with Senior Executives

The Company has concluded employment contracts with all members of the Company's Senior Management which stipulate their salaries and remuneration in accordance with their qualifications and experience. These contracts include a number of benefits such as a monthly allowance for transportation or housing, or both. Such agreements are renewable and are governed by the Saudi Labor Law.

Ehsan Adnan Ahmed Doughman assumed the position of CEO of the Company on 01/01/2020G pursuant to an employment contract concluded between him and the Company. The responsibilities of the CEO include the development and follow-up of the Company's financial and operational performance in general, development and implementation of the Company's strategy, and the implementation of the Company's annual business plans as approved by the Board of Directors. The CEO exercises his duties under the direct supervision of the Board of Directors.

Maher Tawfiq Fawzy Bawadi has been appointed as the Company's CFO, and an employment contract was concluded between him and the Company. The responsibilities of the CFO include assisting the Senior Management to formulate objectives, developing the strategic plan and general policies and submitting proposals for developing the financial and structural organization of the Company, as well as preparing the Company's draft annual budget.

The following is a summary of the employment agreements concluded with members of the Company's Senior Management:

Table (31): Summary of the Employment Contracts Concluded with Members of the Company's Senior Management

No.	Name	Position	Date of Appointment	Contract Conclusion Date	Contract Expiry Date
1.	Ehsan Adnan Ahmed Doughman	CEO	01/01/2020G	01/04/2013G	One year, automatically renewable
2.	Maher Tawfiq Fawzy Bawadi	CFO	01/02/2021G	09/06/2019G	One year, automatically renewable
3.	Zainab Mohamed Mahmoud Naqrash	Executive VP of Shared Services	01/02/2021G	01/03/2015G	One year, automatically renewable
4.	Mohamed Samih Mohamed Abu Sheikha	Executive VP of Client Accounts Management	01/01/2020G	15/09/2016G	One year, automatically renewable
5.	Mohamed Abdullah Mohamed Eida	Executive VP of Project Management	01/08/2019G	01/08/2019G	One year, automatically renewable
6.	Hussam Ahmed Odeh Dwairi	Executive VP of Technology and Digital Transformation	01/12/2018G	01/03/2017G	One year, automatically renewable
7.	Mohamed Qasim Mohamed Al-Hussein	Director of the Compliance Department	01/04/2022G	03/04/2022G	One year, automatically renewable
8.	Anas Abdul Malik Abdullah Al Sheikh	Director of the Legal Department	01/04/2022G	03/04/2022G	One year, automatically renewable

Source: The Company

5.5 Remuneration of Members the Board of Directors and Senior Executives

The remuneration of members of the Board of Directors shall be determined in accordance with the Company's Bylaws, the official resolutions and directives issued by the Ministry of Commerce in this regard, the provisions of the Companies Law, and any other relevant supplementary laws. Attendance and transportation allowances shall be determined by the Board of Directors in accordance with the laws, resolutions and directives in force in the Kingdom, as determined by the competent authorities.

It should be noted that pursuant to the Company's Bylaws, neither the Board of Directors nor the Senior Executives shall have the authority to vote on their own remuneration or compensation. The fees of Senior Executives shall be determined pursuant to the employment contracts concluded with them in accordance with the Remuneration Policy adopted by the Company.

Also, members of the Board of Directors and Senior Executives shall not have any authority to borrow from the Company or to vote on a contract or arrangement in which they have an interest.

No benefits in kind were paid to members of the Board of Directors or Senior Executives. The following table shows the remuneration of members of the Board of Directors and Senior Executives (including the CEO and the CFO) for the financial years ended 31 December 2019G, 2020G and 2021G, and the three-month period ended 31 March 2022G.

Table (32): Remuneration of Members the Board of Directors and Senior Executives

SAR	2019G	2020G	2021G	Three-Month Period Ended 31 March 2022G
Members of the Board of Directors	N/A	N/A	N/A	Nil
Corporate Board members*	1,080,000	1,080,000	2,580,835	N/A
Audit Committee	N/A	N/A	N/A	Nil
Nomination and Remuneration Committee	N/A	N/A	N/A	Nil
Senior Executives (five employees)	5,044,485.71	6,527,277.35	4,584,174.31	880,625.00

Source: The Company

* Nasser Abdullah Mohamed Albassam and Saleh Ibrahim Hamad Al-Mazroua

5.6 Corporate Governance

5.6.1 Overview

The main sources of the Company's Governance are the Corporate Governance Regulations issued by the CMA, certain provisions of the Companies Law and the best corporate governance practices in the Kingdom.

The Corporate Governance Framework regulates the various relationships between the Board of Directors, Executives, Shareholders and other stakeholders by establishing rules and procedures to facilitate decision-making processes with the aim of protecting the rights of Shareholders and other stakeholders and promoting the values of credibility, fairness, competitiveness and transparency in the Company's conduct within the context of the financial market and business environment.

These Regulations require clear and transparent disclosure and thus ensure that the Board of Directors serves the best interests of Shareholders and provides a clear and fair picture of the Company's financial position and results of operations.

The Company's policy aims to adopt high standards of corporate governance. The Corporate Governance Regulations shall apply to the Company as of the date of Listing. In any case, the Company is currently complying with majority of the provisions of the Corporate Governance Regulations, and will fully comply with the Corporate Governance Regulations as of the date of Listing. The Company believes that its commitment to adhere to these Regulations is an important factor in its continued success.

5.6.2 Main Corporate Governance Requirements

The main governance requirements which the Company adheres to, and will adhere to, are specified in the Corporate Governance Regulations. They cover the following broad areas:

- General rights of Shareholders (Articles 4 to 9).
- Rights related to Shareholders' General Assembly meetings (Articles 10 to 15).
- The Board of Directors: The Board's formation, responsibilities, competencies, procedures and training (Articles 16 to 41).
- Conflicts of interest (Articles 42 to 49).
- Company's Committees (Articles 50 to 72).

5.6.3 The Company's Corporate Governance Regulations and Internal Regulations

In preparation for the Offering, the Company's Board of Directors approved the Company's Corporate Governance Regulations and Internal Regulations on 20/07/1443H (corresponding to 21/02/2022G) and 10/09/1443H (corresponding to 12/04/2022G), respectively.

The Company's Corporate Governance Regulations consists of the following regulations and charters:

a. Audit Committee Regulations.
b. Nomination and Renumeration Committee Regulations.
c. Conflicts of Interest and Related Party Transactions Policy.
d. Remuneration Policy for the Board of Directors and its Committees.
e. Board Membership Policy and Criteria.
f. Code of Professional Conduct.
g. Delegation of Authority Regulations.
h. Board of Directors' Regulations.
i. Internal Control System Regulations.
j. Disclosure and Transparency Policy.
k. Whistleblowing Policy.
l. Risk Management Policy.
m. Dividend Distribution Policy.
n. Procedures for Organizing Relationships with Stakeholders.
o. Social Policy.

5.6.4 Compliance with the Provisions of the Corporate Governance Regulations

Members of the Board of Directors acknowledge that the Company is currently complying with the majority of the provisions of the Corporate Governance Regulations, and that it will fully comply with the Corporate Governance Regulations as of the date of Listing.

Specifically, the majority of the Company's Board of Directors, which currently consists of six (6) members, are non-executive members. There are four (4) independent members in the Company's Board of Directors. In addition, the Shareholders adopted the cumulative voting method in relation to the appointment of the Board of Directors at the Conversion General Assembly meeting, which was held on 15/05/1443H (corresponding to 19/12/2021G). This method of voting gives each Shareholder voting rights equal to the number of shares they own. Each Shareholder shall have the right to use all of their voting rights for one nominee or to divide such voting rights between selected candidates without any duplication of such votes. This method increases the chances of minority Shareholders to be represented in the Board through exercising the right to accumulate votes in favor of one nominee.

In accordance with the provisions of the Corporate Governance Regulations, the Company's Extraordinary General Assembly formed the Audit Committee, which is composed of three (3) independent members, on 24/08/1443H (corresponding to 27/03/2022G). The Board of Directors formed the Nomination and Remuneration Committee on 20/07/1443H (corresponding to 21/02/2022G). The Company also prepared its Committees' regulations, which were approved by the Board of Directors in its session held on 20/07/1443H (corresponding to 21/02/2022G). The Board of Directors recommended that these regulations be approved by the Company's General Assembly. The Company's Extraordinary General Assembly approved the Regulations of the Audit Committee and the Nomination and Remuneration Committee in its meeting held on 24/08/1443H (corresponding to 27/03/2022G).

In addition, the Company has established procedures to comply with provisions addressing conflicts of interest and competing interests (Articles 71, 72 and 73 of the Companies Law and Articles 44 and 46 of the Corporate Governance Regulations). The Company has obtained the approval of the General Assembly on transactions with Related Parties, as stated in Section 12.8 "**Related Party Transactions**".

According to the provisions of the Corporate Governance Regulations, each member of the Board of Directors is prohibited from voting on any decision taken by the Board or the General Assembly regarding transactions or contracts that are signed for the benefit of the Company if that member has a direct or indirect interest in such transactions or contracts (Article 44 (b) (1)). The Companies Law stipulates similar requirements, stating that no member of the Board, without the permission of the Ordinary General Assembly, may have any direct or indirect interest in any dealings or contracts that are conducted for the benefit of the Company. Members of the Board are also obliged to inform the Board of Directors of any personal interest they may have in such transactions or contracts. They may not participate in voting on decisions intended to be adopted by the Board of Directors or Shareholders' assemblies in this regard. The Chairman of the Board shall inform the General Assembly of any transactions and contracts in which a Board member has a direct or indirect personal interest and shall attach to the same a special report from the Company's External Auditor (Article 71).

The Corporate Governance Regulations also stipulate that if a member of the Board of Directors wishes to get engage in a business that may compete with the Company or any of its activities, he shall notify the Board of Directors of the projects that his business may compete with. Further, he shall abstain from voting on relevant decisions in the meetings of the Board of Directors and the General Assembly. The Chairman of the Board shall inform the Ordinary General Assembly of the competing business that the Board member intends to engage in. Permission shall be obtained from the Company's General Assembly before the Board member engages in the competing activity. The Companies Law contains similar requirements (Article 72).

The Company shall comply with mandatory governance requirements applicable to joint-stock companies, except for certain provisions that are only applicable to listed companies and which the Company is not currently in adherence with, since the Company's shares have not yet been Listed on the Exchange. These include the following:

a. Paragraph a of Article 8 on announcing information about the nominees for membership in the Board of Directors on the website of the Exchange upon the invitation or calling the General Assembly to convene.

b. Paragraph c of Article 8 on limiting General Assembly voting to candidates whose information was announced in accordance with Paragraph a of Article 8.

c. Paragraph d of Article 13 on publishing the invitation to the General Assembly on the websites of the Exchange and the Company and in a daily newspaper distributed in the region where the Company's headquarters is located.

d. Paragraph c of Article 14 on providing information regarding the items of the Shareholders' General Assembly through the websites of the Exchange and the Company and obtaining information related to the items of the General Assembly agenda, particularly the report of the Board of Directors and the Auditor, as well as the financial statements and the report of the Audit Committee.

e. Paragraph e of Article 15 on announcing to the public and notifying the CMA and the Exchange of the results of the General Assembly immediately upon its conclusion.

f. Paragraph d of Article 17 on notifying the CMA of the names of the Board of Directors, their membership descriptions and any changes made to their membership within five business days from the date of the changes.

g. Paragraph b of Article 19 on immediately notifying the CMA and the Exchange of the termination of the membership of a member of the Board of Directors and stating the reasons for such.

h. Paragraphs a and b of Article 57 on the Audit Committee meetings, whereby the Audit Committee must meet periodically, provided that its meetings are no less than four during the Company's financial year. The Audit Committee also holds a meeting periodically with the Company's Auditor and the Company's Internal Auditor, if any.

i. Article 63 on the meetings of the Remuneration Committee, whereby it must hold periodic meetings at least every year and as may be necessary.

j. Article 67 on the meetings of the Nomination Committee, whereby it must hold periodic meetings at least every year and whenever the need arises.

k. Article 68 on the Company's publication of the announcement of nomination for membership in the Board of Directors on the websites of the Company and the Exchange, in order to invite persons wishing to be elected for Board membership, provided that the nomination period remains open for at least one month from the date of the announcement.

5.7 Conflicts of Interest

Neither the Company's Bylaws nor any internal regulations or policies grant any powers that enable a member of the Board of Directors or the CEO to vote on any contract or offer in which they have a direct or indirect interest This is in compliance with the provisions of Article 71 of the Companies Law. The aforementioned Article states that no member of the Board of Directors shall have any direct or indirect interest in the transactions or contracts concluded for the benefit of the Company, unless permitted by the Ordinary General Assembly. The same Article also states that such member shall inform the Board of Directors of his personal interests in any dealings or contracts concluded for the benefit of the Company and that the Chairman of the Board of Directors, on his part, shall inform the General Assembly, when it convenes, of dealings and contracts in which any member of the Board has a personal interest, provided that disclosure of the issue in this way shall be accompanied by a special report from the Auditor and shall be recorded in the Board of Directors' meeting minutes. Any member having an interest may not participate in voting on the resolution put to vote in this regard. Based on the foregoing, the Board of Directors shall abide by the following:

a. Complying with the provisions of Articles 71, 72, 73, 74, and 75 of the Companies Law, as well as the provisions of Articles 44 and 46 of the Corporate Governance Regulations.

b. Refraining from voting on resolutions of the General Assembly related to contracts concluded with the Company wherein a Board member has a direct or indirect interest.

c. Refraining from competing with the Company's activities, unless the Board member obtains permission from the Ordinary General Assembly to do so.

d. Entering into all deals Related Parties on a competitive basis, in accordance with the provisions of the Conflicts of Interest and Related Party Transactions Policy.

5.8 Direct and Indirect interests of Members of the Board of Directors, the Secretary and Senior Executives

The Board of Directors acknowledge that neither they, nor the Senior Executives, the Secretary of the Board of Directors or any of their relatives have any direct or indirect interest in the Shares or debt instruments of the Company, nor any interest in any other matter that may affect the the Company's business, except as disclosed in Section 5.2 "**Members of the Board of Directors and the Board Secretary**", Section 5.4 "**Senior Management**" and Section 12.8 "**Related Party Transactions**" and Table 90 "**Summary of the Main Provisions of the Framework Agreements with Related Parties**" of this Prospectus. All existing transactions with Related Parties in which members of the Board of Directors have an interest were approved in the Company's Ordinary General Assembly meeting held on 24/08/1443H (corresponding to 27/03/2022G) and 25/12/1443H (corresponding to 24/07/2022G).

The Board of Directors also acknowledge that, as of the date of this Prospectus, they do not practice any business that competes with the business of the Company as per Article 72 of the Companies Law.

The Board of Directors also acknowledge that neither they, nor the Senior Executives the Secretary of the Board of Directors or any of their relatives have any interest in any contract or arrangement valid or intended to be concluded as of the date of

this Prospectus in the business of the Company, except as disclosed in Section 12.8 "**Related Party Transactions**" and Table 90 "**Summary of the Main Provisions of the Framework Agreements with Related Parties**" of this Prospectus.

Except for the applicable laws, particularly the Companies Law, the Corporate Governance Regulations and the Labor Law, and with the exception of the Company's Bylaws and Company's Governance Regulations, none of the Board members, Senior Executives or Current Shareholders are subject to any agreement, arrangement or understanding that would prevent them from competing with the Company or restrict them to a similar obligation in connection with the business of the Company.

The following table details the direct and indirect interests of the Board of Directors, the Board Secretary and Senior Executives.

Table (33): Direct and Indirect Interests of the Board of Directors, the Board Secretary and Senior Executives

Related Party	Related Company	Nature of Relation	Direct Ownership in the Related Company	Indirect Ownership in the Related Company	Related Party Position in the Related Company	Description of the Related Company's Business
Nasser Abdullah Mohamed Albassam	Fawran Smart Logistics Company	A partner in The Ideal for Business and Investment Trade Company, which owns 100% of Fawran Smart Logistics Company A framework agreement was signed between the Company and Fawran Smart Logistics Company, under which the latter provides services to the Company	-	50%	Partner	Ground transportation of goods, transportation of refrigerated and frozen goods, general warehouses that include a variety of goods, local parcel transportation, local and international parcel transportation, providing delivery services via electronic platforms
	Sustainable Technology Company for Energy	A partner in The Ideal for Business and Investment Trade Company, which owns 70% of Sustainable Technology Company for Energy A framework agreement was signed between the Company and Sustainable Technology Company for Energy, under which the latter provides services to the Company	-	35%	Partner	Construction, establishment and repair of electrical power stations and transformers, network extensions, installation of lighting systems, installation and maintenance of fire alarm devices and equipment, installation and maintenance of security devices, installation of lighting systems for roads and airstrips, installation, maintenance and repair of solar energy networks, installation and maintenance of early warning sirens and control centers and building finishes
	Information Technology Belt Company	A partner in The Ideal for Business and Investment Trade Company, which owns 32.60% of information technology Belt Company and a partner in information technology Belt Company with a holding of 18.73% A framework agreement was signed between the Company and information technology Belt Company, under which the latter provides services to the Company	18.73%	16.30%	Partner	Extension of electrical wires, network extensions, installation and extension of computer and communication networks, installation and maintenance of security devices, wholesale of drones, supply of military vehicles, supply of electronics and communication devices, military command, guidance and control systems, operating systems, design and programming of special software, virtual and augmented reality technologies

Related Party	Related Company	Nature of Relation	Direct Ownership in the Related Company	Indirect Ownership in the Related Company	Related Party Position in the Related Company	Description of the Related Company's Business
	Cloud Distribution Company for Communications and IT (Cloud Distribution)	A partner in The Ideal for Business and Investment Trade Company, which owns 80% of Cloud Distribution Company and a partner in Cloud Distribution Company with a holding of 10% A framework agreement was signed between the Company and Cloud Distribution Company, under which the latter provides services to the Company	10%	40%	Partner	Import and export of computers, networks, spare parts, supplies and tools, as well as their installation and maintenance
	Perfect Presentation for Trading - Egypt	A partner in Perfect Presentation for Trading - Egypt - with a holding of 50% The Company provides services to Perfect Presentation for Trading - Egypt	50%	-	Partner	Establishing, managing and operating call centers, buying, selling, dividing, renting and leasing land plots and constructing buildings thereon, exporting, renting, leasing, selling, purchasing and owning properties and technical software solutions services
	Smart Health Communications and Information Technology Company	A partner in Smart Health Communications and Information Technology Company with a holding of 50% Smart Health Communications and Information Technology Company provides services to the Company	50%	-	Partner	Installation of machinery and industrial equipment, wholesale of household goods, wholesale of computer and computer peripheral equipment and software and communications equipment in specialized stores
	The Ideal for Business and Investment Trade Company	A partner in The Ideal for Business and Investment Trade Company with a holding of 50% The Ideal for Business and Investment Trade Company provides services to the Company	50%	-	Partner	Real estate activities, construction, information and communications, repair of computer hardware and consumer electronic equipment, accommodation and food services, wholesale of computer and computer peripheral equipment and software
	Perfect Presentation for Technology - Jordan	A partner in Perfect Presentation for Technology - Jordan - with a holding of 37% The Company provides services to Perfect Presentation for Technology - Jordan	37%	-	Partner	Project management, entering into bids and tenders, contributing to other companies and participating with others

Source: The Company

5.9 Employees

As of 31 March 2022G, the Company had 3,881 employees, of whom 78.80% were Saudi nationals. The table below shows the distribution of employees by department.

Certificate No. 20002202029309 dated 23/07/1443H (corresponding to 24/02/2022G) from the Ministry of Human Resources and Social Development states that the Company has achieved the required Saudization percentages. According to Nitaqat website, the Company falls within Platinum category.

The Company has concluded employment contracts with all members of the Company's Senior Management which stipulate their salaries and remuneration in accordance with their qualifications and experience. These contracts include a number of benefits such as a monthly allowance for transportation or housing, or both. These contracts are renewable and are subject to the Saudi Labor Law. For more details, please see Section 5.4.3 ("**Employment Contracts with Senior Executives**").

The following table shows the number employees of the Company by department as of 31 December 2019G, 2020G and 2021G and 31 March 2022G.

Table (34): Number of Employees of the Company by Department, as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

Units	2019G			2020G			2021G			31 March 2022G		
	Saudi employees	Non-Saudi employees	Total	Saudi employees	Non-Saudi employees	Total	Saudi employees	Non-Saudi employees	Total	Saudi employees	Non-Saudi employees	Total
Corporate Board	**2**	**1**	**3**	**2**	**1**	**3**	**2**	**1**	**3**	**0**	**1**	**1**
Executive Management	**0**	**7**	**7**	**0**	**7**	**7**	**0**	**7**	**7**	**2**	**7**	**9**
Shared Services Department	**6**	**14**	**20**	**14**	**13**	**27**	**21**	**16**	**37**	**23**	**23**	**46**
Facilities Management Unit	0	5	5	0	6	6	1	9	10	11	20	31
Human Resources Unit	6	6	12	14	4	18	19	4	23	11	0	11
Procurement Unit	0	3	3	0	3	3	1	3	4	1	3	4
Project Management Department	**10**	**15**	**25**	**14**	**21**	**35**	**26**	**28**	**54**	**28**	**25**	**53**
Customer Experience Projects Portfolio	2	4	6	3	9	12	12	11	23	8	9	17
Operation and Maintenance Projects Portfolio	5	9	14	6	10	16	8	10	18	13	11	24
Cost Control Unit	0	1	1	1	1	2	3	2	5	2	3	5
Collection Unit	3	0	3	3	0	3	0	3	3	4	0	4
Software Development Projects Portfolio	0	1	1	1	1	2	3	2	5	1	2	3
Finance Department	**0**	**7**	**7**	**0**	**7**	**7**	**2**	**8**	**10**	**2**	**8**	**10**
Technology and Digital Transformation Department	**4**	**28**	**32**	**6**	**37**	**43**	**21**	**51**	**72**	**19**	**60**	**79**
Product and Sales Engineering Unit	0	8	8	0	8	8	0	11	11	0	14	14
IT and Technical Support Unit	3	16	19	3	24	27	19	33	52	16	40	56
Software Development Unit	1	4	5	3	5	8	2	7	9	3	6	9
Client Accounts Management Department	**3**	**6**	**9**	**5**	**7**	**12**	**8**	**15**	**23**	**5**	**13**	**18**
Tender Unit	0	2	2	0	2	2	1	2	3	0	3	3
Public Sector Client Accounts Unit	3	3	6	5	3	8	6	11	17	5	5	10
Private Sector Client Accounts Unit	0	1	1	0	2	2	1	2	3	0	5	5
Projects	**981**	**305**	**1,286**	**1,862**	**420**	**2,282**	**3,087**	**643**	**3,730**	**2,980**	**685**	**3,665**
Customer Experience Unit	822	22	844	1,545	22	1,567	2,579	33	2,612	2,426	33	2,459
Operation and Maintenance Unit	153	258	411	302	351	653	456	555	1,011	535	626	1,161
Software Development Unit	6	25	31	15	47	62	52	55	107	19	26	45
Total	**1,013**	**376**	**1,389**	**1,910**	**506**	**2,416**	**3,174**	**762**	**3,936**	**3,059**	**822**	**3,881**

Source: The Company

5.10 Saudization

The Saudization program "Nitaqat" was approved pursuant to Resolution No. 4040 of His Excellency the Minister of Labor dated 12/10/1432H (corresponding to 10/09/2011G), based on Resolution No. 50 of the Council of Ministers dated 21/05/1415H (corresponding to 27/10/1994G), which was applied on 12/10/1432H (corresponding to 10/09/2011G). The Ministry of Human Resources and Social Development began implementing the "Nitaqat" program in order to encourage organizations to employ Saudi citizens. Through the "Nitaqat" program, the performance of any company is evaluated based on specific categories (Nitaqat), which are platinum, green (divided into sub-categories, namely low, medium and high), and red. Companies that are classified in the platinum or green categories are considered to have fulfilled the Saudization requirements and are therefore entitled to a number of benefits, including: obtaining and renewing work visas or changing the professions of foreign employees (except for professions reserved exclusively for Saudi nationals). Companies that are in red category (based on the extent of their non-compliance with the specified requirements) are considered to have violated the Saudization requirements and may be subject to certain punitive measures, such as a limited ability to renew work visas for foreign employees or complete inability to obtain or renew work visas for foreign employees.

For more details about the Company's classification under the "Nitaqat" program, please refer to Section 5.9 "**Employees**").

5.11 Bankruptcy and Insolvency Cases Involving Board Members and Senior Management

There are no bankruptcy cases involving members of the Board of Directors, members of Senior Management or the Board Secretary as of the date of this Prospectus. In addition, there have been no cases of insolvency during the previous five years involving any company in which a member of the Board of Directors, Senior Management or the Board Secretary was appointed by the insolvent company to an administrative or supervisory position (please see the Declaration No. 3 of Section 11 "**Declarations of the Board of Directors**" of this Prospectus).

5.12 Employee Shares

The Company does not have any schemes in place prior to the application for the registration and offer of securities that are the subject of this Prospectus. The Company confirms that there are no other arrangements involving employees in the capital of the Issuer.

6. Management's Discussion and ANALYSIS OF Financial Position and Results of Operations

6.1 Introduction

This section presents an analytical review of Perfect Presentation for Commercial Services's (the "Company") operational performance and financial position during the financial years ended 31 December 2019G, 2020G and 2021G and the three-month periods ended . This section has been prepared based on the audited financial statements for the financial year ended 31 December 2021G, which includes the restated financial statements for the comparative periods 31 December 2019G and 2020G, in addition to the reviewed financial statements for the three-month periods ended 31 March 2021G and 2022G, which were prepared by the Company's management and audited / reviewed by Baker Tilly MKM & Company Certified Public Accountants for the financial years ended 31 December 2019G, 2020G and 2021G and the three-month periods ended 31 March 2021G and 2022G, in accordance with the International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) / International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is ensorsed in the Kingdom of Saudi Arabia.

Neither Baker Tilly MKM & Company Certified Public Accountants nor any of its subsidiaries, employees (who form part of the Company's engagement team) or relatives of its employees have any shares or stocks of any kind in the Company which would impair their independence as of the date of issuance of the financial statements. Written consent has been given regarding the publication of their name, logo and statement in this Prospectus as auditors of the Company for the above periods and, as of the date of this Prospectus, such consent has not been withdrawn.

This section may include data based on management's current plans and expectations regarding the Company's profit growth, results of operations and financial condition, and, therefore, could involve risks and uncertainties. The Company's actual results could differ materially from those anticipated as a result of numerous factors and events, including those discussed in this Section of the Prospectus or elsewhere thereof, particularly Section 2 "**Risk Factors**".

All amounts in this section are presented in Saudi Riyals, unless otherwise stated. The amounts and percentages have been rounded to the nearest thousand Saudi Riyals. Therefore, if summed, the numbers may differ to those which are stated in the tables.

6.2 Declaration of the Board of Directors on the Financial Statements

The Company's Board of Directors, to the best of their knowledge and belief, declare the following:

The financial information contained in this section has been extracted without any material amendments and is presented in a form consistent with the audited financial statements for the year ended 31 December 2021G, including the restated financial statements for the comparative financial years ended 31 December 2019G and 2020G and the reviewed financial statements for the three-month periods ended 31 March 2021G and 2022G, and the accompanying notes, which have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA), with the exception of the investment in the subsidiary (Smart Health Communications and IT Company), which was accounted for using the equity method instead of the consolidation method, as the Company benefited from the IFRS exemptions by not preparing consolidated financial statements. The ultimate parent company, The Ideal for Business and Investment Trade Company, prepares consolidated financial statements in accordance with the IFRS approved in the Kingdom of Saudi Arabia and the standards and other pronouncements issued by SOCPA, as well as the requirements of the Saudi Companies Law and the Company's Articles of Association related to the preparation and presentation of financial statements.

1. The Company has working capital sufficient for a period of 12 months immediately following the date of this Prospectus.
2. The Board of Directors confirms that operations have not discontinued in a way that could affect or has affected the Company's financial position materially during the past 12 months..
3. There has been no material adverse change in the Company's financial or business position during the three financial years immediately preceding the date of filing the application for registration and offer of securities and the end of the period covered by the Auditor's report up to the date of approval of this Prospectus. The Board of Directors confirm that all material facts related to the Company and its financial performance have been disclosed in this Prospectus and that there are no other information, documents or other facts the omission of which could make any statement misleading.

4. The Company does not have any assets, including contractual securities or other assets, whose value is subject to fluctuations or is difficult to ascertain, which would significantly affect the assessment of its financial position.
5. No commissions, discounts, brokerage fees or non-cash compensation were granted by the Company to any of the Board members, Senior Executives, or those offering securities or experts during the three years immediately preceding the date of submission of its application for registration and offer of securities.
6. Except as disclosed in Section 12.5 "**Financing Agreements**", Section 2.1.24 "**Risks Related to Existing Financing Arrangements**", Section 6.7.26 "**Long-Term Loans**" and Section 6.7.29 "**Short-Term Loans**" of this Prospectus, the Company has no other loans or indebtedness, including bank account overdrafts, and it further declares that there are no guarantee obligations (including those covered by personal guarantee and not covered by personal guarantee, or secured by a mortgage or not secured by a mortgage), obligations pending approval, acceptance credits or lease purchase commitments.
7. Except as disclosed in Section 12.5 "**Financing Agreements**", Section 6.7.26 "**Long-Term Loans**" and Section 6.7.29 "**Short-Term Loans**" of this Prospectus, there are no mortgages, rights, encumbrances or costs on the Company's property, to the best of their knowledge, as of the date of this Prospectus.
8. The Company's capital is not under option.
9. Except as disclosed in Section 6.7.33 "**Contingent Liabilities**" of this Prospectus, the Board of Directors declare that the Company has no contingent liabilities, guarantees or any significant fixed assets to be purchased or leased.
10. Except as disclosed in Section 6.6 "**Key Factors Affecting the Company's Performance and Operations**" and Section 2 "**Risk Factors**" of this Prospectus, the Board members declare that, to the best of their knowledge, the Company has no information on any governmental, economic, financial, monetary or political policies, or any other factors, that have affected or could have a material impact (directly or indirectly) on the Company's operations.
11. The Board of Directors declare that there is no intention to introduce any material changes to the nature of the Company's activity.
12. Other than as stated in this Prospectus, neither the Board of Directors nor any of their relatives have any shares or interest of any kind in the Issuer or any of its Subsidiaries.
13. The Board of Directors declare that the Company does not have any issued and existing debt instruments, nor any approved and unissued debt instruments, as of the date of this Prospectus.
14. There are no reservations in the Auditor's report on the Issuer's financial statements for any of the three financial years immediately preceding the date of filing the application for the registration and offer of securities subject to this Prospectus.
15. There have been no structural changes in the Issuer during the three financial years directly preceding the date of filing the application for the registration and offer of securities subject to this Prospectus..
16. There has been no material change in the accounting policies of the Issuer.

6.3 Overview of the Company

Perfect Presentation for Commercial Services is a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010203693, issued in Riyadh on 25 Shawwal 1425H (corresponding to 08 December 2004G). The Company's registered address is Imam Mohammed Ibn Saud Road, Al-Khozama District, P.O. Box 105523, Riyadh 12572, the Kingdom of Saudi Arabia.

During the financial year 31 December 2021G, the Company's partners met and unanimously decided to convert the legal form of the Company from a limited liability company to a closed joint stock company. They obtained the approval of the Ministry of Commerce pursuant to Resolution No. 766 dated 11 Jumada al-Ula1443H, announced by Resolution No. 772 dated 16 Jumada al-Ula 1443H. The Company's Bylaws stipulate that the first financial year of the Company starts from 01 January and ends on 31 December of each year. The financial statements were prepared for a full year from 1 January 2021G to 31 December 2021G to better reflect the Company's operations on a consistent and comparable basis. There was no impact on the preparation of the financial statements as a result of the conversion process.

The Company comprises the following branches:

Registration No.	Location	Registration Date
1010260349	Riyadh	7 Rajab 1431H (corresponding to 20 June 2010G)
4031218300	Makkah	13 Safar 1440H (corresponding to 22 October 2018G)

Source: The audited financial statements for the financial year ended 31 December 2021G.

The Company's activities in accordance with its Bylaws are as follows: UI and UX design, robot technologies, VR and AR technologies, application development, artificial intelligence technologies, FinTech solutions, provision of management and control of communication and information networks, design and programming of custom software, systems analysis, provision of SMS services, provision of call center services; registration for cloud computing services, big data technologies, data science and analysis; provision of information and communication technology services provided via cloud computing, repair and maintenance of PCs and laptops (of all types and sizes); repair and maintenance of printers and scanners, monitors, keyboards, mice and other similar accessories; repair and maintenance of drives, systems and fixed and portable information storage devices; and the repair and maintenance of military communications devices.

6.4 Basis of Preparation

The Company's financial statements for the year ended 31 December 2021G and the three-month periods ended 31 March 2021G and 2022G have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

The financial statements were prepared in accordance with the historical cost principle, except for the defined employee benefit obligation which is shown at remeasured value using the projected unit credit method, actuarial valuations at the end of the reporting period and investments at fair value through other comprehensive income. Historical cost generally represents the fair value of the fixed price offered in exchange for goods and services.

The financial statements are presented in Saudi Riyals, unless otherwise stated. The Saudi Riyal is the functional currency of the Company.

6.5 Significant Accounting Policies

The following is a summary of the significant accounting policies:

Classification of Assets and Liabilities into Current and Non-Current

The following is a summary of the significant accounting policies used by the Company in the preparation of the financial statements:

The Company presents assets and liabilities in the statement of financial position on the basis of their classification into current or non-current. An asset is classified as current if:

- the asset is expected to be realized or there is an intention to sell or use it during the normal business cycle;
- the asset is held mainly for trading;
- the asset is expected to be realized within 12 months after the date of the statement of financial position; or
- the asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months from the date of the statement of financial position.

All other assets are classified as non-current

A liability is considered to be current if:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the date of the statement of financial position; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the date of the statement of financial position.

The Company classifies all other liabilities as non-current.

Foreign Currencies

Transactions and Balances

Transactions in foreign currencies are initially recorded at the prevailing rate of the functional currency on the date on which the transaction qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency based on the rate prevailing at the date of preparation of the financial statements. All differences arising from settlements or transactions on monetary items are recorded in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the exchange rate prevailing on the date of transaction. Non-monetary items in a foreign currency that are measured at fair value are

translated at the exchange rate prevailing on the date their fair value was determined. Gains or losses resulting from the conversion of non-monetary items measured at fair value are treated in accordance with the recognition of gains and losses arising from a change in fair value of that item. That is, conversion differences for items whose fair value gains and losses are recognized in other comprehensive income are recognized in other comprehensive income, and items whose fair value gains and losses are recognized in profit or loss are recognized in profit or loss.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to bringing the asset to a location and condition necessary for it to be operable in the manner intended by the management. Cost includes the cost of the replaced part of the property, plant or equipment. When significant parts of property, plant and equipment are replaced at certain intervals, the Company recognizes those parts as separate assets with a fixed useful life and depreciation. All other repair and maintenance costs are recognized in profit or loss when incurred.

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

Property and equipment	Depreciation rate
Buildings	5 -10%
Vehicles	20%
Furniture and fixtures	14-28%
Computers	14-28%
Construction and fittings	10-25%
Leasehold improvements	25% or the duration of the lease, whichever is less

Source: The audited financial statements for the financial year ended 31 December 2021G.

Property, plant and equipment items are derecognized when they are disposed of or when no future economic benefit is expected from their use or sale. Any profit or loss arising from disposal of an asset is recorded in profit or loss when the asset is derecognised.

Expenses incurred for the decoration and construction of buildings are capitalized under projects under construction until the related assets become ready for their intended use, whereupon they are transferred to the related items of property and equipment. projects under construction are not depreciated.

Projects in Progress

Assets under construction or development are capitalized in the projects under construction account. The asset in progress or under development is transferred to the appropriate category in property, plant and equipment as soon as the asset is in the location and/or condition necessary for it to operate in the manner intended by Management. The costs of projects under construction items include the purchase price, the cost of implementation/development and any other cost directly related to the construction or purchase of an item of projects under construction intended by Management.

Borrowing Costs

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

Inventory

Inventory, which consists of SMS packages and electronic devices, is presented at cost or market price, whichever is lower, and the cost is determined based on the weighted average method.

Financial Assets

Initial Recognition and Measurement

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

All financial assets are recognized upon initial recognition at fair value plus transaction costs, except in the event that the financial assets are recorded at fair value through profit or loss.

Subsequent Measurement

The subsequent measurement of financial assets is based on their classification as follows:

Financial Assets at Amortized Cost

After initial measurement, these financial assets are measured at amortized value using the effective interest rate method and are subject to impairment. Profits or losses are recognized in the profit or loss statement when an asset is disposed of, modified, or its value decreases.

For debt instruments at fair value through other comprehensive income, the interest income, foreign currency revaluation and impairment losses or adjustments are recognized in the profit or loss statement and calculated in the same way as in financial assets measured at amortized cost. Residual fair value changes are recognized in other comprehensive income. Upon disposal, the cumulative change in fair value recognized in the other comprehensive income is reclassified to profit or loss.

Financial Assets Designated at Fair Value Through Other Comprehensive Income (Equity Instruments)

Profits and losses resulting from investments in financial assets designated at fair value through Other Comprehensive Income (Equity Instruments) are not reclassified to profit or loss. Dividends are recognized as other income in the profit or loss statement when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. There is no impairment test for equity instruments at fair value through other comprehensive income.

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at a fair value, with the net changes in fair value recognised in the statement of profit or loss.

Derecognition of Financial Assets

Financial assets are derecognition in the following cases:

- The right to receive of cash flows from the asset has expired; or
- the Company has transferred its rights to receive cash flows from the asset or has committed to pay the cash flows in full without delay to a third party through a "pass-through" agreement, whether (a) the Company has substantially before substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

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

Impairment

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

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

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

Trade Receivables

Trade receivables are initially recognized at the transaction price. After initial recognition, trade receivables are measured at amortized cost using the effective interest rate method less the provision for impairment. A provision against doubtful debts is established when there is an objective evidence that the Company will not be able to collect the amounts due according to the original terms of receivables. Bad debts are written off when identified.

Cash and Cash Equivalents

Cash and cash equivalents comprise of cash at banks and cash in hand.

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

Statutory Reserve

In line with the requirements of the Saudi Companies Law, the Company shall transfer 10% of its profits per year to the statutory reserve until this reserve reaches 30% of the capital. This reserve is not distributable as dividends.

Defined Benefit Obligation

Defined Benefit Plans:

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

The cost of defined benefit liabilities are calculated using actuarially determined retirement costs at the end of the prior year, adjusted for significant market fluctuations and for any significant one-off events such as plan adjustment, labor downsizing and repayment In the absence of significant market fluctuations and one-off events, actuarial liabilities are extended based on assumptions at the beginning of the year. In the event of significant changes in assumptions or arrangements during the year, they must be considered to re-measure these liabilities and related costs.

Remeasurement gains and losses resulting from adjustments and changes in actuarial assumptions in the year in which they occurred are recognized in other comprehensive income. Changes in the present value of defined benefit liabilities resulting from plan adjustments or curtailments are recognized directly in profit or loss as past service costs.

Short-Term Employee Liabilities

Liabilities related to accrued benefits for employees, such as wages, salaries, annual and sick leave and travel tickets, which are expected to be paid within the twelve-month period after the end of the financial year in which employees provide the relevant services, are recognized and measured in the financial statements at the undiscounted amounts expected to be paid upon settlement of liabilities.

Trade Payables and Accrued Expenses

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid, and are considered unsecured. Trade payables and notes payable are presented as current liabilities unless payment is not due within 12 months after the reporting period, and are initially recognized at their fair value and subsequently measured at amortized cost using the Effective interest rate (EIR) method.

Provisions

General

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

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

Financial Liabilities

Initial Recognition and Measurement

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

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

Subsequent Measurement

The subsequent measurement of financial liabilities is based on their classification as follows:

Loans and Advances

After initial recognition, loans and advances are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the profit or loss statement when liabilities are derecognised, as well as through the effective interest rate amortization process.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Revenue from Contracts with Customers

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

Right of Return

Some contracts give the client the right to return goods within a specified period of time. The Company shall use the expected value method to estimate the goods that will not be returned as it provides the best estimate of the variable consideration that will be due to the Company. The Company then applies the requirements of IFRS 15 on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included transaction price. A refund liability is recognized for the goods that are expected be returned, instead of recognizing revenue. A right of return asset (and corresponding adjustment to cost of revenues) is also recognized for the right to recover the goods from the customer.

Quantity Discount

The Company provides a retroactive quantity discount to some customers when the quantity of goods purchased during a period exceed a certain limit as stipulated in the contract. Discounts are deducted against the amounts owed by the customer. The Company applies the requirements to limit estimates of variable consideration and recognizes a refund liability for expected future discounts.

Warranty Liabilities

Under the laws, the Company usually provides warranties for general repairs of any defects found at the time of sale. Such warranties are accounted for in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

Contract Assets

Contract assets represent the Company's right to consideration for goods or services transferred to a customer. If the Company transfers the goods or services to a customer before receipt of consideration or before the payment is due, a contract asset is recognized against the earned part of the consideration that is still conditional.

Trade Receivables

Trade receivables represent the Company's right to the unconditional consideration amount (i.e., the maturity of the consideration depends on the passage of time). Refer the accounting policy for financial assets.

Contract Liabilities

Contract liabilities are obligations to transfer goods or services to a customer in exchange for consideration received (or consideration due) from the customer. If a customer pays the consideration or the Company has an unconditional right to an amount of consideration before the Company transfers the goods or service to the client, the Company shall record the consideration as a contract liability when the payment is made or when the payment is due, whichever is earlier. Contract liabilities are recognized as revenue when the Company fulfills its obligations under the contract.

Assets and Liabilities arising from the Right of Return

The right to return goods represents the Company's right to recover the goods from a customer upon settlement of a refund liability. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. At the end of each reporting period, The Company updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned products. A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer, that the Company does not expect to be entitled to. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Onerous Contracts

If the Company has a contract that is expected to make a loss, the present liability under the contract is recognized and measured as a provision. However, before recording a separate provision for a loss-making contract, the Company recognizes any impairment losses that have occurred in the assets related to such contract.

Company a Lessee

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

Company a Lessor

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

Revenue Recognition

Revenue comprises the fair values of the consideration received or due, arising from the sale of goods in the ordinary course of the Company's activities. Revenue is presented net of value added tax, returns, rebates and discounts and after eliminating sales within the Company. If the Company extends interest-free credit to a buyer, revenue is recognized at the present value of future payments.

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers.

These five steps are as follows: Identify the contract with a customer, Identify the performance obligations in the contract, determine the transaction price, allocate the transaction price, and recognize revenue as performance obligations are satisfied.

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

A. Revenues generated from the Operation and Maintenance Unit

The Operation and Maintenance Unit constitutes self-distinguishable services that are regularly provided by the Company to its customers on a stand-alone basis. It is available to customers who are other service providers in the market. Revenue generated from the Operation and Maintenance Unit is recognized in the accounting period in which the service is provided over time.

B. Revenues generated from the Customer Experience Unit

This Unit is one of the most important Business Units that make up Perfect Presentation for Commercial Services Company It specializes in providing services for establishing and operating call centers, in addition to customer service and customer care. The most important services provided by this Unit are:

- Establishing and equipping call centers, customer service centers and customer care centers.
- Managing and operating call centers, customer service centers and customer care centers.
- Providing trained and qualified human resources to work in call centers and customer service centers.
- Providing software and systems for call centers, customer service centers, and customer care centers, such as:
- Contact Center Systems.
- Interactive Vice Response (IVR) systems
- Call Recording Systems
- Client Relationship Management (CRM) systems:
- Reporting systems for call center performance and real-time monitoring screens.
- Specialized training in relation to call centers, customer service centers, and customer care centers.
- Providing consulting services specialized in establishing, managing and operating call centers, customer service centers and customer care centers.
- Revenue generated from the services of the Customer Experience Unit are recognized in the accounting period in which the service is provided over time.

C. Revenues generated from the Software Development Unit

Technological development and related applications have changed over the past three decades. During such time period, applications have become more complex and shifted from being mere tools with a single purpose to be interconnected and integrated systems for businesses that reach far beyond information centers. Users are not only technicians and specialists, but all people in general. Today, people and businesses use internet applications as an integral part of their daily lives and applications have become part of the infrastructure, just like electricity. When approaching the topic from this perspective, it is clear that organizations must manage and protect what has become one of their most important assets: applications. Revenue generated from providing computer software licensing services is recognized in the accounting period in which the service is provided at a specific point in time.

D. Revenue generated from Providing SMS Services and Subscriptions

SMS packages (bulk SMS): The bulk SMS package service is considered one of the latest and best methods used in marketing and for the purpose of sending notifications of all kinds to a target group or segment. One of the most important applications of the bulk SMS service is the periodic targeting of a group of customers for the purpose of advertising products, sending notifications or providing services to a specific segment within an institution for the purpose of notifying them of the dates of meetings, conferences or events. Revenue generated from providing SMS services and subscriptions is recognized in the accounting period in which the service is provided over time.

E. Revenue generated from Providing Internet Services

The Company provides information and communication technology services through a wide variety of products designed specifically to meet the needs of companies. It provides internet services, including connectivity, hosting and the establishment of information centers and networks, in addition to e-commerce, electronic payment services and

information technology solutions. Revenue generated from providing internet services is recognized in the accounting period in which the service is provided at a specific point in time.

Profit Distribution

The Company establishes the obligations related to paying the cash dividends to the Shareholders when the distribution is approved and when the distribution is no longer dependent on the Company's discretion. According to the Saudi Arabian Regulations for Companies, dividends are approved upon approval by Shareholders.

Direct Costs

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

Expenses

All operating expenses are allocated consistently to cost of revenue, selling and marketing expenses and general and administrative expenses using fixed distribution factors that are determined in line with the Company's activities.

Zakat

The Company sets aside a provision for Zakat in accordance with the instructions of the Zakat, Tax and Customs Authority (ZATCA) in the Kingdom of Saudi Arabia. This provision is recognized in profit or loss.

Uncertain Zakat Position

The differences that may result upon the completion of the assessments are calculated if the assessments are completed with ZATCA.

Value Added Tax

Revenues and expenses are recognized net of value added tax, except if value added tax is due on the acquisition of assets or services, in which case it shall not be recovered from ZATCA. In this case, the value added tax is recognized as part of the cost of purchasing assets or as part of expenses, as the case may be. Trade receivables and trade payables are shown inclusive of value added tax.

The net value added tax that can be recovered from or paid to ZATCA is included in other assets or other liabilities in the statement of financial position.

Withholding Tax

The Company deducts tax on some transactions with non-resident entities in accordance with the Saudi Income Tax Law.

Application of new and amended International Financial Reporting Standards (IFRS)

New and amended International Financial Reporting Standards (IFRS) have been applied and they do not have a material impact on the financial statements

The following new and amended International Financial Reporting Standards (IFRS), which became effective for annual periods beginning on or after 1 January 2021G, have been applied in the financial statements. The application of these amended International Financial Reporting Standards (IFRS) has not had any material impact on the reported amounts for current or previous years, but may affect the accounting for future transactions or arrangements.

- Impact of the initial application of the interest rate benchmark reform.
- Impact of the initial application of COVID-19-related rent concessions beyond30 June 2021G - Amendment to IFRS 16.

The new and amended International Financial Reporting Standards (IFRS) are in issue but are not yet effective and not early adopted

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

New and amended International Financial Reporting Standards	Effective for annual periods beginning on or after
Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures relating to the processing of the sale or contribution of assets from an investor to its associate or joint venture.	Effective date has been postponed indefinitely
Amendments to IAS 1 - Presentation of Financial Statements relating to the classification of liabilities.	1 January 23
Amendments to IAS 1 - Presentation of Financial Statements and Practice Statement of IFRS 2 - Making Materiality Judgements - Disclosure of Accounting Policies.	1 January 23
IFRS 17 - Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and replaces IFRS 4 - Insurance Contracts.	1 January 23
Amendments to IFRS 3: Business Combinations to update a Reference to the Conceptual Framework.	1 January 22
Amendments to IAS 16 - Property, Plant and Equipment that prevent the Company from deducting from the cost of property, plant and equipment amounts received from the sale of items produced while the Company prepares the asset for intended use.	1 January 22
Amendments to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets related to costs to be included when assessing whether a contract is onerous or not.	1 January 22
Annual improvements to IFRS 2018G-2020G amending IFRS 1, 9, 16 and IAS 41.	1 January 22
Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates.	1 January 23
Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction.	1 January 23

Source: The audited financial statements for the financial year ended 31 December 2021G.

Management expects to apply these new standards, interpretations and amendments in the Company's financial statements for the period of their initial application. The adoption of these new standards, interpretations and amendments may not have a material impact on the Company's financial statements in the period of their initial application.

6.6 Key Factors Affecting the Company's Performance and Operations

The Economic Impact and Reliance of the Company's Business and Sales on Government Entities:

Due to the concentration of the Company's clients in government entities, the Company may be affected by any changes related to budget, regulatory restrictions, changes in government policy and public spending restrictions, which could have a significant impact on the volume, scope, timing and duration of contracts and purchases. Thus, the impact will be reflected on the level of business the Company obtains from such clients. Such factors may also lead to the suspension, cancellation, termination or non-renewal of existing contracts.

Constant Competition and Rapid Advancement in the Information Technology:

The IT market is characterized by rapid technological change, new product development, technology improvements, high-level customer requirements and advanced industry standards. The Company's future success is based on its ability to continue to develop, market and provide attractive services and solutions for its current and future clients in a timely and efficient manner and at competitive prices. This requires the Company to anticipate and respond to the rapid and continuous changes in the field of technology and to keep pace with developments in the sector, as well as developments in information technology services and solutions provided by new companies, to meet the evolving needs of its clients. Developments in the sectors served by the Company, including, but not limited to, the government, semi-government, health, education, banking, finance and commercial sectors, can lead to demand for new services, software and solutions. The Company is currently operating in an environment that includes a number of new companies which provide new competitive services, software and solutions. If the Company does not keep pace with such changes, or is unable to convince customers of the value of its services, software and solutions in light of new technologies or offers provided by competitors, this will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

Relying on the Availability of Highly Skilled IT Staff:

The Company's success to date and its future success has largely depended on the its ability to recruit and retain highly qualified IT staff. In particular, the Company must recruit, train and retain appropriate numbers of talented individuals with diverse skills, including project managers, IT engineers and other senior technical staff, in order to fulfill clients needs and develop the Company's business. Accordingly, if the Company is unable to recruit and retain qualified IT staff, this may adversely affect its ability to develop new business and effectively lead its existing projects.

Changes Related to the Market, Regulatory Environment, Regulations and Laws:

The Company and its business are subject to the supervision of a number of government entities in the Kingdom, including, but not limited to, the Ministry of Commerce, Municipalities, Civil Defense, Capital Market Authority (post-listing) and the Communications and Information Technology Commission, as well as others. Therefore, the Company is subject to the risks of changes in laws, regulations, circulars and policies in the Kingdom, including regulations and policies related to taxation and labor. The regulatory and legal environment in the Kingdom remains less comprehensive compared to some other countries and is therefore more vulnerable to development and change than others. The costs of complying with such laws are high. In the event of changes to existing laws or regulations or the issuance of new laws or regulations related to information technology, the Company may, for the purposes of complying with these regulations, change its services or make changes to its products to meet the requirements of such laws, which would result in the Company incurring additional unexpected financial expenses, which in turn would have an adverse effect on the Company's operations, financial position and prospects.

Pricing and Project Costing:

It should be noted that the pricing of IT service contracts is complex and largely depends on estimates, forecasts and assumptions made by the Company's management regarding the costs of the relevant projects. Such estimates, forecasts and assumptions may be based on limited data, which may subsequently prove to be inaccurate. If the Company does not accurately estimate the costs of its projects, the timing of their completion or the risks related to them, this will affect the profitability of its contracts, which will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

Outbreak of the Novel Coronavirus Pandemic (COVID-19) or any Other Contagious Disease:

The outbreak of the novel coronavirus pandemic (COVID-19) and some of the preventive measures taken by governments, companies and individuals in relation to the novel coronavirus pandemic (COVID-19) have caused global business disruption. The COVID-19 pandemic has also negatively affected the global economy, financial markets, global demand for oil and its prices, and the general environment in which the Company operates. However, the impact of coronavirus pandemic (COVID-19) has been positive on the Company and its sales increased in the years 2020G and 2021G, though the extent of its impact on the Company's future results of operations and general financial performance is still uncertain.

Except as disclosed in Section 6 "**Management's Discussion and ANALYSIS OF Financial Position and Results of Operations**" and Section 2 "**Risk Factors**" of this Prospectus, the Company is not aware of any seasonal factors or economic cycles related to its activity that may have an impact on its business or financial position. The Company is not aware of any information regarding any governmental, economic, financial, monetary or political policies or any other factors that have materially affected or may materially affect (directly or indirectly) its operations or financial position.

6.7 Results of Operations

6.7.1 Statement of Comprehensive Income

Table (35): Statement of Profit or Loss and other Comprehensive Income for the Financial Years Ended 31 December 2019G, 2020G and 2021G and the Three-Month Periods Ended 31 March 2021G and 2022G

SAR'000	FY 2019G (Restated)	FY 2020G (Restated)	FY 2021G (Audited)	Annual Growth Rate 2019G - 2020G	Annual Growth Rate 2020G - 2021G	CAGR 2019G - 2021G	Three-Month Period Ended 31 March 2021G (Reviewed)	Three-Month Period Ended 31 March 2022G (Reviewed)	Growth Rate 2021G - 2022G
Revenue	298,102	482,475	655,478	61.8%	35.9%	48.3%	124,323	193,493	55.6%
Cost of revenue	(243,369)	(391,454)	(539,472)	60.8%	37.8%	48.9%	(102,021)	(161,798)	58.6%
Gross profit	**54,733**	**91,021**	**116,006**	**66.3%**	**27.4%**	**45.6%**	**22,301**	**31,696**	**42.1%**
Sales and distribution expenses	(4,145)	(5,091)	(7,804)	22.8%	53.3%	37.2%	(2,937)	(1,436)	(51.1%)
General and administrative expenses	(15,812)	(20,003)	(20,454)	26.5%	2.3%	13.7%	(4,064)	(5,654)	39.1%
Impairment losses on trade receivables	(10,032)	(2,804)	(1,504)	(72.0%)	(46.4%)	(61.3%)	-	(1,211)	N/A
Operating profit	**24,744**	**63,123**	**86,244**	**155.1%**	**36.7%**	**86.7%**	**15,300**	**23,395**	**52.9%**
Financing costs	(2,106)	(2,288)	(3,774)	8.7%	65.0%	33.9%	(511)	(729)	42.6%
Other income, net	1,828	5,330	1,739	191.6%	(67.4%)	(2.5%)	155	259	67.1%
Share in the net losses of a subsidiary	-	(48)	-	N/A	N/A	N/A	-	-	N/A
Disposal of an investment in a subsidiary	-	-	(19)	N/A	N/A	N/A	-	-	N/A
Dividend income from investments at fair value	-	-	39	N/A	N/A	N/A	-	-	N/A
Profit before Zakat	**24,466**	**66,117**	**84,229**	**170.2%**	**27.4%**	**85.5%**	**14,944**	**22,925**	**53.4%**
Zakat	(1,460)	(1,745)	(3,613)	19.5%	107.0%	57.3%	(450)	(850)	88.9%
Net profit for the year/ period	**23,006**	**64,372**	**80,616**	**179.8%**	**25.2%**	**87.2%**	**14,494**	**22,075**	**52.3%**
Other comprehensive income									
Items that will not be reclassified to profit or loss in subsequent years									
Remeasurement of employees' defined benefit obligation	(451)	(2,291)	(127)	407.4%	(94.5%)	(47.0%)	-	-	N/A
Revaluation of investment at fair value through other comprehensive income	-	497	487	N/A	(2.1%)	N/A	140	270	93.3%
Total other comprehensive income/loss for the year/ period	**(451)**	**(1,793)**	**361**	**297.6%**	**(120.1%)**	**N/A**	**140**	**270**	**93.3%**
Total comprehensive income for the year/period	**22,555**	**62,578**	**80,976**	**177.5%**	**29.4%**	**89.5%**	**14,634**	**22,345**	**52.7%**

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

Table (36): Key Performance Indicators for the Financial Years Ended 31 December 2019G, 2020G and 2021G, and the Three-Month Periods Ended 31 March 2021G and 2022G

Key Performance Indicators	FY 2019G (Management Information)	FY 2020G (Management Information)	FY 2021G (Management Information)	Annual Growth Rate 2019G - 2020G	Annual Growth Rate 2020G - 2021G	CAGR 2019G - 2021G	Three-Month Period Ended 31 March 2021G (Management Information)	Three-Month Period Ended 31 March 2022G (Management Information)	Growth Rate 2021G - 2022G
As a percentage of revenue									
Gross profit	**18.4%**	**18.9%**	**17.7%**	**-**	**-**	**-**	**17.9%**	**16.4%**	**-**
Sales and distribution expenses	1.4%	1.1%	1.2%	-	-	-	2.4%	0.7%	-
General and administrative expenses	5.3%	4.1%	3.1%	-	-	-	3.3%	2.9%	-
Operating profit	**8.3%**	**13.1%**	**13.2%**	**-**	**-**	**-**	**12.9%**	**12.7%**	**-**
Profit before Zakat	**8.2%**	**13.7%**	**12.8%**	**-**	**-**	**-**	**12.0%**	**11.8%**	**-**
Net profit for the year/ period	**7.7%**	**13.3%**	**12.3%**	**-**	**-**	**-**	**11.7%**	**11.4%**	**-**
Key Performance Indicators									
Number of revenue-generating projects	**99**	**140**	**186**	**41**	**46**	**87**	**106**	**156**	**50**
Weighted average number of projects*:									
Customer Experience Unit	15	21	24	6	3	9	21	22	1
Operation and Maintenance Unit	28	37	54	9	17	27	41	57	16
Software Development Unit	21	34	50	13	16	29	42	50	8
Total	**64**	**92**	**128**	**28**	**37**	**64**	**104**	**128**	**24**
Weighted average revenue per project:									
Customer Experience Unit	1,679	2,518	2,348	49.9%	(6.7%)	18.3%	575	670	16.5%
Operation and Maintenance Unit	1,797	1,458	1,654	(18.9%)	13.5%	(4.1%)	317	521	64.4%
Software Development Unit	1,184	1,267	1,100	7.0%	(13.2%)	(3.6%)	306	318	4.0%
Average monthly manpower (Customer Experience Unit and Operation and Maintenance Unit):									
Average manpower	1,596	2,668	3,960	1,072	1,292	2,364	2,489	3,838	1,349
Average monthly manpower revenue - SAR	11,612	11,421	10,819	(1.6%)	(5.3%)	(3.5%)	12,399	13,262	7.0%

Source: Management information.

* The weighted average number of projects takes into account the project start date

Revenue

The Company generates its revenue through three core Business Units:

- Customer Experience Unit, which accounted for 46.0% of total revenues in the financial year 2021G and 44.4% of total revenues in the three-month period ended 31 March 2022G and is mainly related to the establishment and operation of customer experience and service centers by providing technology, manpower and other services.
- Operation and Maintenance Unit, which accounted for 32.4% of total revenues in the financial year 2021G and 34.5% of total revenues in the three-month period ended 31 March 2022G and is mainly related to the maintenance of data centers, IT departments, applications and software, and the supply of spare parts and other services.
- Software Development Unit, which accounted for 21.6% of total revenues in the financial year 2021G and 21.1% of total revenues in the three-month period ended 31 March 2022G and is mainly related to the development of software, the implementation of off-the-shelf software, the development of other software tailored to client specifications, and other services.

Revenues increased by 61.8% from SAR 298.1 million in the financial year 2019G to SAR 482.5 million in the financial year 2020G as a result of: (1) an increase in the revenues of the Customer Experience Unit by SAR 123.8 million, mainly through the establishment of a call center affiliated with Government entity No. 1, (2) an increase in the revenues of the Operation and Maintenance Unit of SAR 19.6 million, (3) in addition to an increase in the revenues of the projects of the Software Development Unit of SAR 41.1 million.

Revenue continued to increase by 35.9% to SAR 655.5 million in the financial year 2021G, mainly due to: (1) an increase in the revenues of the Customer Experience Unit by SAR 70.5 million, due to the renewal of a call center project of Government Entity No. 1, in addition to the Company's acquisition of two new call center projects concerning Government Entities Nos. 5 and 6, (2) an increase in the revenues of the Operation and Maintenance Unit by SAR 78.0 million, and (3) an increase in the revenues of Software Development Unit projects by SAR 24.5 million.

Revenues increased by 55.6%, from SAR 124.3 million in the three-month period ended 31 March 2021G to SAR 193.5 million in the three-month period ended 31 March 2022G, in line with the increase in the number of revenue-generating projects, from 106 projects to 156 projects. Moreover, revenue generated from operation and maintenance projects increased by SAR 33.9 million, mainly due to (1) through the operation and maintenance of fiber-optic networks of Government Entity No. 9, (2) an increase in the revenue of Customer Experience Unit projects by SAR 26.2 million, mainly stemming from the project with the project of Government Entity No. 1 which involved the operation and development of its call centers and the renewal of a project with Government Entity No. 1 in relation to the expansion of the operational capacity of its call centers.

Cost of Revenue

The cost of revenue consists of salaries, wages and other benefits expenses; the cost of equipment, software and support services; insurance expenses and government fee expenses, in addition to other expenses.

The cost of revenue increased by 60.8% from SAR 243.4 million in the financial year 2019G to SAR 391.5 million in the financial year 2020G. This was due to an increase in salaries, wages and other benefits expenses, in line with the increase in the number of employees, which resulted from the growth in the number of call center projects, that are largely dependent manpower. Additionally, the growth in cost of revenue stems from the high cost of equipment, software and support services which comes in line with the increase in the number of Software Development projects during the same period. The cost of revenue also increased by 37.8% to SAR 539.5 million in the financial year 2021G, due to the increase in salaries, wages and other benefits expenses, in line with the increase in employee numbers as a result of an increase in the number of projects during the same period.

The cost of revenue increased by 58.6%, from SAR 102.0 million in the three-month period ended 31 March 2021G to SAR 161.8 million in the three-month period ended 31 March 2022G, due to the increase in salaries, wages and other benefits expenses by SAR 38.8 million, In line with the increase in the average total number of employees by 1,487 employee, in addition to the increase in the cost of equipment, software and support services by SAR 20.4 million, in line with the increase in the number of projects during the same period.

Gross Profit

Gross profit increased by 66.3% from SAR 54.7 million in the financial year 2019G to SAR 91.0 million in the financial year 2020G, as a result of an increase in revenue of 61.8% between the financial year 2019G and the financial year 2020G, which outpaced the increase in cost of revenue during the same period (60.8%). Moreover, the increase in gross profit resulted from (1) an increase in the profit margin of call center projects, which increased from 29.1% in the financial year 2019G to 31.8% in the 2020G, coupled with (2) an increase in the profit margin of Operation and Maintenance Unit projects, which increased from 10.9% in the financial year 2019G to 11.3% in the financial year 2020G. This was offset by the profit margin of Software Development Unit projects, which decreased from 14.4% to 2.0% during the same period.

Gross profit increased by 27.4% to SAR 116.0 million in the financial year 2021G, mainly due to an increase in revenue of 35.9% between the financial year 2020G and the financial year 2021G, as the cost of revenue increased by 37.8% during this period. This was mainly due to the acquisition of new projects with new clients at lower profit margins, in order to obtain additional strategic projects from such new clients in later periods.

Gross profit increased by 42.1% from SAR 22.3 million in the three-month period ended 31 March 2021G to SAR 31.7 million in the three-month period ended 31 March 2022G, as a result of an increase in revenues of 55.6% between the three-month period ended 31 March 2021G and the three-month period ended 31 March 2022G, as the cost of revenue increased by 58.6% during this period. Moreover, the profit margin decreased from 17.9% in the three-month period ended 31 March 2021G to 16.4% in the three-month period ended 31 March 2022G, due to (1) a decrease in the profit margin of Customer Experience Unit projects from 28.9% in the three-month period ended 31 March 2021G to 23.5% in the three-month period ended 31 March 2022G, coupled with (2) a decrease in the profit margin of the Operation and Maintenance Unit from 15.4% in the three-month period ended 31 March 2021G to 14.4% in the three-month period ended 31 March 2022G. The decrease in the profit margin during this period is mainly due to (1) the completion/achievement of projects that had recorded a profit margin above average during the financial year 2021G and (2) involvement in new projects, after Q1 of the financial year 2021G, with relatively low profit margins for strategic reasons in order to maintain and increase the Company's market share.

Sales and Distribution Expenses

Sales and distribution expenses consist of salaries, wages and other benefits, as well as tender fees, travel and transportation expenses, in addition to other expenses. Sale and distribution expenses increased by 22.8% from SAR 4.1 million in the financial year 2019G to SAR 5.1 million in the financial year 2020G, as a result of an increase in salaries, wages and other benefits expenses amounting to SAR 388 thousand, in line with the increase in the number of employees (3 employees), in addition to an increase in tender fees of SAR 202 thousand, in line with the increase in the number of tenders that were participated in. Moreover, sales and distribution expenses decreased from 1.4% (as a percentage of revenue) in the financial year 2019G to 1.1% (as a percentage of revenue) in the financial year 2020G, as a result of an increase in revenue by 61.8% from SAR 298.1 million in the financial year 2019G to SAR 482.5 million in the financial year 2020G.

Sales and distribution expenses continued to increase by 53.3% to SAR 7.8 million in the financial year 2021G, mainly due to an increase in salaries, wages and other benefits expenses, in line with the increase in the number of employees (two employees), in addition to an increase in bank expenses by SAR 1.3 million during the same period. Moreover, sales and distribution expenses increased from 1.1% (as a percentage of revenue) in the financial year 2020G to 1.2% (as a percentage of revenue) in the financial year 2021G, mainly as a result of the increase in bank expenses.

Sales and distribution expenses decreased by 51.1%, from SAR 2.9 million in the three-month period ended 31 March 2021G to SAR 1.4 million in the three-month period ended 31 March 2022G. This was due to a decrease in other expenses by SAR 1.7 million as a result of a provision for expected expenses that was recorded in the three-month period ended 31 March 2021G, related to an event organized by the Company to launch its products (at GITEX), However, it is to be noted that this provision was reversed.

General and Administrative Expenses

General and administrative expenses consist of salaries, wages and other benefits expenses; depreciation expenses of property, plant and equipment; water and electricity expenses, maintenance and repair expenses, as well as other expenses. General and administrative expenses increased by 26.5%, from SAR 15.8 million in the financial year 2019G to SAR 20.0 million in the financial year 2020G, due to an increase in salaries, wages and other benefits expenses amounting to SAR 5.8 million, in line with the increase in employee salaries during the same period. Moreover, general and administrative expenses decreased from 5.3% (as a percentage of revenue) in the financial year 2019G to 4.1% (as a percentage of revenue) in the financial year 2020G, as a result of an increase in revenue of 61.8%, from SAR 298.1 million in the financial year 2019G to SAR 482.5 million in the financial year 2020G.

General and administrative expenses continued to increase by 2.3% to SAR 20.5 million in the financial year 2021G, mainly due to an increase in depreciation expenses by SAR 601 thousand, in line with the additions to property, plant and equipment during the same period. Moreover, general and administrative expenses decreased from 4.1% (as a percentage of revenue) in the financial year 2020G to 3.1% (as a percentage of revenue) in the financial year 2021G, as a result of an increase in revenue of 35.9%, reaching SAR 655.5 million in the financial year 2021G.

General and administrative expenses increased by 39.1%, from SAR 4.1 million in the three-month period ended 31 March 2021G to SAR 5.7 million in the three-month period ended 31 March 2022G. This was due to an increase in depreciation expenses amounting to SAR 695 thousand, in line with the transfer of the building in Al Qirawan from projects under construction to buildings, in addition to an increase in maintenance and repair expenses by SAR 329 thousand during the same period.

Provision for Expected Credit Losses

The expected credit loss provision expenses relate to the Company's application of IFRS 9 in respect of expected credit losses. Expenses decreased by 72.0%, from SAR 10.0 million in the financial year 2019G to SAR 2.8 million in the financial year 2020G, and then to SAR 1.5 million in the financial year 2021G, in line with the provision policy and credit assessment of receivables. The provision for expected credit losses amounted to SAR 1.2 million in the three-month period ended 31 March 2022G, compared to nil in the three-month period ended 31 March 2021G, due to the provision being recorded after Q1 of the financial year 2021G.

Financing Costs

Financing costs relate to borrowing costs, as well as miscellaneous bank expenses and interest expenses associated with defined employee benefits. Financing costs increased by 8.7%, from SAR 2.1 million in the financial year 2019G to SAR 2.3 million in the financial year 2020G, and then to SAR 3.8 million in the financial year 2021G, mainly due to the increase in interest expense on short-term loans in line with the high volume of bank loans during this period.

Financing costs increased by 42.7%, from SAR 511 thousand in the three-month period ended 31 March 2021G to SAR 729 thousand in the three-month period ended 31 March 2022G, due to obtaining new loans from Riyad Bank, which amounted to SAR 98.9 million during the financial year 2021G.

Other Income, Net

Other income mainly consists of rental income, training revenue and reversal of unnecessary provisions, in addition to other revenues and expenses. Other income amounted to SAR 1.8 million in the financial year 2019G, increasing by 191.6% to SAR 5.3 million in the financial year 2020G, mainly due to the reversal of unnecessary provisions amounting to SAR 2.6 million and the closure of supplier debts of SAR 1.7 million, in addition to the collection of bad debts amounting to SAR 130 thousand.

Other income decreased by 67.4%, amounting to SAR 1.7 million in the financial year 2021G and was related to rental income of SAR 1.2 million, in addition to training revenue of SAR 517 thousand. This was offset by losses in disposal of property, plant and equipment amounting to SAR 296 thousand.

Other income increased by 67.1%, from SAR 155 thousand in the three-month period ended 31 March 2021G to SAR 259 thousand in the three-month period ended 31 March 2022G, due to an increase in rental income from related parties, from SAR 43.3 thousand per month to SAR 86.4 thousand per month during the same period, as a result of an increase in the rental area and the addition of a new tenant.

Share in the Net Losses of a Subsidiary

Share in the net losses of a subsidiary relate to the Company's share in the losses of Smart Health Communications and Information Technology Company, which was established during the financial year 2020G and which was owned 67% by the Company with the investment amounting to SAR 67 thousand. During the financial year 2020G, this investment was accounted for using the equity method instead of consolidation, as the Company benefited from the exemptions of the international standards by not preparing consolidated financial statements, since the ultimate parent Company, The Ideal for Business and Investment Trade Company, prepares consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and the standards and other issuances issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA), as well as the requirements of the Saudi Companies Law and the Company's Articles of Association related to the preparation and presentation of financial statements. According to the restated financial statements as of 31 December 2020G, the investment in the subsidiary amounted to SAR 19 thousand after recording the Company's share in the subsidiary's net losses of SAR 48 thousand.

Disposal of an Investment in a Subsidiary

Consistent with the financial statements, as of 31 December 2021G, the Company has disposed of all its shares in the subsidiary (along with its rights and obligations) at a value of SAR 19 thousand. The legal procedures have been completed by the transfer of such shares and the amendment of the Articles of Association in this regard.

Zakat

The Company submitted its Zakat returns up to the financial year ended 31 December 2021G to the Zakat, Tax and Customs Authority and received a final certificate during 2022G, which is valid until 30 April 2023G. The Company also received an amendment letter (Zakat Assessment) from the Zakat, Tax and Customs Authority for 2015G, showing the existence of Zakat differences in the amount of SAR 146 thousand, which the Company paid, thus completing its Zakat status until 2015G. The remaining years are still under examination by the Zakat, Tax and Customs Authority.

Zakat expenses increased from SAR 1.5 million in the financial year 2019G to SAR 1.7 million in the financial year 2020G, and then to SAR 3.6 million in the financial year 2021G, as a result of an increase in the Zakat base in line with the increase in the Company's net income during the same period.

Zakat expenses increased by 88.9%,, from SAR 450 thousand in the three-month period ended 31 March 2021G to SAR 850 thousand in the three-month period ended 31 March 2022G, in line with the increase in the Zakat base during the same period.

Net Profit for the Year/Period

Net profit for the year increased by 179.8%, from SAR 23.0 million in the financial year 2019G to SAR 64.4 million in the financial year 2020G (net profit margin for the year increased from 7.7% to 13.3%), mainly due to increased operating profit, in line with the increase in gross profit due to the increase in revenue of 61.8%, from SAR 298.1 million in the financial year 2019G to SAR 482.5 million in the financial year 2020G as a result of: (1) an increase in the revenue of the Customer Experience Unit of SAR 123.8 million; (2) an increase in the revenue of the Operation and Maintenance Unit of SAR 19.6 million, (3) in addition to an increase in the revenue of Software Development Unit projects of SAR 41.1 million. This was offset by an increase in the cost of revenue of 60.8%, from SAR 243.4 million in the financial year 2019G to SAR 391.5 million in the financial year 2020G.

General and administrative expenses increased by 26.5%, from SAR 15.8 million in the financial year 2019G to SAR 20.0 million in the financial year 2020G. In addition, the provision for expected credit losses decreased by 72.0%, from SAR 10.0 million in the financial year 2019G to SAR 2.8 million in the financial year 2020G. Moreover, other revenue increased by SAR 3.5 million during the same period.

Net profit continued to increase by 25.2% to SAR 80.6 million in the financial year 2021G (net profit margin for the year decreased from 13.3% to 12.3%), mainly due to an increase in revenue of 35.9%, reaching SAR 655.5 million in the financial year 2021G, mainly due to: (1) an increase in Customer Experience Unit revenue of SAR 70.5 million; (2) an increase in Operation and Maintenance Unit revenue of SAR 78.0 million; and (3) an increase in the revenue of Software Development Unit projects by SAR 24.5 million. This was offset by an increase in the cost of revenue of 37.8% to SAR 539.5 million in the financial year 2021G during the same period.

Sales and distribution expenses increased by 53.3% to SAR 7.8 million in the financial year 2021G, in addition to an increase in bank expenses amounting to SAR 1.3 million during the same period. Moreover, sales and distribution expenses increased from 1.1% (as a percentage of revenue) in the financial year 2020G to 1.2% (as a percentage of revenue) in the financial year 2021G. In addition, the provision for expected credit losses decreased from SAR 2.8 million in the financial year 2020G to SAR 1.5 million in the financial year 2021G. Financing costs increased by 65.0%, from SAR 2.3 million in the financial year 2020G to SAR 3.8 million in the financial year 2021G. Moreover, other revenue decreased from SAR 5.3 million in the financial year 2020G to SAR 1.7 million in the financial year 2021G.

Net profit increased by 52.3%, from SAR 14.5 million in the three-month period ended 31 March 2021G to SAR 22.1 million in the three-month period ended 31 March 2022G (net profit margin decreased from 11.7% to 11.4%), mainly due to the increase in operating profit, in line with the increase in gross profit, due to an increase in revenue of 55.6%, from SAR 124.3 million in the three-month period ended 31 March 2021G to SAR 193.5 million in the three-month period ended 31 March 2022G, as a result of: (1) an increase in the revenue of the Customer Experience Unit of SAR 26.2 million; (2) an increase in the revenue of the Operation and Maintenance Unit of SAR 33.9 million, in addition to (3) an increase in the revenue of Software Development Unit projects of SAR 9.1 million. This was offset by an increase in the cost of revenue of 58.6%, from SAR 102.0 million in the three-month period ended 31 March 2021G to SAR 161.8 million in the three-month period ended 31 March 2022G, in line with an increase of 1,487 in the average number of employees, in addition to an increase in the cost of equipment, software and support services of SAR 20.4 million, in line with the increase in the number of projects during the same period.

General and administrative expenses increased by 39.1%, from SAR 4.1 million in the three-month period ended 31 March 2021G to SAR 5.7 million in the three-month period ended 31 March 2022G. Sales and distribution expenses decreased by 51.1%, from SAR 2.9 million in the three-month period ended 31 March 2021G to SAR 1.4 million in the three-month period ended 31 March 2022G. In addition, the provision for expected credit losses amounted to SAR 1.2 million in the three-month period ended 31 March 2022G, compared to nil in the three-month period ended 31 March 2021G.

6.7.2 Revenue by Business Unit

Table (37): Revenue by Business Unit for the Financial Years Ended 31 December 2019G, 2020G and 2021G and the Three-Month Periods Ended 31 March 2021G and 2022G

SAR'000	FY 2019G (Management Information)	FY 2020G (Management Information)	FY 2021G (Management Information)	Annual Growth Rate 2019G - 2020G	Annual Growth Rate 2020G - 2021G	CAGR 2019G - 2021G	Three-Month Period Ended 31 March 2021G (Management Information)	Three-Month Period Ended 31 March 2022G (Management Information)	Growth Rate 2021G - 2022G
Customer Experience Unit	107,409	231,179	301,666	115.2%	30.5%	67.6%	59,702	85,921	43.9%
Operation and Maintenance Unit	114,943	134,494	212,472	17.0%	58.0%	36.0%	32,885	66,784	103.1%
Software Development Unit	75,750	116,802	141,339	54.2%	21.0%	36.6%	31,736	40,788	28.5%
Total	**298,102**	**482,475**	**655,478**	**61.9%**	**35.9%**	**48.3%**	**124,323**	**193,493**	**55.6%**
As a percentage of revenue									
Customer Experience Unit	36%	49.9%	46%	-	-	-	48%	44%	-
Operation and Maintenance Unit	38.6%	27.8%	32.4%	-	-	-	26%	34.4%	-
Software Development Unit	25.4%	24.2%	21.6%	-	-	-	25.5%	21.1%	-
Key Performance Indicators									
Number of revenue -generating projects	**99**	**140**	**186**	**41**	**46**	**87**	**106**	**156**	**50**
Weighted average number of projects*:									
Customer Experience Unit	15	21	24	6	3	9	21	22	1
Operation and Maintenance Unit	28	37	54	9	17	27	41	57	16
Software Development Unit	21	34	50	13	16	29	42	50	8
Total	**64**	**92**	**128**	**28**	**36**	**64**	**104**	**128**	**24**
Weighted average revenue per project:									
Customer Experience Unit	1,679	2,518	2,348	49.9%	(6.7%)	18.3%	575	670	16.5%
Operation and Maintenance Unit	1,797	1,458	1,654	(18.9%)	13.5%	(4.1%)	317	521	64.4%
Software Development Unit	1,184	1,267	1,100	7.0%	(13.2%)	(3.6%)	306	318	4.0%

Source: Management information.

* The weighted average number of projects takes into account the project start date

Customer Experience Unit

The revenue of the Customer Experience Unit (which represents 46% of the total revenue in the financial year 2021G) primarily consists of revenue from the establishment and implementation of call centers through providing manpower and technology (software and hardware) and providing a call center for projects (Zoning), i.e. workstation and related accessories.

The revenue of the Customer Experience Unit increased by 115.2%, from SAR 107.4 million in the financial year 2019G, to SAR 231.2 million in the financial year 2020G, which was related to the establishment of a call center for Government Entity No. 1 (revenue increase of SAR 78.4 million), in addition to a project with Government Entity No. 3 (revenue increase of SAR 25.4 million), as well as other new projects. Moreover, the total weighted average number of projects increased from 15 projects in the financial year 2019G, to 21 projects in the financial year 2020G.

Revenue of the Customer Experience Unit continued to increase by 30.5% to SAR 301.7 million, related to the renewal of a call center project for Government Entity No. 1, in addition to the Company's acquisition of two new call center projects involving Government Entities Nos. 5 and 6 amounting to SAR 8.8 million and SAR 6.2 million, respectively, during the same

period. The total weighted average number of projects increased from 21 projects in the financial year 2020G to 24 projects in the financial year 2021G.

Revenue from the Customer Experience Unit increased by 43.9%, from SAR 59.7 million in the three-month period ended 31 March 2021G to SAR 85.9 million in the three-month period ended 31 March 2022G. This was due to the increase in revenue from (1) an operational capacity expansion project for the call center of Government Entity No. 1, in addition to (2) an information technology and communication infrastructure operation and maintenance project with Government Entity No. 1. The weighted average revenue per project increased from SAR 575 thousand to SAR 670 thousand during the same period, driven by projects with a wider scope.

Operation and Maintenance Unit

The revenue of the Operation and Maintenance Unit (which represents 33% of the total revenue in the financial year 2021G) primarily consists of maintenance revenue for data centers, applications, software, information technology departments and other technical support services, in addition to the supply of spare parts and equipment and license renewal.

Revenue of the Operation and Maintenance Unit increased by 17.0%, from SAR 114.9 million in the financial year 2019G to SAR 134.5 million in the financial year 2020G, as a result of an increase in the revenue of several projects, including the operation and maintenance of the applications and IT department of Government Entity No. 4, which contributed to an increase of SAR 9.4 million and a database operation and maintenance project for a university, in addition to providing technical support for academic and administrative applications, and the operation and management of a loan platform for a bank during the same period. The total weighted average number of projects increased from 28 projects in the financial year 2019G to 37 projects in the financial year 2020G.

Revenue of the Operation and Maintenance Unit continued to increase by 58.0%, reaching SAR 212.5 million, due to new projects, including:

- a project for unification of the department IDs of Government Entity No. 2 amounting to SAR 14.7 million;
- a project for the operation and management of the IT department of an organization amounting to SAR 6.7 million;
- a project for the operation and management of a data center for Government Entity No. 5 amounting to SAR 5.5 million; and
- a project for the operation and management of computer software for a university amounting to SAR 5.0 million.

The total weighted average number of projects increased from 37 projects in the financial year 2020G to 54 projects in the financial year 2021G.

The revenue of the Operation and Maintenance Unit increased by 103.1%, from SAR 32.9 million in the three-month period ended 31 March 2021G, to SAR 66.8 million in the three-month period ended 31 March 2022G, due to an increase in revenue from several projects, including:

- a project for the operation and maintenance of the fiber optic networks of Government Entity No. 9, amounting to SAR 8.0 million;
- the renovation and equipment of two branches (Buraidah and Khamis Mushait) of Entity No. 10 with audiovisual media, amounting to SAR 2.2 million;
- a project for the operation of the Deanship of Information Technology of Government Entity No. 11, amounting to SAR 2.2 million; and
- a project for the maintenance and operation of the information center of Government Entity No. 12, amounting to SAR 1.9 million.

The weighted average revenue per project increased from SAR 317 thousand to SAR 521 thousand during the same period, driven by projects with a wider scope of work.

Software Development Unit

The revenue of the Software Development Unit (which represents 22% of the total revenue in the financial year 2021G) consists mainly of revenue from the sale of software, specifically software specialized in business intelligence, in addition to the development of custom software tailored to client specifications, such as database and web portal design, as well as SMS sales and other services.

Revenue of the Software Development Unit increased by 54.2%, from SAR 75.8 million in the financial year 2019G to SAR 116.8 million in the financial year 2020G, due to an increase in the revenue of software projects of SAR 49.5 million, including a project with Government Entity No. 3 amounting to SAR 11.6 million and a project for the development of the health services contact line of Government Entity No. 1 amounting to SAR 6.4 million, in addition to an electronic platform for one of the government centers amounting to SAR 6.6 million. This was offset by a decrease in SMS revenue of SAR 8.4

million due to a decrease in the number of customers during the same period. The total weighted average number of projects increased from 21 projects in the financial year 2019G to 34 projects in the financial year 2020G.

Revenue of the Software Development Unit continued to increase by 21.0%, reaching SAR 141.3 million in line with an increase in the number of Software Development Unit projects from 51 projects to 65 projects, in addition to recognition of the full-year revenue for projects that started during the end of the financial year 2020G, which consisted of two projects for government entities amounting to SAR 11.6 million. The total weighted average number of projects increased from 34 projects in the financial year 2020G to 50 projects in the financial year 2021G.

Revenue of the Software Development Unit increased by 28.5%, from SAR 31.7 million in the three-month period ended 31 March 2021G to SAR 40.8 million in the three-month period ended 31 March 2022G, due to the increase in revenue from several projects, including:

- a project to secure the health information system and infrastructure of Entity No. 13 amounting to SAR 4.6 million;
- a project to renew the Dynatrace software license of Entity No. 14 amounting to SAR 3.6 million; and
- a project to develop the sales opportunities platform of Entity No. 15 amounting to SAR 2.1 million.

The weighted average annual revenue per project increased from SAR 306 thousand to SAR 318 thousand during the same period, driven by projects with a wider scope of work.

6.7.3 Business Unit Revenue Details

Table (38): Details of Business Unit Revenues for the Financial Years Ended 31 December 2019G and 2020G and the Three-Month periods ended 31 March 2021G and 2022G

SAR'000	FY 2019G (Management Information)	FY 2020G (Management Information)	FY 2021G (Management Information)	Annual Growth Rate 2019G - 2020G	Annual Growth Rate 2020G - 2021G	CAGR 2019G - 2021G	Three-Month Period Ended 31 March 2021G (Management Information)	Three-Month Period Ended 31 March 2022G (Management Information)	Growth Rate 2021G - 2022G
Outsourcing of business processes (Business Process Outsourcing)	86,716	185,740	270,641	114.2%	45.7%	212.1%	50,791	81,156	59.8%
Technology solutions (Technology)	20,693	45,439	31,025	119.6%	(31.7%)	49.9%	8,911	4,765	(46.5%)
Customer Experience Unit total	**107,409**	**231,179**	**301,666**	**115.2%**	**30.5%**	**180.9%**	**59,702**	**85,921**	**43.9%**
IT staff outsourcing (IT Outsourcing)	63,888	87,774	139,892	37.4%	59.4%	119.0%	27,636	50,106	81.3%
Managed IT services (Managed Services)	51,055	46,720	72,580	(8.5%)	55.4%	42.2%	5,248	16,678	217.8%
Operation and Maintenance Unit total	**114,943**	**134,494**	**212,472**	**17.0%**	**58.0%**	**84.8%**	**32,885**	**66,784**	**103.1%**
Software Development Unit (excluding Bulk SMS)	19,549	69,050	88,069	253.2%	27.5%	350.5%	18,418	25,780	40.0%
Bulk SMS	56,201	47,752	53,270	(15.0%)	11.6%	(5.2%)	13,317	15,008	12.7%
Software Development Unit total	**75,750**	**116,802**	**141,339**	**54.2%**	**21.0%**	**86.6%**	**31,736**	**40,788**	**28.5%**
Total	**298,102**	**482,475**	**655,477**	**61.9%**	**35.9%**	**119.9%**	**124,323**	**193,493**	**55.6%**
As a percentage of total revenue									
Outsourcing of business processes (Business Process Outsourcing)	29.1%	38.5%	41.3%	-	-	-	40.9%	41.9%	-

SAR'000	FY 2019G (Management Information)	FY 2020G (Management Information)	FY 2021G (Management Information)	Annual Growth Rate 2019G - 2020G	Annual Growth Rate 2020G - 2021G	CAGR 2019G - 2021G	Three-Month Period Ended 31 March 2021G (Management Information)	Three-Month Period Ended 31 March 2022G (Management Information)	Growth Rate 2021G - 2022G
Technology solutions (Technology)	6.9%	9.4%	4.7%	-	-	-	7.2%	2.5%	-
Customer Experience Unit total	**36.0%**	**47.9%**	**46.0%**	**-**	**-**	**-**	**48.0%**	**44.4%**	**-**
IT staff outsourcing (IT Outsourcing)	21.4%	18.2%	21.3%	-	-	-	22.2%	25.9%	-
Managed IT services (Managed Services)	17.1%	9.7%	11.1%	-	-	-	4.2%	8.6%	-
Operation and Maintenance Unit total	**38.6%**	**27.9%**	**32.4%**	**-**	**-**	**-**	**26.5%**	**34.5%**	**-**
Software Development Unit (excluding Bulk SMS)	6.6%	14.3%	13.4%	-	-	-	14.8%	13.3%	-
Bulk SMS	18.9%	9.9%	8.1%	-	-	-	10.7%	7.8%	-
Software Development Unit total	**25.4%**	**24.2%**	**21.6%**	**-**	**-**	**-**	**25.5%**	**21.1%**	**-**
Average manpower									
Average number of manpower (Customer Experience Unit)	1,220	2,157	3,021	938	864	1,802	1.898	2,719	821
Average number of manpower (Operation and Maintenance Unit)	376	511	939	135	428	563	591	1,119	528
Total average manpower	**1,596**	**2,668**	**3,960**	**1,072**	**1,292**	**2,364**	**2.489**	**3,838**	**1,349**
Total average monthly manpower revenue (Customer Experience Unit) – SAR	7.339	8,930	8,321	21.7%	(6.8%)	13.4%	10,485	10,533	0.5%
Total average monthly manpower revenue (Operation and Maintenance Unit) – SAR	25,475	21,939	18,860	(13.9%)	(14.0%)	(26.0%)	18,547	19,894	7.3%
Total average monthly manpower revenue (Customer Experience Unit and Operation and Maintenance Unit) – SAR	**11,612**	**11,421**	**10,819**	**(1.6%)**	**(5.3%)**	**(6.8%)**	**12,399**	**13,262**	**7.0%**

Source: Management information.

Business Process Outsourcing

Revenue from business process outsourcing (representing 41.3% of total revenue in the financial year 2021G) consist mainly of revenue from providing manpower to projects whereby revenue is, where revenue is recognized on the basis of manpower schedules.

Business process outsourcing revenue increased by 114.2%, from SAR 86.7 million in the financial year 2019G to SAR 185.7 million in the financial year 2020G, mainly due to an increase in the average manpower number from 1,220 in the financial year 2019G to 2,157 in the financial year 2020G, in addition to an increase in the average monthly manpower revenue from SAR 7,339 in the financial year 2019G to SAR 8,930 in the financial year 2020G. This increase was related to the establishment of a call center for Government Entity No. 1 amounting to SAR 70.3 million, in addition to the Company securing/winning a projectof a new project with Government Entity No. 3 amounting to SAR 25.4 million, in addition to other new projects.

Revenue from business process outsourcing continued to rise by 45.7%, reaching SAR 270.6 million, mainly due to an increase in the average manpower number from 2,157 in the financial year 2020G to 3,021 in the financial year 2021G. This was offset by a decrease in the average monthly manpower revenue from SAR 8,930 in the financial year 2020G to SAR 8,321 in the financial year 2021G, due to an increase in the average manpower number related to the renewal of the call center project of Government Entity No. 1, in addition to the Company's acquisition of two new call center projects related to Government Entities Nos. 5 and 6 amounting to SAR 8.8 million and SAR 6.2 million, respectively, during the same period.

Revenue from business process outsourcing increased by 59.8%, from SAR 50.8 million in the three-month period ended 31 March 2021G to SAR 81.2 million in the three-month period ended 31 March 2022G. This was mainly due to an increase in the average manpower number from 1,898 in the three-month period ended 31 March 2021G to 2,719 in the three-month period ended 31 March 2022G, in addition to an average increase in monthly manpower revenue from SAR 10,485 in the three-month period ended 31 March 2021G to SAR 10,533 in the three-month period ended 31 March 2022G, mainly as a result of increased revenue from (1) a project for the operational power expansion of the call Center of Government Entity No. 1, in addition to (2) an ICT infrastructure operation and maintenance project with Government Entity No. 1.

Technology Solutions

Technology solutions revenue (accounting for 4.7% of total revenue in the financial year 2021G) consists mainly of revenues from providing technology (software and hardware) in addition to call centres for projects (Zoning) i.e. workstation and related accessories.

Technology solutions revenue increased by 119.6%, from SAR 20.7 million in the financial year 2019G to SAR 45.4 million in the financial year 2020G, in line with the increase in the total weighted average number of projects from 15 in the financial year 2019G to 21 in the financial year 2020G.

Technology solutions revenue decreased by 31.7%, from SAR 45.4 million in the financial year 2020G to SAR 31.0 million in the financial year 2021G. This was mainly due to the provision of technology (software and hardware) related to new projects during 2020G, where part of the related revenue was recognized during the financial year2020G.

Technology solutions revenue decreased by 46.5%, from SAR 8.9 million in the three-month period ended 31 March 2021G to SAR 4.8 million in the three-month period ended 31 March 2022G, mainly due to the fact that the installation of the equipment of the key call centres was completed during Q4 of the financial year 2021G, whereas the costs of those centers in Q1 of the financial year 2022G were concentrated in operation (business process outsourcing).

IT Outsourcing

IT outsourcing revenue (accounting for 21.4% of total revenue in the financial year 2021G) consists mainly from providing manpower to projects, whereby revenue is recognized on the basis of manpower schedules.

IT outsourcing revenue increased by 37.4%, from SAR 63.9 million in the financial year 2019G to SAR 87.8 million in the financial year 2020G, mainly due to an increase in the average manpower number from 376 in the financial year 2019G to 511 in the financial year 2020G. This was offset by a decrease in the average monthly manpower revenue from SAR 25,475 in the financial year 2019G to SAR 21,933 in the financial year 2020G. This increase in the average manpower number was related to an increase in the revenue of several projects, including the operation and maintenance of the applications and IT department of Government Entity No. 4, which contributed to an increase of SAR 9.4 million and the operation and maintenance of a database for a university, in addition providing technical support for academic and administrative applications, and the operation and management of a loan platform for a bank during the same period.

IT outsourcing revenue continued to increase by 59.4%, reaching SAR 139.9 million, mainly due to an increase in the average manpower number from 511 in the financial year 2020G to 939 in the financial year 2021G, which was offset by a decrease in the average monthly manpower revenue from SAR 21,933 in the financial year 2020G to SAR 18,856 in the financial year 2021G. This increase in the average manpower number was related to new projects, including:

- a project for unification of the department IDs of Government Entity No. 2 amounting to SAR 14.7 million;
- a project for the operation and management of the IT department of an organization amounting to SAR 6.7 million;

- a project for the operation and management of a data center for Government Entity No. 5 amounting to SAR 5.5 million; and
- a project for the operation and management of computer software for a university amounting to SAR 5.0 million.

IT outsourcing revenue increased by 81.3%, from SAR 27.6 million in the three-month period ended 31 March 2021G to SAR 50.1 million in the three-month period ended 31 March 2022G, mainly due to an increase in the average manpower number from 591 in the three-month period ended 31 March 2021G to 1,119 in the three-month period ended 31 March 2022G. This was accompanied by an increase in manpower revenue from SAR 18,547 in the three-month period ended 31 March 2021G to SAR 19,894 in the three-month period ended 31 March 2022G. The increase in the average manpower number and average monthly manpower revenue was in line with the increase in the revenue of the Operation and Maintenance Unit from several projects during this period, including:

- a project for the operation and maintenance of the fiber optic networks of Government Entity No. 9, amounting to SAR 8.0 million;
- the renovation and equipment of two branches (Buraidah and Khamis Mushait) of Entity No. 10 with audiovisual media, amounting to SAR 2.2 million;
- a project for the operation of the Deanship of Information Technology of Government Entity No. 11, amounting to SAR 2.2 million; and
- an operation and maintenance project for Government Entity No. 12 amounting to SAR 1.9 million.

Managed IT Services

Managed IT service revenue (accounting for 11.1% of total revenue in the financial year 2021G) consists mainly of revenue from applications, software, IT departments and other technical support services, remedial and preventive maintenance, providing data hosting services, the supply of hardware, licenses, spare parts and equipment, in addition to license renewal.

Revenue from managed IT services decreased by 8.5% from SAR 51.1 million in the financial year 2019G to SAR 46.7 million in the financial year 2020G, mainly due to the provision of applications, software and IT departments related to new projects during 2019G, while part of the related revenue was achieved during financial year 2019G.

Revenue from managed IT services increased by 55.1%, from SAR 46.7 million in the financial year 2020G to SAR 72.6 million in the financial year 2021G, in line with an increase in the total weighted average number of projects from 37 projects in the financial year 2020G to 54 projects in the financial year 2021G.

Revenue from managed IT services increased by 217.8%, from SAR 5.3 million in the three-month period ended 31 March 2021G to SAR 16.7 million in the three-month period ended 31 March 2022G, in line with the increase in revenue and the number of managed IT services projects during this period.

Software Development Unit (Excluding Bulk SMS Packages)

Revenue from the Software Development Unit (excluding Bulk SMS packages, accounting for 13.4% of total revenue in the financial year 2021G) consists mainly of software sales revenue, specifically business intelligence software, as well as the development of custom software tailored to client specifications, such as database and web portal design, software development (CAD) and other services.

Software Development Unit revenue increased by 253.2% from SAR 19.5 million in the financial year 2019G to SAR 69.1 million in the financial year 2020G, as a result of an increase in the revenue of software projects, including a project with Government Entity No. 3 amounting to SAR 11.6 million, the development of the health services contact line of Government Entity No. 1 amounting to SAR 6.4 million, in addition to an e-platform for a government center amounting to SAR 6.6 million.

Software Development Unit revenue continued to increase by 27.5%, reaching SAR 88.1 million, in line with an increase in the number of Software Development Unit projects from 51 to 65, in addition to recognition of the full-year revenue for projects that started during the end of the financial year 2020G, which consisted of two projects for government entities amounting to SAR 11.6 million.

Software Development Unit revenue increased by 40.0%, from SAR 18.4 million in the three-month period ended 31 March 2021G to SAR 25.8 million in the three-month period ended 31 March 2022G, in line with the increase in revenue from several projects, including (1) a project for securing the health information system and infrastructure of Entity No. 13 amounting to SAR 4.6 million, (2) a project to renew the Dynatrace software license of Entity No. 14 amounting to SAR 3.6 million, and (3) a project for the development of the sales opportunity platform of Entity No. 15 amounting to SAR 2.1 million and other projects.

SMS Packages (Bulk SMS)

Bulk SMS revenue consists of SMS services and text message subscriptions, which are among the means used in the field of marketing and for the purpose of sending notifications of all kinds. Bulk SMS revenue decreased by 15.0%, from SAR 56.2 million in the financial year 2019G to SAR 47.8 million in the financial year 2020G, before increasing by 11.6% to SAR 53.3 million in the financial year 2021G, as a result of a decrease in the number of clients, in addition to a decrease in the text message consumption of clients during this period.

Bulk SMS revenue increased by 12.7%, from SAR 13.3 million in the three-month period ended 31 March 2021G, to SAR 15.0 million in the three-month period ended 31 March 2022G, in line with the increase in text message consumption of clients during this period.

6.7.4 Revenue by Project

Table (39): Revenue by Project for the Financial Years Ended 31 December 2019G, 2020G and 2021G and the Three-Month Periods Ended 31 March 2021G and 2022G

SAR'000	FY 2019G (Management Information)	FY 2020G (Management Information)	FY 2021G (Management Information)	Annual Growth Rate 2019G - 2020G	Annual Growth Rate 2020G - 2021G	CAGR 2019G - 2021G	Three-Month Period Ended 31 March 2021G (Management Information)	Three-Month Period Ended 31 March 2022G (Management Information)	Growth Rate 2021G - 2022G
Government Entity No. 1 projects	64,499	149,249	201,696	131.4%	35.1%	76.8%	38,251	63,046	64.8%
Government Entity No. 2 projects	16,972	22,904	33,695	35.0%	47.1%	40.9%	4,876	4,548	(6.7%)
Government Entity No. 3 projects	7,646	44,682	24,657	484.4%	(44.8%)	79.6%	8,243	2,084	(74.7%)
Government Entity No. 4 project	5,222	14,659	16,978	180.7%	15.8%	80.3%	3,854	5,086	32.0%
Government Entity No. 18 project	-	4,305	15,795	N/A	266.9%	N/A	3,320	3,252	(2.1%)
Other projects	147,562	198,924	309,387	34.8%	55.5%	44.8%	52,462	100,469	74.4%
Bulk SMS	56,201	47,752	53,270	(15.0%)	11.6%	(2.6%)	13,317	15,008	12.7%
Total	**298102**	**482,475**	**655,478**	**61.8%**	**35.9%**	**48.3%**	**124,323**	**193,493**	**55.6%**
Key Performance Indicators									
Public Sector	219,199	382,187	551,715	74.4%	44.4%	58.6%	110,247	175,173	58.9%
Private Sector	78,903	100,288	103,763	27.1%	3.5%	14.7%	14,075	18,320	30.2%
Total	**298,102**	**482,475**	**655,478**	**61.8%**	**35.9%**	**48.3%**	**124,323**	**193,493**	**55.6%**
Number of revenue -generating projects									
Government Entity No. 1 projects	2	5	6	3	1	4	3	5	2
Government Entity No. 2 projects	2	3	3	1	-	1	2	3	1
Government Entity No. 3 projects	3	3	4	-	1	1	3	3	-
Government Entity No. 4 project	1	1	1	-	-	-	1	3	2
Government Entity No. 18 project	-	1	1	1	-	1	1	1	-
Other projects	91	127	171	36	44	80	96	141	45
Total	**99**	**140**	**186**	**41**	**46**	**87**	**106**	**156**	**50**

SAR'000	FY 2019G (Management Information)	FY 2020G (Management Information)	FY 2021G (Management Information)	Annual Growth Rate 2019G - 2020G	Annual Growth Rate 2020G - 2021G	CAGR 2019G - 2021G	Three-Month Period Ended 31 March 2021G (Management Information)	Three-Month Period Ended 31 March 2022G (Management Information)	Growth Rate 2021G - 2022G
As a percentage of total revenue									
Government Entity No. 1 projects	21.6%	30.9%	30.8%	-	-	-	30.8%	32.6%	-
Government Entity No. 2 projects	5.7%	4.7%	5.1%	-	-	-	3.9%	2.4%	-
Government Entity No. 3 projects	2.6%	9.3%	3.8%	-	-	-	6.6%	1.1%	-
Government Entity No. 4 project	1.8%	3.0%	2.6%	-	-	-	3.1%	2.6%	-
Government Entity No. 18 project	-	0.9%	2.4%	-	-	-	2.7%	1.7%	-
Other projects	49.5%	41.2%	47.2%	-	-	-	42.2%	51.9%	-
Bulk SMS	18.9%	9.9%	8.1%	-	-	-	10.7%	7.8%	-

Source: Management information.

The majority of the Company's clients are from the public sector, which contributed 76.4% to revenue in the financial year 2019G, 82.9% to revenue in the financial year 2020G and 86.3% to revenue in the financial year 2021G.

Government Entity No. 1 Projects

Revenue from Government Entity No. 1 projects consists primarily of Customer Experience Unit revenue, where the Company provides manpower, technology and a call center (Zoning), representing 100% of the total revenue in the financial year 2019G. Government Entity No. 1 was contracted for new projects in the financial years 2020G and 2021G related to Software Development Unit and Customer Experience Unit contracts. Government Entity No. 1 project revenue increased by 131.4%, from SAR 64.5 million in the financial year 2019G to SAR 149.2 million in the financial year 2020G, and then by 35.1%, to SAR 201.7 million in the financial year 2021G, as a result of an increase in the number of projects with Government Entity No. 1, in addition to the completion of advanced stages of project phases during this period. The total number of revenue-generating projects increased from two projects in the financial year 2019G to 5 projects in the financial year 2020G, and then to 6 projects in the financial year 2021G. It is worth mentioning that Government Entity No. 1 project revenue consists mainly of manpower revenue.

Government Entity No. 1 project revenue increased by 64.8%, from SAR 38.3 million in the three-month period ended 31 March 2021G to SAR 63.1 million in the three-month period ended 31 March 2022G, as a result of an increase in the number of projects with Government Entity No. 1, in addition to the completion of advanced stages of project phases during this period. The total number of revenue-generating projects increased from three projects in the three-month period ended 31 March 2021G to 5 projects in the three-month period ended 31 March 2022G.

Government Entity No. 2 Projects

Revenue from Government Entity No. 2 projects consists of Customer Experience Unit and Software Development Unit revenue, where the scope of work mainly included custom application development (CAD) which focuses on providing independent coding tailored to meet clients' business needs as well as providing manpower, technology and a call center (Zoning). Government Entity No. 2 project revenue increased by 35.0%, from SAR 17.0 million in the financial year 2019G to SAR 22.9 million in the financial year 2020G, as a result of the completion of advanced stages of project phases during this period, while the total number of revenue-generating projects increased from two projects in the financial year 2019G to 3 projects in the financial year 2020G and stabilized at 3 projects in the financial year 2021G. Government Entity No. 2 project revenue increased by 47.1%, reaching SAR 33.7 million in the financial year 2021G due to the completion of advanced stages of project phases during this period.

Government Entity No. 2 project revenue decreased by 6.7%, from SAR 4.9 million in the three-month period ended 31 March 2021G to SAR 4.5 million in the three-month period ended 31 March 2022G, as a result of the completion of advanced stages of project phases during this period, while the total number of revenue-generating projects increased from two projects in the three-month period ended 31 March 2021G to 3 projects in the three-month period ended in 31 March 2022G.

Government Entity No. 3 Projects

Revenue from Government entity No. 3 projects consists of Customer Experience Unit and Operation and Maintenance Unit project revenue, where the scope of work mainly included providing manpowerfor the operation and maintenance of client applications and data systems, in addition providing smart solutions, devices and other services. Government Entity No. 3 project revenue increased by 484.4%, from SAR 7.6 million in the financial year 2019G to SAR 44.7 million in the financial year 2020G, and then by 44.8%, reaching SAR 24.2 million in the financial year 2021G, as a result of an increase in the number of projects with Government Entity No. 3, as well as the completion of advanced stages of project phases during this period, where the total number of revenue-generating projects stabilized at 3 projects between the financial year 2019G and financial year 2020G and then increased to 4 projects in the financial year 2021G. It is worth mentioning that Government Entity No. 3 project revenue consists mainly of manpower revenue.

Government No. 3 project revenue decreased by 74.7%, from SAR 8.2 million in the three-month period ended 31 March 2021G, to SAR 2.1 million in the three-month period ended 31 March 2022G, as a result of the completion of advanced stages of project phases during this period.

Government Entity No. 4 Project

Revenue from the Government Entity No. 4 project consist of Operation and Maintenance Unit revenue, where the scope of work mainly included providing manpower for the operation and maintenance of client applications and data systems. Government Entity No. 4 project revenue increased by 180.7%, from SAR 5.2 million in the financial year 2019G, to SAR 14.7 million in the financial year 2020G, and then by 15.8%, reaching SAR 17.0 million in the financial year 2021G, as a result of the completion of advanced stages of the project phases during this period. The total number of revenue-generating projects stabilized at one project between the financial years 2019G and 2021G. It is worth mentioning that Government Entity No. 4 project revenue consists mainly of manpower revenue.

Government Entity No. 4 project revenue increased by 32.0%, from SAR 3.9 million in the three-month period ended 31 March 2021G, to SAR 5.1 million in the three-month period ended 31 March 2022G, as the total number of revenue-generating projects increased from one project in the three-month period ended 31 March 2021G to 3 projects in the three-month period ended 31 March 2022G.

Government Entity No. 18 Project

Revenue from the Government Entity No. 18 project consists of Customer Experience Unit revenue, where the Company provides manpower, technology and a call center (Zoning). Government Entity No. 5 project revenue increased by 266.9%, from SAR 4.3 million in the financial year 2020G to SAR 15.8 million in the financial year 2021G, as a result of the completion of advanced stages of project phases during this period, while the total number of revenue-generating projects increased from nil in the financial year 2019G to one project in the financial year 2020G and stabilized at one project in the financial year 2021G. It is worth mentioning that Government Entity No. 5 project revenue consists mainly of manpower revenue.

Government Entity No. 18 project revenue decreased by 2.1%, from SAR 3.3 million in the three-month period ended 31 March 2021G to SAR 3.2 million in the three-month period ended 31 March 2022G, as the total number of revenue-generating projects stabilized at one project between the three-month period ended 31 March 2021G and the three-month period ended 31 March 2022G.

Other Projects

Other project revenue consists of Customer Experience Unit, Operation and Maintenance Unit and Software Development Unit revenue, as the total number of revenue-generating projects increased from 91 projects in the financial year 2019G to 127 projects in the financial year 2020G, and then to 171 projects in the financial year 2021G. It is worth mentioning that the revenue of each of these projects does not exceed SAR 15.0 million per year, as there is no concentration in a specific project or government entity.

The total number of revenue-generating projects increased from 96 projects in the three-month period ended 31 March 2021G to 141 projects in the three-month period ended 31 March 2022G.

SMS Packages (Bulk SMS)

Bulk SMS revenue consists of SMS services and text message subscriptions, which are among the means used in the field of marketing and for the purpose of sending notifications of all kinds. Bulk SMS revenue decreased by 15.0%, from SAR 56.2 million in the financial year 2019G to SAR 47.8 million in the financial year 2020G, before increasing by 11.6% to SAR 53.3 million in the financial year 2021G, as a result of the fluctuation in client numbers, as well as fluctuations in the text message consumption of clients during this period.

Bulk SMS revenue increased by 12.7%, from SAR 13.3 million in the three-month period ended 31 March 2021G, to SAR 15.0 million in the three-month period ended 31 March 2022G, in line with the increase in text message consumption of clients during this period.

6.7.5 Cost of Revenue

Table (40): Cost of Revenue for the Financial Years Ended 31 December 2019G and 2020G and the Three-Month Periods Ended 31 March 2021G and 2022G

SAR'000	FY 2019G (Management Information)	FY 2020G (Management Information)	FY 2021G (Management Information)	Annual Growth Rate 2019G - 2020G	Annual Growth Rate 2020G - 2021G	CAGR 2019G - 2021G	Three-Month Period Ended 31 March 2021G (Management Information)	Three-Month Period Ended 31 March 2022G (Management Information)	Growth Rate 2021G - 2022G
Salaries, wages and other benefits	120,363	232,514	334,509	93.2%	43.9%	66.7%	67,234	99,779	48.4%
Cost of equipment, software, services and support	109,998	135,436	169,657	23.1%	25.3%	24.2%	29,465	50,078	72.2%
Insurance	5,168	9,075	11,980	75.6%	32.0%	52.3%	2,708	6,075	124.3%
Government fees	2,732	4,512	7,562	65.2%	67.6%	66.4%	831	1,060	27.6%
Borrowing costs	2,572	4,896	6,756	90.4%	38.0%	62.1%	898	3,418	278.1%
Maintenance and repair	97	690	2,359	611.2%	242.0%	393.2%	216	344	59.3%
Travel and transportation	1,696	362	677	(78.7%)	86.9%	(36.8%)	291	328	12.7%
Subscriptions	70	331	519	371.4%	56.9%	171.9%	126	79	(37.3%)
Depreciation	198	200	72	1.2%	(63.9%)	(39.5%)	10	37	270.0%
Other	477	3,438	5,380	620.7%	56.5%	235.8%	242	600	147.9%
Total	**243,369**	**391,454**	**539,472**	**60.9%**	**37.8%**	**48.9%**	**102,021**	**161,798**	**58.6%**
Key Performance Indicators									
Average number of employees	1,614	2,717	4,061	1,103	1,344	2,447	2,424	3,911	1,487
Average monthly salary of employees (SAR)	6,213	7,132	6,864	919	(268)	651	9,220	8,504	(716)
As a percentage of revenue	-	-	-	-	-	-	-	-	-
Salaries, wages and other benefits	40.4%	48.2%	51.0%	-	-	-	53.9%	51.6%	-
Cost of equipment, software, services and support	36.9%	28.1%	25.9%	-	-	-	23.8%	25.9%	-
Insurance	1.7%	1.9%	1.8%	-	-	-	2.2%	3.1%	-
Government fees	0.9%	0.9%	1.2%	-	-	-	0.7%	0.5%	-
Borrowing costs	0.9%	1.0%	1.0%	-	-	-	0.7%	1.8%	-
Maintenance and repair	0.0%	0.1%	0.4%	-	-	-	0.2%	0.2%	-
Travel and transportation	0.6%	0.1%	0.1%	-	-	-	0.2%	0.2%	-
Subscriptions	0.0%	0.1%	0.1%	-	-	-	0.1%	0.0%	-
Depreciation	0.1%	0.0%	0.0%	-	-	-	0.0%	0.0%	-
Other	0.1%	0.7%	0.8%	-	-	-	0.2%	0.3%	-
Total	**81.6%**	**81.1%**	**82.3%**	**-**	**-**	**-**	**81.5%**	**83.1%**	**-**

Source: Management information.

Salaries, Wages and Other Benefits

The cost of salaries, wages, and other benefits includes the cost of basic salaries, incentives, annual leave, tickets, end-of-service benefits, social security, among others. The cost of salaries, wages and other benefits increased by 93.2%, from SAR 120.4 million in the financial year 2019G to SAR 232.5 million in the financial year 2020G, in line with an increase in the average number of employees by approximately 1,102 employees, as a result of an increase in the number of projects of the Company from 99 to 140 projects. The cost of salaries, wages and other benefits continued to increase by 43.9%, reaching SAR 334.5 million in the financial year 2021G, in line with an increase of 1,344 in the average number of employees, due to an increase in the number of projects of the Company from 140 to 186 projects.

The cost of salaries, wages and benefits increased by 48.4%, from SAR 67.2 million in the three-month period ended 31 March 2021G to SAR 99.8 million in the three-month period ended 31 March 2022G, in line with an increase of 1,487 in the average number of employees during the same period. Such increase was offset by a slight decrease in the average monthly salary as a result of the mix of employees based on the needs of existing and new projects.

Cost of Equipment, Software and Services

The cost of hardware, software, and services mainly includes the cost of Bulk SMS, hardware, cloud services and other project expenses. The cost of equipment, software and services increased by 23.1%, from SAR 110.0 million in the financial year 2019G to SAR 135.4 million in the financial year 2020G, in line with an increase in the number of projects from 99 to 140, which required additional equipment and support services during the same period. The cost of equipment, software and services increased by 25.3%, reaching SAR 169.7 million in the financial year 2021G, as a result of the steady growth in the number of projects from 140 to 186 projects during the same period.

The cost of equipment, software and services increased by 72.2%, from SAR 29.4 million in the three-month period ended 31 March 2021G to SAR50.1 million in the three-month period ended 31 March 2022G, in line with an increase in revenue of 55.6% during the same period. It is worth mentioning that the cost of equipment increased from 23.8% to 25.9% (as a percentage of revenue), due to a change in some equipment used in operations in the three-month period ended 31 March 2022G.

Insurance

The cost of insurance is related to the cost of medical insurance for employees and insurance for equipment deployed in projects. The cost of insurance increased by 75.6%, from SAR 5.2 million in the financial year 2019G to SAR 9.1 million in the financial year 2020G, and then by 32.0% to SAR 12.0 million in the financial year 2021G. This was mainly due to an increase in the average number of employees from 1,614 to 2,717, and then to 4,061 employees, in addition to the new regulations (based on the Government Tender and Procurement Law) regarding the insurance of equipment deployed in projects, which also contributed to such increase.

The cost of insurance increased by 124.3%, from SAR 2.7 million in the three-month period ended 31 March 2021G, to SAR 6.1 million in the three-month period ended 31 March 2022G, in line with an increase in the average number of employees during this period, in addition to an increase in the insurance policy cost of 20%.

Government Fees

The cost of government fees mainly includes visa and accommodation fees related to the Company's direct employees (manpower). The cost of government fees increased by 65.2%, from SAR 2.7 million in the financial year 2019G to SAR 4.5 million in the financial year 2020G, and then by 67.6% to SAR 7.6 million in the financial year 2021G, in line with an increase in the number of employees during the same period.

The cost of government fees increased by 27.5%, from SAR 831 thousand in the three-month period ended 31 March 2021G to SAR 1.1 million in the three-month period ended 31 March 2022G, in line with an increase in the average number of employees from 2,424 to 3,911 employees during the same period.

Borrowing Costs

This mainly includes financing costs and bank transfer fees, among other banking costs. Borrowing costs increased by 90.4%, from SAR 2.6 million in the financial year 2019G to SAR 4.9 million in the financial year 2020G, and then by 38.0% to SAR 6.8 million in the financial year 2021G, as a result of an increase in the number of banking transactions, in line with an increase in revenue and projects during the same period.

Financing costs increased by 278.6%, from SAR 898 thousand in the three-month period ending on 31 March 2021G to SAR 3.4 million in the three-month period ended 31 March 2022G, as a result of an increase in the number of banking transactions, in line with an increase in revenue and projects of 56% during the same period.

Maintenance and Repair

Maintenance and repair costs increased by 611.2% from SAR 97 thousand in the financial year 2019G to SAR 690 thousand in the financial year 2020G, in line with the increased need for maintenance operations in projects during the same period. Maintenance and repair costs increased by 242.0%, reaching SAR 2.4 million in the financial year 2021G, as a result of an increase in the number of new operation and maintenance projects that depended significantly on maintenance during the same period.

The cost of maintenance and repair increased by 59.3%, from SAR 216 thousand in the three-month period ended 31 March 2021G to SAR 344 thousand in the three-month period ended 31 March 2022G, due to an increase in the number of projects during the same period.

Travel and Transportation

Travel and transportation costs mainly consist of employee air ticket expenses, along with other transportation expenses. Travel and transportation costs decreased by 78.7%, from SAR 1.7 million in the financial year 2019G to SAR 362 thousand in the financial year 2020G, due to travel restrictions during the coronavirus pandemic (COVID-19). Travel and transportation costs increased by 86.9% to SAR 677 thousand in the financial year 2021G, due to the resumption of travel after the lifting of travel restrictions as a result of the coronavirus pandemic (COVID-19).

Travel and transportation costs increased by 12.7%, from SAR 291 thousand in the three-month period ended 31 March 2021G to SAR 328 thousand in the three-month period ended 31 March 2022G, in line with an increase in the number of flights and a rise in the number of projects, in addition to the resumption of air travel after the lifting of travel restrictions.

Subscriptions

Subscription costs mainly relate to subscription and renewal fees for various software used for Software Development Unit and Operation and Maintenance Unit projects. Subscription costs increased by 371.4%, from SAR 70 thousand in the financial year 2019G to SAR 331 thousand in the financial year 2020G, and then by 56.9% to SAR 519 thousand in the financial year 2021G, due to an increase in the number of Software Development Unit and Operation and Maintenance Unit projects during the same period.

Subscription costs decreased by 37.3%, from SAR 126 thousand in the three-month period ended 31 March 2021G to SAR 79 thousand in the three-month period ended 31 March 2022G, due to the non-renewal of some subscriptions (Office Pro-Plus) of the Network Operations Center, due to them not being needed.

Depreciation

Depreciation costs increased by 1.2%, from SAR 198 thousand in the financial year 2019G to SAR 200 thousand in the financial year 2020G, due to additions to property and equipment during the same period. Depreciation costs decreased by 63.9%, reaching SAR 72 thousand in the financial year 2021G, as a result of the full depreciation of some assets during the same period.

Depreciation costs increased by 270.0%, from SAR 10 thousand in the three-month period ended 31 March 2021G to SAR 37 thousand in the three-month period ended 31 March 2022G, due to additions to property and equipment.

Other

Other expenses mainly relate to communication and lease expenses, in addition to project expenses (ink, stationery and audio recording). Other expenses increased by 620.7%, from SAR 477 thousand in the financial year 2019G to SAR 3.4 million in the financial year 2020G. This is mainly due to an increase in the cost of works carried out by Perfect Presentation for Trading - Egypt pertaining to software solutions, from nil in the financial year 2019G to SAR 1.5 million in the financial year 2020G, in addition to an increase in communication expenses from SAR 36 thousand in the financial year 2019G to SAR 849 thousand in the financial year 2020G.

Other expenses continued to increase by 56.5%, reaching SAR 5.4 million in the financial year 2021G, mainly due to an increase in the cost of works carried out by Perfect Presentation for Trading - Egypt pertaining to software solutions, from SAR 1.5 million in the financial year 2020G to SAR 2.8 million in the financial year 2021G.

Other expenses increased by 147.9%, from SAR 242 thousand in the three-month period ended 31 March 2021G to SAR 600 thousand in the three-month period ended 31 March 2022G, due to an increase in the expenses allocated to the building in Al Qirawan.

6.7.6 Gross Profit by Business Unit

Table (41): Gross Profit by Business Unit for the Financial Years Ended 31 December 2019G, 2020G and 2021G and the Three-Month Periods Ended 31 March 2021G and 2022G

SAR'000	FY 2019G (Management Information)	FY 2020G (Management Information)	FY 2021G (Management Information)	Annual Growth Rate 2019G - 2020G	Annual Growth Rate 2020G - 2021G	CAGR 2019G - 2021G	Three-Month Period Ended 31 March 2021G (Management Information)	Three-Month Period Ended 31 March 2022G (Management Information)	Growth Rate 2021G - 2022G
Customer Experience Unit	31,307	73,476	79,998	134.7%	8.9%	59.9%	17,252	20,212	17.2%
Operation and Maintenance Unit	12,555	15,160	31,540	20.7%	108.1%	59.4%	5,065	9,589	89.3%
Software Development Unit	10,871	2,385	4,468	(78.1%)	87.3	(42.0%)	(15)	1,895	12,380.2%
Total	**54,733**	**91,021**	**116,006**	**66.3%**	**27.4%**	**45.6%**	**22,301**	**31,696**	**42.1%**
Gross profit margin by Business Unit									
Customer Experience Unit	29.1%	31.8%	26.5%	-	-	-	28.9%	23.5%	-
Operation and Maintenance Unit	10.9%	11.3%	14.8%	-	-	-	15.4%	14.4%	-
Software Development Unit	14.4%	2.0%	3.2%	-	-	-	0.0%	4.6%	-
Total	**18.4%**	**18.9%**	**17.7%**	**-**	**-**	**-**	**17.9%**	**16.4%**	**-**

Source: Management information.

Customer Experience Unit

Gross profit of the Customer Experience Unit increased by 134.7%, from SAR 31.3 million in the financial year 2019G to SAR 73.5 million in the financial year 2020G, as a result of the establishment of a call center for Government Entity No. 1 amounting to SAR 70.3 million, in addition to the Company's acquisition of a new project with Government Entity No. 3 amounting to SAR 25.4 million, in addition to other new projects. The profit margin increased from 29.1% to 31.8%., mainly due to staff utilization optimization in Customer Experience Unit projects.

Gross profit of the Customer Experience Unit continued to increase by 8.9%, reaching SAR 80.0 million in the financial year 2021G. This was due to the renewal of a call center project of Government Entity No. 1, in addition to the Company's acquisition of two new call center projects related to Government Entities Nos. 5 and 6. Profit margin decreased to 26.5% due to unforeseen additional costs and license renewal costs incurred in relation to the call center project of Government Entity No. 1.

Gross profit for the Customer Experience Unit increased by 17.2%, from SAR 17.3 million in the three-month period ended 31 March 2021G to SAR 20.2 million in the three-month period ended 31 March 2022G, while the profit margin decreased from 28.9% to 23.5%, mainly due to the completion of some projects with a higher than average profit margin during the financial year 2021G. This was coupled with entry into new projects with relatively low profit margins for strategic purposes after Q1 of the financial year 2021G, in order to maintain and increase the Company's market share, in addition to higher labor costs during this period.

Operation and Maintenance Unit

Gross profit of the Operation and Maintenance Unit increased by 20.7%, from SAR 12.6 million in the financial year 2019G to SAR 15.2 million in the 2020G, as a result of an increase in the revenue of several projects, including the operation and maintenance of the applications and IT department project of Government Entity No. 4 and a database operation and maintenance project for a university, along with the provision of technical support for academic and administrative applications and the operation and management of a loan platform for a bank. The profit margin increased from 10.9% to 11.3%, mainly due to a public sector project, where the Company was able to achieve higher margins on devices that were delivered to the client during the same period.

The gross profit of the Operation and Maintenance Unit continued to increase by 108.1%, reaching SAR 31.5 million in the financial year 2021G. This was due to the Company's acquisition of several new projects that contributed to the increase in gross profit. The profit margin increased to 14.8% due to the improvement of the maintenance departments of an educational sector project through the use of a centralized center serving multiple locations.

Gross profit of the Operation and Maintenance Unit increased by 89.3%, from SAR 5.1 million in the three-month period ended 31 March 2021G to SAR 9.6 million in the three-month period ended 31 March 2022G, while the profit margin decreased partially from 15.4% to 14.4%. This was mainly due to the high procurement cost of equipment and electronic devices for the information systems of the project of Government Entity No. 9, since such equipment is purchased from international suppliers on demand and is priced according to the current market rate. In addition, corrective maintenance works were carried out for the project during the same period, thus affecting the profit margin of the project itself. This was offset by new "managed IT services" projects that achieved relatively higher profit margins than "IT manpower provision" projects during previous periods.

Software Development Unit

Gross profit of the Software Development Unit decreased by 78.1%, from SAR 10.9 million in the financial year 2019G to SAR 2.4 million in the financial year 2020G. The profit margin decreased from 14.4% to 2.0%, mainly due to an application development project for a local bank, wherein the project budget was reviewed, leading to an extension in the project duration, in addition to a decrease in gross profit, due to the increase in the percentage of revenue obtained from the messaging service compared to the CAD service, while the profit margin of the messaging service is relatively lower than the CAD service.

Gross profit of the Software Development Unit increased by 87.3%, reaching SAR 4.5 million in the financial year 2021G. The profit margin also increased to 3.2%, due to the improvement in the profit margin of Bulk SMS sales, among other projects.

Gross profit of the Software Development Unit increased by 12,380.2%, from a loss of SAR 15 thousand in the three-month period ended 31 March 2021G to a profit of SAR 1.9 million in the three-month period ended 31 March 2022G, as a result of an improvement in the profit margin of revenue-generating projects during the three-month period ended 31 March 2022G compared to the revenue-generating projects during the three-month period ended 31 March 2021G, in addition to an improvement in the margin of Bulk SMS sales, among other projects.

6.7.7 Sales and Distribution Expenses

Table (42): Sale and Distribution Expenses for the Financial Years Ended 31 December 2019G, 2020G and 2021G and the Three-Month Periods Ended 31 March 2021G and 2022G

SAR'000	FY 2019G (Restated)	FY 2020G (Restated)	FY 2021G (Audited)	Annual Growth Rate 2019G - 2020G	Annual Growth Rate 2020G - 2021G	CAGR 2019G - 2021G	Three-Month Period Ended 31 March 2021G (Management Information)	Three-Month Period Ended 31 March 2022G (Management Information)	Growth Rate 2021G - 2022G
Salaries, wages and other benefits	2,004	2,392	3,787	19.3%	58.3%	37.5%	583	734	25.9%
Bank expenses	1,029	1,167	2,452	13.3%	110.3%	54.4%	401	583	45.4%
Tender fees	680	882	688	29.7%	(22.0%)	0.6%	181	87	(51.9%)
Travel and transportation	206	215	216	4.6%	0.3%	2.4%	42	20	(52.0%)
Other	226	435	661	92.5%	51.9%	71.0%	1,729	11	(99.3%)
Total	**4,145**	**5,092**	**7,804**	**22.8%**	**53.3%**	**37.2%**	**2,937**	**1,436**	**(51.1%)**
Key Performance Indicators									
Average number of employees	8	11	13	3	2	6	12	27	14
Average monthly salary per employee (SAR)	21,977	17,641	23,819	(4,336)	6,179	1,843	3,939	2,294	(1,645)
As a percentage of revenue									
Salaries, wages and other benefits	0.7%	0.5%	0.6%	-	-	-	0.5%	0.4%	-
Bank expenses	0.3%	0.2%	0.4%	-	-	-	0.3%	0.3%	-
Tender fees	0.2%	0.2%	0.1%	-	-	-	0.1%	0.0%	-
Travel and transportation	0.1%	0.0%	(0.0)	-	-	-	0.0%	0.0%	-
Other	0.1%	0.1%	0.1%	-	-	-	1.4%	0.0%	-
Total	**1.4%**	**1.1%**	**1.2%**	**-**	**-**	**-**	**2.4%**	**0.7%**	**-**

Source: The audited financial statements for the financial year ended 31 December 2021G and Management information.

Salaries, Wages and Other Benefits

The cost of salaries, wages, and other benefits includes the cost of basic salaries, housing allowance, annual bonuses and tickets, among others. Salaries, wages and other benefits expenses increased by 19.3%, from SAR 2.0 million in the financial year 2019G to SAR 2.4 million in the financial year 2020G, due to an increase in the average number of employees (3 employees) in addition to an increase in commissions paid to employees, in line with achievement of the set goals and the volume of revenue during the financial year 2020G. This was offset by a decrease in end-of-service expenses (amounting to SAR 633 thousand), according to the actuarial study conducted by the actuarial consultant. Salaries, wages and other benefits expenses increased by 58.3%, reaching SAR 3.8 million in the financial year 2021G, as a result of an increase in the average number of employees in addition to an increase in commissions paid to employees, in line with achievement of the set goals and the volume of revenue during the financial year 2020G.

Salaries, wages and benefits expenses increased by 25.9%, from SAR 583 thousand in the three-month period ended 31 March 2021G to SAR 734 thousand in the three-month period ended 31 March 2022G, in line with (1) an increase in end-of-service benefits for employees amounting to SAR 46.7 thousand, and (2) an increase in the cost of health insurance of SAR 21.3 thousand and the cost of travel tickets of SAR 40.7 thousand, in line with an increase in the average number of employees from 12 to 27 employees during the same period.

Bank Expenses

Bank expenses relate to bank transactions. Bank expenses increased by 13.3%, from SAR1.0 million in the financial year 2019G to SAR 1.2 million in the financial year 2020G, and then by 110.3% to SAR 2.5 million in the financial year 2021G, in line with an increase in the volume of the Company's operations and bank facilities during this period.

Bank expenses increased by 45.4%, from SAR 401 thousand in the three-month period ended 31 March 2021G to SAR 583 thousand in the three-month period ended 31 March 2022G, in line with an increase in the volume of the Company's operations and bank facilities during this period.

Tender Fees

Tender fee expenses relate to all costs incurred in participating in tenders. Tender fee expenses increased by 29.7%, from SAR 680 thousand in the financial year 2019G to SAR 882 thousand in the financial year 2020G, due to an increase in the number of tenders participated in by the Company (the number increased from 133 tenders in the financial year 2019G to 178 tenders in the financial year 2020G), in addition to an increase in government tender participation fees during the same period. Tender fee expenses decreased by 22.0%, reaching SAR 688 thousand in the financial year 2021G, as a result of a decrease in the number of tenders participated in by the Company during the same period (the number decreased from 178 tenders in the financial year 2020G to 148 tenders in the financial year 2021G).

Tender fee expenses decreased by 51.9%, from SAR 181 thousand in the three-month period ended 31 March 2021G to SAR 87 thousand in the three-month period ended 31 March 2022G, due to a decrease in the cost of tender fees during this period.

Travel and Transportation

Travel and transportation expenses increased by 4.6%, from SAR 206 thousand in the financial year 2019G to SAR 215 thousand in the financial year 2020G, and then by 0.3% to SAR 216 thousand in the financial year 2021G. This is due to the resumption of air travel after gradual lifting of travel restrictions during the same period owing to Company's geographic expansion.

Travel and transportation expenses decreased by 52.0%, from SAR 42 thousand in the three-month period ended 31 March 2021G to SAR 20 thousand in the three-month period ended 31 March 2022G, in line with a decrease in the number of flights during this period.

Other

Other expenses relate to employee license renewal fees, residency permit fees, exit and re-entry fees and other government expenses. Other expenses increased by 92.5%, from SAR 226 thousand in the financial year 2019G to SAR 435 thousand in the financial year 2020G, mainly due to an increase in the number of employees during the same period. Other expenses continued to increase by 51.9%, reaching SAR 661 thousand in the financial year 2021G, in line with an increase in the number of employees during this period.

Other expenses decreased by 99.3%, from SAR 1.7 million in the three-month period ended 31 March 2021G to SAR 11 thousand in the three-month period ended 31 March 2022G, as a result of a provision for expected expenses that was recorded in the three-month period ended 31 March 2021G related to an event organized by the Company to launch its products (at GITEX), although this provision was reversed after Q1 of the financial year 2021G as it was no longer needed.

6.7.8 General and Administrative Expenses

Table (43): General and Administrative Expenses for the Financial Years Ended 31 December 2019G, 2020G and 2021G and the Three-Month Periods Ended 31 March 2021G and 2022G

SAR'000	FY 2019G (Restated)	FY 2020G (Restated)	FY 2021G (Audited)	Annual Growth Rate 2019G - 2020G	Annual Growth Rate 2020G - 2021G	CAGR 2019G - 2021G	Three-Month Period Ended 31 March 2021G (Audited)	Three-Month Period Ended 31 March 2022G (Audited)	Growth Rate 2021G - 2022G
Salaries, wages and other benefits	8,842	14,688	11,496	66.1%	(21.7%)	14.0%	3,073	3,234	5.2%
Depreciation	2,051	2,217	2,818	17.2%	17.3%	17.2%	644	975	51.4%
Water and electricity	276	309	1,220	12.2%	294.4%	110.3%	67	246	267.2%
Professional fees	274	471	571	71.7%	21.3%	44.3%	28	138	392.9%
Government fees	232	372	586	60.5%	57.7%	59.1%	125	105	(16.0%)
Maintenance and repair	159	251	592	57.9%	136.0%	93.0%	70	399	470.0%
Subscriptions	51	111	19	118.7%	(82.8%)	(38.8%)	2	6	200.0%
Telephone, mail and internet	47	248	261	432.8%	5.2%	136.8%	11	89	709.1%
Travel and transportation	30	13	239	(56.7%)	1,738.5%	182.3%	17	36	111.8%
Donations	101	123	101	21.8%	(17.9%)	0.0%	-	-	0.0%
Hospitality	71	67	90	(5.6%)	32.8%	12.0%	-	-	0.0%
Other	3,680	1,133	2,460	(69.2%)	117.2%	(18.3%)	28	426	1,421.4%
Total	**15,812**	**20,003**	**20,454**	**26.5%**	**2.3%**	**13.7%**	**4,065**	**5,654**	**39.1%**
Key Performance Indicators									
Average number of employees	93	107	147	14	40	54	122	185	63
Average monthly salary per employee (SAR)	7,887	11,431	6,513	44.9%	(43.0%)	(17.4%)	8,396	5,838	(30.5%)
Average monthly salary per employee (SAR) - excluding incentives	3,442	6,362	5,793	84.8%	(8.9%)	68.3%	6,757	5,711	(15.5%)
As a percentage of revenue									
Salaries, wages and other benefits	3.0%	3.0%	1.8%	-	-	-	2.5%	1.7%	-
Depreciation	0.7%	0.5%	0.4%	-	-	-	0.5%	0.5%	-
Water and electricity	0.1%	0.1%	0.2%	-	-	-	0.1%	0.1%	-
Professional fees	0.1%	0.1%	0.1%	-	-	-	0.0%	0.1%	-
Government fees	0.1%	0.1%	0.1%	-	-	-	0.1%	0.1%	-
Maintenance and repair	0.1%	0.1%	0.1%	-	-	-	0.1%	0.2%	-
Subscriptions	0.0%	0.0%	0.0%	-	-	-	0.0%	0.0%	-
Telephone, mail and internet	0.0%	0.1%	0.0%	-	-	-	0.0%	0.0%	-
Travel and transportation	0.0%	0.0%	0.0%	-	-	-	0.0%	0.0%	-
Donations	0.0%	0.0%	0.0%	-	-	-	0.0%	0.0%	-
Hospitality	0.0%	0.0%	0.0%	-	-	-	0.0%	0.0%	-
Other	1.2%	0.2%	0.4%	-	-	-	0.0%	0.2%	-
Total	**5.3%**	**4.1%**	**3.1%**	**-**	**-**	**-**	**3.3%**	**2.9%**	**-**

Source: The audited financial statements for the financial year ended 31 December 2021G, the reviewed financial statements for the period ended 31 March 2022G and Management information.

Salaries, Wages and Other Benefits

The cost of salaries, wages, and other benefits includes the cost of basic salaries, incentives, leave entitlement, tickets, end-of-service benefits and social security, among others. Salaries, wages and other benefits expenses increased by 66.1%, from SAR 8.8 million in the financial year 2019G to SAR 14.7 million in the financial year 2020G, due to an increase in salaries granted to employees, which led to an increase in the average salary for each employee (excluding incentives) from SAR 3.4 thousand to SAR 6.4 thousand. This was accompanied by an increase in the average number of employees by 14 employees during the same period. Salaries, wages and other benefits expenses decreased by 21.7% to SAR 11.5 million in the financial year 2021G, despite an increase in the average number of employees by 40 employees (comprising 27 Saudi employees and 13 non-Saudi employees), as the average salary per employee (excluding incentives) decreased to SAR 5.7 thousand, resulting from a combination of new employees and experience, which led to a decrease in the average monthly salary.

The cost of salaries, wages and benefits increased by 5.2%, from SAR 3.1 million in the three-month period ended 31 March 2021G to SAR 3.2 million in the three-month period ended 31 March 2022G, in line with an increase in the average number of employees by 65 employees during the same period. It is worth mentioning that the average monthly salary for each employee decreased from SAR 6.8 thousand in the three-month period ended 31 March 2021G to SAR 5.7 thousand in the three-month period ended 31 March 2022G as a result of hiring new employees with less experience.

Depreciation

Depreciation expenses increased by 8.1%, from SAR 2.1 million in the financial year 2019G to SAR 2.2 million in the financial year 2020G, and then by 27.1% to SAR 2.8 million in the financial year 2021G, in line with additions to property, machinery and equipment, and particularly to the buildings, furniture and fixtures item during the same period.

Depreciation expenses increased by 107.9%, from SAR 644 thousand in the three-month period ended 31 March 2021G to SAR 1.3 million in the three-month period ended 31 March 2022G, due to additions to property (the building in Al Qirawan), which was transferred from the projects under construction item.

Water and Electricity

Water and electricity expenses increased by 12.2%, from SAR 276 thousand in the financial year 2019G to SAR 309 thousand in the financial year 2020G, in line with the Company's acquisition of a new building (Al Khozama Building 2) during the financial year 2020G, which contributed to an increase in water and electricity expenses during the same period. Water and electricity expenses continued to increase by 294.4% to SAR 1.2 million in the financial year 2021G, as a result of installation expenses for the building in Al Qirawan during the same period, in addition to the operation of additional sites and increase in capacity in line with the increasing number and size of projects.

Water and electricity expenses increased by 267.2%, from SAR 67 thousand in the three-month period ended 31 March 2021G to SAR 246 thousand in the three-month period ended 31 March 2022G, as a result of relocating to the building in Al Qirawan and an increase in the number and size of projects during the same period.

Professional Fees

Professional fees expenses relate to the Auditor's fees and the Company's legal and financial consultancy expenses. Professional fees expenses increased by 71.7%, from SAR 274 thousand in the financial year 2019G to SAR 471 thousand in the financial year 2020G, as a result of: (1) an increase in legal consultancy expenses, as the monthly fees for legal consultancy increased from SAR 12 thousand to SAR 30 thousand, due to an increase in the number of cases in 2020G, in addition to an increase in the scope of the work of the legal adviser, (2) the re-classification of tax consultancy under the professional fees item rather than other expenses, as was done in the financial year 2019G, and (3) changing the auditor, which contributed to an increase in the Auditor's expenses by approximately SAR 100 thousand during the same period. Professional fees expenses continued to increase by 21.3%, reaching SAR 571 thousand in the financial year 2021G, mainly due to an increase in the Auditor's expenses during the same period.

Professional fees expenses increased by 392.9%, from SAR 28 thousand in the three-month period ended 31 March 2021G to SAR 138 thousand in the three-month period ended 31 March 2022G, as a result of an increase in legal consultancy expenses, in addition to the increase in translation, marketing and design expenses.

Government Fees

Government fees expenses increased by 60.5%, from SAR 232 thousand in the financial year 2019G to SAR 372 thousand in the financial year 2020G, and then by 57.7% to SAR 586 thousand in the financial year 2021G, in line with an increase in the average number of employees during this period. This led to an increase in accommodation expenses, related fees, renewal of employee licenses and exit and re-entry fees.

Government fees expenses decreased by 16%, from SAR 125 thousand in the three-month period ended 31 March 2021G to SAR 105 thousand in the three-month period ended 31 March 2022G, in line with a change in the residency permit renewal period, as the Company renewed the residency permits of some contracted employees for a period of 3 months rather than one year.

Maintenance and Repair

Maintenance and repair expenses increased by 57.9%, from SAR 159 thousand in the financial year 2019G to SAR 251 thousand in the financial year 2020G, in line with new buildings (the building in Al Qirawan and Al Khozama Building 2), which contributed to an increase in maintenance expenses during the same period. Maintenance and repair expenses increased by 136% to SAR 592 thousand in the financial year 2021G as a result of additional maintenance expenses related to Al Khozama Building 2 during this period.

Maintenance and repair expenses increased by 470.0%, from SAR 70 thousand in the three-month period ended 31 March 2021G to SAR 399 thousand in the three-month period ended 31 March 2022G, due to an increase in maintenance expenses for the building in Al Khozama.

Subscriptions

Subscriptions relate to IT software related to cybersecurity that the Company grants employees authority to use. Subscriptions expenses increased by 118.7%, from SAR 51 thousand in the financial year 2019G to SAR 111 thousand in the financial year 2020G. This was due to an increase in cybersecurity-related IT software subscriptions in light of an increase in the average number of employees by 14 employees during the same period. Subscriptions expenses decreased by 82.8% to SAR 19 thousand in the financial year 2021G, in line with the data center migration completed in the financial year 2021G, as all subscriptions were temporarily suspended and will be renewed in the financial year 2022G.

Subscriptions expenses increased by 200.0%, from SAR 2 thousand in the three-month period ended 31 March 2021G to SAR 6 thousand in the three-month period ended 31 March 2022G.

Telephone, Mail and Internet

Telephone, mail and internet expenses increased by 432.8%, from SAR 47 thousand in the financial year 2019G to SAR 248 thousand in the financial year 2020G, in line with the Company's acquisition of the building in Al Khozama during the financial year 2020G, which contributed to an increase in telephone, mail and internet expenses during the same period. Telephone, mail and internet expenses increased by 5.2% to SAR 261 thousand in the financial year 2021G, as a result of non-recurring expenses related to data center roaming between the Company's buildings during the same period.

Telephone and mail expenses increased by 709.1%, from SAR 11 thousand in the three-month period ended 31 March 2021G to SAR 89 thousand in the three-month period ended 31 March 2022G, due to providing the new building in Al Qirawan with internet during the three-month period ended 31 March 2022G.

Travel and Transportation

Travel and transportation expenses decreased by 56.7%, from SAR 30 thousand in the financial year 2019G to SAR 13 thousand in the financial year 2020G, due to the coronavirus pandemic (COVID-19) during the financial year 2020G. Travel and transportation expenses increased by 1,738.5% to SAR 239 thousand in the financial year 2021G as a result of lifting the travel ban during the same period.

Travel and transportation expenses increased by 111.8%, from SAR 17 thousand in the three-month period ended 31 March 2021G to SAR 36 thousand in the three-month period ended 31 March 2022G, as a result of the travel ban being lifted and an increase in the number of flights and transfers during the same period.

Donations

Donation expenses relate to annual contributions paid by the Company to a charitable organization, which amounted to SAR 101 thousand in the financial year 2019G, SAR 123 thousand in the financial year 2020G and SAR 101 thousand in the financial year 2021G. Donation expenses amounted to nil during the three-month period ended 31 March 2021G and 31 March 2022G.

Hospitality

Hospitality expenses are associated with employee hospitality expenses, which amounted to SAR 71 thousand in the financial year 2019G, SAR 67 thousand in the financial year 2020G and SAR 89 thousand in the financial year 2021G. Donation expenses amounted to nil during the three-month period ended 31 March 2021G and 31 March 2022G.

Other

Other expenses include general provisions among various other petty cash expenses. Other expenses decreased by 69%, from SAR 3.7 million in the financial year 2019G to SAR 1.1 million in the financial year 2020G, due to the lack of a provision for license renewal. Other expenses increased by 116.3% to SAR 2.4 million in the financial year 2021G, mainly as a result of a provision for license renewal.

Other expenses increased by 1,421.4% from SAR 28 thousand in the three-month period ended 31 March 2021G to SAR 426 thousand in the three-month period ended 31 March 2022G, as a result of an increase in communication, accessories, printing and computer peripherals expenses, in addition to other petty cash expenses during the same period.

6.7.9 Other Income, Net

Table (44): Other Income - net, for the Financial Years Ended 31 December 2019G, 2020G and 2021G and the Three-Month Periods Ended 31 March 2021G and 2022G

SAR'000	FY 2019G (Restated)	FY 2020G (Restated)	FY 2021G (Audited)	Annual Growth Rate 2019G - 2020G	Annual Growth Rate 2020G - 2021G	CAGR 2019G - 2021G	Three-Month Period Ended 31 March 2021G (Reviewed)	Three-Month Period Ended 31 March 2022G (Reviewed)	Growth Rate 2021G - 2022G
Rental revenue	613	653	1,263	6.4%	93.4%	43.5%	155	259	67.1%
Training revenue	-	-	517	0.0%	0.0%	0.0%	-	-	0.0%
Collection of bad debts	586	131	113	(77.7%)	13.5%	56.1%	-	-	0.0%
Reversal of provision no longer required	629	2,624	-	317.4%	(100%)	(100%)	-	-	0.0%
Reversal of suppliers' debts	-	1,671	-	0.0%	(100%)	0.0%	-	-	0.0%
Loss on sale of property, plant and equipment	-	(26)	(296)	0.0%	1,039.8%	0.0%	-	-	0.0%
Other	-	277	142	0.0%	(48.7%)	0.0%	-	-	0.0%
Total	**1,828**	**5,330**	**1,739**	**191.6%**	**(67.4%)**	**(2.5%)**	**155**	**259**	**67.1%**

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

Rental Revenue

Rental revenue is related to the Company's leasing of certain areas of its main offices to Related Parties (information technology Belt Company, Cloud Distribution Company, Sustainable Technology Company for Energy and Prime Technology Est.) with transactions carried out on a commercial basis. Rental revenue increased by 93.4%, from SAR 653 thousand in the financial year 2020G to SAR 1.3 million in the financial year 2021G, due to leasing additional area to Related Parties during the same period.

Rental revenue increased by 67.1%, from SAR 155 thousand in the three-month period ended 31 March 2021G to SAR 259 thousand in the three-month period ended 31 March 2022G, due to an increase in rental revenue from Related Parties from SAR 43.3 thousand per month to SAR 86.4 thousand per month during the same period, as a result of an increase in the rental area and the addition of a new tenant.

Training Revenue

Training revenue is related to revenue generated from consultancy services provided to a public sector client amounting to SAR 517 thousand in the financial year 2021G.

Collection of Bad Debts

Revenue from the collection of bad debts amounted to SAR 131 thousand in the financial year 2020G and is related to provisions for trade receivables that were recorded as a provision in previous years and were collected in the financial year 2020G. It is worth mentioning that SAR 1.0 million was collected in the financial year 2019G, classified under "Other revenue".

Reversal of Provision No Longer Required

Revenue generated from reversal of a provision no longer required relates to long-outstanding accruals which the Company does not expect to receive supplier invoices for. Accordingly, the Company decided to reverse the balances of these accrued expenses and record them within other revenue. Revenue from reversal of a provision no longer required amounted to SAR 2.6 million in the financial year 2020G.

Supplier Indebtedness Closure

Revenue generated from reversal of suppliers' debts relates to the reversal of payables to suppliers, either because (1) the amount was erroneously recorded twice in previous years, or (2) the supplier did not claim these credit balances against debts that were written off by suppliers. Reversal of suppliers' debts amounted to SAR 1.7 million in the financial year 2020G.

Loss on Sale of Property, Plant and Equipment

The net loss on the sale of property, plant and equipment amounted to SAR 296 thousand in the financial year 2021G, due to the disposal of computers.

Other

Other revenue mainly relates to scrap sales, asset sale revenue and revenue from consultancy services, as well as previous year amendments related to IFRS, among others. Other revenue amounted to SAR 278 thousand in the financial year 2020G and SAR 142 thousand in the financial year 2021G, which resulted mainly from scrap sales from the construction work in progress in the Al Qirawan building. As a result of the completion of the works in October 2021G, other revenue resulting from such decreased during the period.

6.7.10 Net Profit for the Year/Period

Table (45): Net Profit for the Financial Years Ended 31 December 2019G, 2020G and 2021G and the Three-Month Periods Ended 31 March 2021G and 2022G

SAR'000	FY 2019G (Restated)	FY 2020G (Restated)	FY 2021G (Audited)	Annual Growth Rate 2019G - 2020G	Annual Growth Rate 2020G - 2021G	CAGR 2019G - 2021G	Three-Month Period Ended 31 March 2021G (Reviewed)	Three-Month Period Ended 31 March 2022G (Reviewed)	Growth Rate 2021G - 2022G
Net profit for the year/period	23,005	64,371	80,616	179.8%	25.2%	87.2%	14,494	22,075	52.3%
Other comprehensive revenue									
Items that will not be reclassified to profit or loss in subsequent years									
Remeasurement of employees' defined benefit obligation	(451)	(2,291)	(127)	407.4%	(94.5%)	(47.0%)	-	-	N/A
Revaluation of investment at fair value through other comprehensive revenue	-	497	488	N/A	(2.1%)	N/A	140	270	93.3%
Total other comprehensive revenue/loss for the year/period	**(451)**	**(1,793)**	**361**	**297.6%**	**(120.1%)**	**N/A**			
Total comprehensive revenue for the year/period	**22,553**	**62,578**	**80,976**	**177.5%**	**29.4%**	**89.5%**	**14,634**	**22,345**	**52.7%**
Net profit margin for the year/period	**7.7%**	**12.9%**	**12.3%**	**-**	**-**	**-**	**11.7%**	**11.4%**	**-**

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

Net Profit for the Year/Period

Net profit for the year increased by 179.8%, from SAR 23.0 million in the financial year 2019G to SAR 64.4 million in the financial year 2020G (net profit margin for the year increased from 7.7% to 12.9%), mainly due to increased operating profit, in line with the increase in gross profit due to the increase in revenue of 61.8%, from SAR 298.1 million in the financial year 2019G to SAR 482.5 million in the financial year 2020G as a result of: (1) an increase in the revenue of the Customer Experience Unit of SAR 123.8 million; (2) an increase in the revenue of the Operation and Maintenance Unit of SAR 19.6 million, (3) in addition to an increase in the revenue of Software Development Unit projects of SAR 41.1 million. This was offset by an increase in the cost of revenue of 60.8%, from SAR 243.4 million in the financial year 2019G to SAR 391.5 million in the financial year 2020G.

General and administrative expenses increased by 26.5%, from SAR 15.8 million in the financial year 2019G to SAR 20.0 million in the financial year 2020G. In addition, the provision for expected credit losses decreased by 72.0%, from SAR 10.0 million in the financial year 2019G to SAR 2.8 million in the financial year 2020G. Moreover, other revenue increased by SAR 3.5 million during the same period.

Net profit continued to increase by 87.2% to SAR 80.6 million in the financial year 2021G (net profit margin for the year decreased from 12.9% to 12.3%), mainly due to an increase in revenue of 35.9%, reaching SAR 655.5 million in the financial year 2021G, mainly due to: (1) an increase in Customer Experience Unit revenue of SAR 70.5 million; (2) an increase in Operation and Maintenance Unit revenue of SAR 78.0 million; and (3) an increase in the revenue of Software Development Unit projects by SAR 24.5 million. This was offset by an increase in the cost of revenue of 37.8% to SAR 539.5 million in the financial year 2021G during the same period.

Sales and distribution expenses increased by 53.3% to SAR 7.8 million in the financial year 2021G, in addition to an increase in bank expenses amounting to SAR 1.3 million during the same period. Moreover, sales and distribution expenses increased from 1.1% (as a percentage of revenue) in the financial year 2020G to 1.2% (as a percentage of revenue) in the financial year 2021G. In addition, the provision for expected credit losses decreased from SAR 2.8 million in the financial year 2020G to SAR 1.5 million in the financial year 2021G. Financing costs increased by 8.7%, from SAR 2.3 million in the financial year 2020G to SAR 3.8 million in the financial year 2021G. Moreover, other revenue decreased from SAR 5.3 million in the financial year 2020G to SAR 1.7 million in the financial year 2021G.

Net profit increased by 52.3%, from SAR 14.5 million in the three-month period ended 31 March 2021G to SAR 22.1 million in the three-month period ended 31 March 2022G (net profit margin decreased from 11.7% to 11.4%), mainly due to the increase in operating profit, in line with the increase in gross profit, due to an increase in revenue of 55.6%, from SAR 124.3 million in the three-month period ended 31 March 2021G to SAR 193.5 million in the three-month period ended 31 March 2022G, as a result of: (1) an increase in the revenue of the Customer Experience Unit of SAR 26.2 million; (2) an increase in the revenue of the Operation and Maintenance Unit of SAR 33.9 million, in addition to (3) an increase in the revenue of Software Development Unit projects of SAR 9.1 million. This was offset by an increase in the cost of revenue of 58.6%, from SAR 102.0 million in the three-month period ended 31 March 2021G to SAR 161.8 million in the three-month period ended 31 March 2022G, in line with an increase of 1,487 in the average number of employees, in addition to an increase in the cost of equipment, software and support services of SAR 20.4 million, in line with the increase in the number of projects during the same period.

General and administrative expenses increased by 39.1%, from SAR 4.1 million in the three-month period ended 31 March 2021G to SAR 5.7 million in the three-month period ended 31 March 2022G. Sales and distribution expenses decreased by 51.1 %, from SAR 2.9 million in the three-month period ended 31 March 2021G to SAR 1.4 million in the three-month period ended 31 March 2022G. In addition, the provision for expected credit losses amounted to SAR 1.2 million in the three-month period ended 31 March 2022G, compared to nil in the three-month period ended 31 March 2021G.

Other Comprehensive revenue

Other comprehensive revenue/loss for the year (1) is related to actuarial profits and losses arising from the remeasurement of the defined employee benefits liability, as the defined employee benefits liability is re-measured by independent actuaries, (2) in addition to the profits and losses on revaluation of investments at fair value through other comprehensive revenue.

Other comprehensive loss for the year increased by 297.6%, from SAR 451 thousand (loss) in the financial year 2019G to SAR 1.8 million (loss) in the financial year 2020G, as a result of remeasurement of the defined employee benefits liability, from SAR 451 thousand in the financial year 2019G (loss) to SAR 2.3 million in the financial year 2020G (loss). This was offset by a revaluation of investments at fair value through other comprehensive revenue from nil in the financial year 2019G to SAR 497 thousand in the financial year 2020G.

Other comprehensive loss for the year decreased by 120.1% from SAR 1.8 million (loss) in the financial year 2020G to SAR 361 thousand (revenue) in the financial year 2021G, as a result of re-remeasurement of the defined employee benefits liability, from SAR 2.3 million in the financial year 2020G (loss) to SAR 127 thousand (loss) in the financial year 2021G. This was offset by revaluation of investments at fair value through other comprehensive revenue from SAR 497 thousand in the financial year 2020G to SAR 488 thousand in the financial year 2021G.

Other comprehensive revenue for the period increased by 93.3%, from SAR 140 thousand in the three-month period ended 31 March 2021G to SAR 270 thousand in the three-month period ended 31 March 2022G, as a result of the revaluation of investments at fair value through other comprehensive revenue during this period.

6.7.11 Statement of Financial Position

Table (46): Statement of Financial Position as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Audited)
Property and equipment, net	63,871	98,059	116,675	118,584
Investments at fair value through other comprehensive revenue	-	1,014	1,502	1,771
Investment in a subsidiary	-	19	-	-
Total non-current assets	**63,871**	**99,093**	**118,176**	**120,355**
Inventory	1,082	5,413	892	1,623
Due from Related Parties	6,923	3,960	1,607	8,231
Contract assets	36,489	61,707	192,098	186,893
Trade receivables	70,088	121,353	97,829	237,450
Prepaid expenses and other debit balances	20,321	14,547	21,290	26,369
Cash and cash equivalents	3,350	10,548	69,459	22,804
Total current assets	**138,253**	**217,529**	**383,175**	**483,370**
Total assets	**202,125**	**316,621**	**501,352**	**603,725**
Capital	20,000	20,000	20,000	150,000
Additional capital	6,670	6,670	6,670	-
Statutory reserve	2,690	6,000	6,000	-
Retained earnings	41,179	78,447	127,047	32,062
Total equity	**70,539**	**111,117**	**159,717**	**182,062**
Defined benefit obligation	7,389	13,817	20,916	23,755
Long-Term loans	-	9,953	7,256	9,290
Total non-current liabilities	**7,389**	**23,771**	**28,172**	**33,045**
Trade payables	12,591	27,385	67,426	49,987
Due to Related Parties	234	14,662	5,958	11,977
Short-Term loans	60,685	67,040	84,033	183,019
Current portion of long-term loans	-	848	2,697	-
Unearned revenue	22,612	29,459	58,337	63,213
Accrued expenses and other credit balances	26,613	40,595	91,538	76,098
Zakat payable	1,460	1,745	3,473	4,323
Total current liabilities	**124,196**	**181,733**	**313,463**	**388,618**
Total liabilities	**131,586**	**205,504**	**341,635**	**421,663**
Total equity and liabilities	**202,125**	**316,621**	**501,352**	**603,725**

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

Table (47): Key Performance Indicators for the Financial Years Ended 31 December 2019G, 2020G and 2021G and the Three-Month Periods Ended 31 March 2022G

Key Performance Indicators	As of 31 December 2019G (Management Information)	As of 31 December 2020G (Management Information)	As of 31 December 2021G (Management Information)	As of 31 March 2022G (Management Information)
Days sales outstanding (DSO) – Trade receivables (in days)	86	72	61	78
Days sales outstanding (DSO) – Trade receivables + contract assets (in days)	130	110	132	166
Days Inventory Outstanding (DIO) (in days)	4	9	7	6
Days payables outstanding (DPO) (in days)	37	46	84	85
Cash conversion cycle (CCC) (days) (5)	93	64	48	81
Liquidity ratio (6)	1.1	1.2	1.2	1.2
Return on assets (7)	11.4%	20.3%	16.1%	14.6%
Return on equity (8)	32.6%	57.9%	50.5%	48.5%

Source: Management information.

(1) Calculated based on = (average total trade receivables for the previous and current year/revenue) x 365 days or 90 days for the period of March 2022G.

(2) Calculated based on = (average total trade receivables for the previous and current year + contract assets for the previous and current year)/revenue) x 365 days or 90 days for the period of March 2022G.

(3) Calculated based on = (average total inventory for the previous and current year/cost of equipment, software, services and support) x 365 days or 90 days for the period of March 2022G.

(4) Calculated based on = (average total payables for the previous and current year/cost of revenue minus salaries, wages and other benefits) x 365 days or 90 days for the period of March 2022G.

(5) Calculated based on = average days of receivables and contract assets - average days of payables.

(6) Calculated based on = (total current assets/total current liabilities).

(7) Calculated based on = (net profit for the year/total assets) for the financial periods ended 31 December 2019G, 2020G and 2021G. For the period Ended 31 March 2022G, this was calculated based on = (net profit for the period * 4/total assets).

(8) Calculated based on = (net profit for the year/total equity) for the financial periods ended 31 December 2019G, 2020G and 2021G. For the period Ended 31 March 2022G, this was calculated based on = (net profit for the period * 4/total equity).

Non-Current Assets

Total non-current assets increased by SAR 35.2 million, from SAR 63.9 million as of 31 December 2019G to SAR 99.1 million as of 31 December 2020G. This was mainly due to an increase in the net book value of property, plant and equipment of SAR 34.2 million in the financial year 2020G as a result of (1) the purchase of the plot in Al Khozama amounting to SAR 3.4 million, (2) the addition of Al Khozama Building 2 amounting to SAR 4.1 million during the financial year 2020G, offset by depreciation expenses amounting to SAR 1.1 million and (3) an increase in the net book value of projects under construction from SAR 45 million as of 31 December 2019G to SAR 70.1 million as of 31 December 2020G, as a result of additions amounting to SAR 25.1 million during the year, which were related to the purchase of equipment and supplies, in addition to construction and energy works during the same period.

Total non-current assets increased to SAR 118.2 million as of 31 December 2021G, due to (1) an increase in the net book value of land plots from SAR 7.0 million as of 31 December 2020G to SAR 52.1 million as of 31 December 2021G, as a result of transferring the Al Qirawan Building land plot from projects under construction to land plots, amounting to SAR 45.1 million, (2) an increase in the net book value of buildings from SAR 14.9 million as of 31 December 2020G to SAR 52.2 million as of 31 December 2021G, as a result of transferring the building in Al Qirawan from projects under construction to buildings, which was offset by (3) a decrease in the net book value of projects under construction to nil as of 31 December 2021G, due to transfers to the items of buildings (SAR 38.6 million), land plots (SAR 45.1 million) and construction and fittings (SAR 3.5 million), as a result of the completion of the construction of the building in Al Qirawan during the financial year 2021G.

Total non-current assets increased by SAR 2.2 million, from SAR 118.2 million as of 31 December 2021G to SAR 120.4 million as of 31 March 2022G, mainly due to an increase in the net book value of property, plant and equipment by SAR 1.9 million, as a result of an increase in the net book value of projects under construction by SAR 2.6 million related to the expansion of the building in Al Qirawan, which was offset by the annual depreciation of property, plant and equipment, in addition to an increase in the investment at fair value through other comprehensive income by SAR 269.8 thousand during the same period.

Current Assets

Total current assets increased by SAR 79.3 million, from SAR 138.3 million as of 31 December 2019G to SAR 217.5 million as of 31 December 2020G, as a result of (1) an increase in the contract assets balance from SAR 36.5 million as of 31 December 2019G to SAR 61.7 million as of 31 December 2020G, mainly due to government projects during this period, (2) an increase in the trade receivables balance, from SAR 70.1 million as of 31 December 2019G to SAR 121.4 million as of 31 December 2020G, in line with the increase in revenue during the year from existing government projects, which was offset by (3) a decrease in the prepaid expenses and other debit balances from SAR 20.3 million as of 31 December 2019G to SAR 14.5 million as of 31 December 2020G.

Total current assets increased to SAR 383.2 million as of 31 December 2021G as a result of (1) an increase in the contract assets balance to SAR 192.1 million as of 31 December 2021G, mainly due to an increase in the number of projects during the financial year 2021G, in addition to an increase in the unbilled due amounts mostly related to projects with public sector clients and other projects during this period, in addition to the update of the of Enterprise Resource Planning (ERP), which led to some delays in the issuance of invoices, (2) an increase in the balance of prepaid expenses and other debit balances from SAR 14.5 million as of 31 December 2020G to SAR 21.3 million as of 31 December 2021G, (3) an increase in bank balances and cash in hand from SAR 10.5 million as of 31 December 2020G to SAR 69.5 million as of 31 December 2021G, in line with an increase in cash generated from operating activities due to an increase in net profit during the year, which was offset by (4) a decrease in the trade receivables balance from SAR 121.4 million as of 31 December 2020G to SAR 97.8 million as of 31 December 2021G, as a result of payment of amounts owed by clients during this period.

Total current assets increased by SAR 100.2 million, from SAR 383.2 million as of 31 December 2021G to SAR 483.4 million as of 31 March 2022G, as a result of (1) an increase in inventory from SAR 892 thousand as of 31 December 2021G to SAR 1.6 million as of 31 March 2022G, (2) an increase in the balance due from Related Parties from SAR 1.6 million as of 31 December 2021G to SAR 8.2 million as of 31 March 2022G, (3) an increase in the prepaid expenses and other debit balances from SAR 21.3 million as of 31 December 2021G to SAR 26.4 million as of 31 March 2022G, (4) an increase in the trade receivables balance from SAR 97.8 million as of 31 December 2021G to reach SAR 237.5 million as of 31 March 2022G, which was offset by (5) a decrease in the contract assets balance from SAR 192.1 million as of 31 December 2021G to SAR 186.9 million as of 31 March 2022G and (6) a decrease in bank balances and cash in hand from SAR 69.5 million as of 31 December 2021G to SAR 22.8 million as of 31 March 2022G.

Equity

Total equity increased by SAR 40.6 million from SAR 70.5 million as of 31 December 2019G to SAR 111.1 million as of 31 December 2020G, as a result of an increase in retained earnings from SAR 41.2 million as of 31 December 2019G to SAR 78.4 million as of 31 December 2020G due to the achievement of a net profit of SAR 62.5 million during the financial year 2020G. This was offset by a dividend distribution of SAR 22.0 million and a transfer of SAR 3.3 million to the statutory reserve account during the same period.

Total equity increased by SAR 48.6 million to SAR 159.7 million as of 31 December 2021G as a result of an increase in retained earnings from SAR 78.4 million as of 31 December 2020G to SAR 127.0 million as of 31 December 2021G, in line with the Company's net profit of SAR 80.6 million during the financial year 2021G. This was offset by a dividend distribution of SAR 32.3 million.

Total equity increased by SAR 23.2 million, from SAR 159.7 million as of 31 December 2021G to SAR 182.1 million as of 31 March 2022G, as a result of an increase in the Company's capital from SAR 20 million as of 31 December 2021G to SAR 150 million as of 31 March 2022G. This was offset by a decrease in the retained earnings balance from SAR 127.0 million as of 31 December 2021G to SAR 32.9 million as of 31 March 2022G, mainly due to the transfer of SAR 117.3 million to the capital account for the purpose of raising the capital during the same period.

Non-Current Liabilities

Total non-current liabilities increased by SAR 16.4 million, from SAR 7.4 million as of 31 December 2019G to SAR 23.8 million as of 31 December 2020G, as a result of (1) an increase in employees' defined benefit obligations from SAR 7.4 million as of 31 December 2019G to SAR 13.8 million as of 31 December 2020G, due to an increase in the cost of service (SAR 4.3 million) as a result of an increase in the number of employees, an increase in wages, and the accumulation of an actuarial re-measurement loss (SAR 1.8 million) in line with modifying the assumptions after the salary increments granted to the employees, and (2) an increase in the non-current portion of long-term loans which amounted to SAR 9.9 million as of 31 December 2020G.

Total non-current liabilities increased by SAR 4.4 million, from SAR 23.8 million as of 31 December 2020G to SAR 28.2 million as of 31 December 2021G, as a result of (1) an increase in employees' defined benefit liabilities to SAR 20.9 million as of 31 December 2021G, mainly due to the current cost of service of SAR 5.4 million during the same period, offset by a decrease in the loss of actuarial remeasurement (SAR 2.2 million), which was offset by (2) a decrease in the non-current portion of long-term loans, from SAR 9.9 million as of 31 December 2020G to SAR 7.3 million as of 31 December 2021G.

Total non-current liabilities increased by SAR 4.9 million, from SAR 28.2 million as of 31 December 2021G to SAR 33.0 million as of 31 March 2022G, as a result of (1) an increase in employees' defined benefit liabilities from SAR 20.9 million as of 31 December 2021G to SAR 23.8 million as of 31 March 2022G, in line with the cost of service of SAR 4.1 million during the same period, and (2) an increase in the non-current portion of long-term loans from SAR 7.3 million as of 31 December 2021G to SAR 9.3 million as of 31 March 2022G.

Current Liabilities

Total current liabilities increased by SAR 57.5 million, from SAR 124.2 million as of 31 December 2019G to SAR 181.7 million as of 31 December 2020G. This is mainly due to (1) an increase in the balance of trade payables from SAR 12.6 million as of 31 December 2019G to SAR 27.4 million as of 31 December 2020G due to the increase in purchases during this period, (2) an increase in the balance of unearned revenue from SAR 22.6 million as of 31 December 2019G to SAR 29.5 million as of 31 December 2020G due to an increase in unearned revenue related to Bulk SMS (SAR 9.6 million), offset by a decrease in unearned revenue related to projects (SAR 2.8 million), (3) an increase in balances due to Related Parties from SAR 234 thousand as of 31 December 2019G to SAR 14.7 million as of 31 December 2020G as a result of an increase in the amounts received from The Ideal for Business and Investment Trade Company (SAR 5.8 million) in order to finance the Al Qirawan Building project, along with an increase in the outstanding balance of Prime Technology Est. (SAR 6.8 million), (4) an increase in the accrued expenses balance and other credit balances from SAR 26.6 million as of 31 December 2019G to SAR 40.6 million as of 31 December 2020G as a result of (a) accumulated leave (SAR 10.4 million) in line with the impact of the coronavirus pandemic (COVID-19) and the unused leave days by some employees during the pandemic, along with (b) an increase in commissions paid to the sales employees (SAR 2.2 million).

Total current liabilities increased by SAR 131.7 million to reach SAR 313.5 million as of 31 December 2021G, as a result of (1) an increase in the balance of trade payables to SAR 67.4 million as of 31 December 2021G due to an increase in purchases in line with the increase in the volume of the Company's operations during this period, (2) an increase in short-term loans from SAR 67.0 million as of 31 December 2020G to SAR 84.0 million as of 31 December 2021G in line with an increase in the volume of the Company's operations and activities in addition to the accumulation of the trade receivables balance which led to an increase in short-term loans to finance working capital during the same period, (3) an increase in the balance of unearned revenue to reach SAR 58.3 million as of 31 December 2021G as, in some cases, payments were received from clients according to the agreed payment schedule but before delivery of the full deliverables, which led to an increase in the balance of unearned revenue during the year, (4) an increase in the accrued expenses balance and other credit balances from SAR 40.6 million as of 31 December 2020G to SAR 91.5 million as of 31 December 2021G, as a result of an increase in accrued salaries (SAR 33.7 million) which were settled in January 2022G, along with project accruals (SAR 9.7 million) consisting mainly of provisions against the expected costs of terminated/closed projects, in addition to VAT payable (SAR 6.8 million), which was offset by (5) a decrease in the balance due to a Related Party from SAR 14.7 million as of 31 December 2020G to SAR 5.9 million as of 31 December 2021G as a result of the settlement of an amount due to Prime Technology Est. of SAR 4.9 million.

Total current liabilities increased by SAR 75.2 million, from SAR 313.5 million as of 31 December 2021G to SAR 388.6 million as of 31 March 2022G, as a result of (1) an increase in short-term loans from SAR 84.0 million as of 31 December 2021G to SAR 183.0 million as of 31 March 2022G, in line with an increase in the volume of the Company's operations and activity, (2) an increase in the balance of unearned revenue to SAR 63.2 million as of 31 March 2022G, as in some cases, payments were received from clients according to the agreed payment schedule but before delivery of full deliverables, which led to an increase in the balance of unearned revenue during the year, (3) an increase in the balance due to Related Parties from SAR 6.0 million as of 31 December 2021G to SAR 12.0 million as of 31 March 2022G, offset by (4) a decrease in the balance of trade payables from SAR 67.4 million as of 31 December 2021G to SAR 50.0 million as of 31 March 2022G, and (5) a decrease in the accrued expenses and other credit balances from SAR 91.5 million as of 31 December 2021G to SAR 76.1 million as of 31 March 2022G, mainly due to a decrease in the balance of salaries and wages due from SAR 35.3 million as of 31 December 2021G to SAR 101 thousand as of 31 March 2022G as a result of the payment of salaries (including employee bonuses) due at the beginning of the financial year 2022G.

6.7.12 Non-Current Assets

Table (48): Non-current Assets as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Reviewed)	As of 31 March 2022G (Reviewed)
Property and equipment, net	63,871	98,059	116,675	118,584
Investments at fair value through other comprehensive revenue	-	1,014	1,502	1,771
Investment in a subsidiary	-	19	-	-
Total	**63,871**	**99,092**	**118,176**	**120,355**

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

6.7.13 Property and Equipment

Table (49): Net Book Value of Property and Equipment as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Management Information)
Land	3,587	7,028	52,074	52,074
Buildings	11,917	14,937	52,189	51,675
Vehicles	347	202	682	645
Furniture and fixtures	1,005	1,813	3,549	3,376
Computers	1,781	3,728	4,446	4,446
Construction and fittings	75	75	3,636	3,636
Leasehold improvements	114	101	100	100
Projects under construction	45,045	70,174	-	2,631
Total	**63,871**	**98,059**	**116,675**	**118,584**

Source: The audited financial statements for the financial year ended 31 December 2021G and Management information.

Table (50): Additions to Property and Equipment as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Management Information)
Land	-	3,441	-	-
Buildings	14	4,084	-	-
Vehicles	-	165	551	
Furniture and fixtures	361	1,224	1,859	289
Computers	38	2,671	1,691	-
Construction and fittings	-	-	150	-
Leasehold improvements	4	-	-	-
Projects under construction	45,045	25,129	17,551	2,631
Total	**45,461**	**36,715**	**21,802**	**2,921**

Source: The audited financial statements for the financial year ended 31 December 2021G and Management information.

Table (51): Depreciation of Property and Equipment as of 31 December 2019G, 2020G and 2021G and 31 March 31 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Management Information)
Buildings	967	1,063	1,334	513
Vehicles	258	201	71	37
Furniture and fixtures	308	416	532	462
Computers	628	724	872	-
Construction and fittings	81	-	79	-
Leasehold improvements	7	13	1	-
Total	**2,249**	**2,417**	**2,891**	**1,011**

Source: The audited financial statements for the financial year ended 31 December 2021G and Management information.

The net book value of property, plant and equipment amounted to SAR 118.6 million as of 31 March 2022G and mainly consists of 3 buildings representing the Company's headquarters, and two buildings used as call centers, land, computers used in administration, projects and vehicles.

Land

As of 31 March 2022G, the lands owned by the Company amounted to 3 land plots within the Kingdom of Saudi Arabia, namely:

- A plot of land in Diriyah with a value of SAR 3.6 million on which the Company's headquarters is located.
- A plot of land in Diriyah with a value of SAR 3.4 million on which Al-Khozama Building 2 is located.
- A piece of land in Al Qirawan with a value of SAR 45.1 million on which Al Qirawan Building is located.

The land stock increased from SAR 3.6 million as of 31 December 2019G to SAR 7.0 million as of 31 December 2020G as a result of the purchase of the land plot in Diriyah with a value of SAR 3.4 million. The land stock increased from SAR 7.0 million as of 31 December 2020G to SAR 52.1 million as of 31 December 2021G and 31 March 2022G as a result of the conversion of the Al Qirawan building plot from the projects under construction item to land amounting to SAR 45.1 million.

Buildings

The book value of buildings amounted to SAR 51.7 million as of 31 March 2022G and comprised of of 3 buildings:

- The Company's main headquarters in Diriyah, worth SAR 10.0 million, where the administration, finance and human resources department units are located.
- Al-Khozama Building 2 in Diriyah, worth SAR 3.7 million and used as a call center.
- Al Qirawan Building, worth SAR 40.7 million, construction of which was completed during the financial year 2021G and which is used as a call center.

The net book value of buildings increased from SAR 11.9 million as of 31 December 2019G to SAR 14.9 million as of 31 December 2020G, mainly due to the addition of Al-Khozama Building 2 amounting to SAR 4.2 million during the financial year 2020G, offset by depreciation expenses amounting to SAR 1.1 million. The net book value of buildings continued to rise to SAR 52.2 million as of 31 December 2021G as a result of the conversion of the building in Al Qirawan from the projects under construction item to buildings. The net book value of buildings decreased partially to SAR 51.7 million as of 31 March 2022G as a result of depreciation expenses amounting to SAR 513 thousand during the same period.

Vehicles

The net book value of vehicles decreased from SAR 347 thousand as of 31 December 2019G to SAR 202 thousand as of 31 December 2020G, as a result of the disposal of some vehicles amounting to SAR 109 thousand, in addition to depreciation expenses amounting to SAR 201 thousand. This was offset by additions of SAR 165 thousand during the same period.

The net book value of vehicles increased to SAR 682 thousand as of 31 December 2021G, due to the purchase of 9 vehicles amounting to SAR 551 thousand during the same period. The net book value of vehicles decreased partially to SAR 645 thousand as of 31 March 2022G as a result of depreciation expenses amounting to SAR 37 thousand during the same period.

Furniture and Fixtures

The book value of furniture and fixtures relates to air conditioning units, chairs, tables and other office furniture. The net book value of furniture and fixtures increased from SAR 1.0 million as of 31 December 2019G to SAR 1.8 million as of 31 December 2020G, as a result of additions amounting to SAR 1.2 million related to Al-Khozama Building 2. This was offset by depreciation expenses amounting to SAR 416 thousand during the same period. The net book value of furniture and fixtures continued to rise to SAR 3.5 million as of 31 December 2021G, as a result of additions and transfers of SAR 2.3 million, offset by depreciation expenses of SAR 532 thousand, and net exclusions of SAR 80 thousand related to the new building in Al Qirawan. The net book value of furniture and fixtures decreased partially to SAR 3.5 million as of 31 March 2022G, mainly due to depreciation expenses amounting to SAR 462 thousand during the same period.

Computers

Computers comprise of computers and other information systems equipment. The net book value of computers increased from SAR 1.8 million as of 31 December 2019G to SAR 3.7 million as of 31 December 2020G and then to SAR 4.4 million as of 31 December 2021G and 31 March 2022G, due to additions of computers, in line with an increase in the number of projects and employees during the same period.

Construction and Fittings

The net book value of construction and fittings comprised of works carried out on the roof of the Company's headquarters. The book value of construction and fittings stabilized at SAR 75 thousand as of 31 December 2019G and 2020G. The net book value of construction and fittings increased to SAR 3.6 million as of 31 December 2021G and 31 March 2022G, mainly due to transfers from the projects under construction item in connection with elevators.

Leasehold Improvements

The net book value of leasehold improvements relates to installations and improvements made to Al-Khozama Building 2 prior to its purchase in the financial year 2020G. The net book value of leasehold improvements decreased from SAR 114 thousand as of 31 December 2019G to SAR 101 thousand as of 31 December 2020G, then to SAR 100 thousand as of 31 December 2021G and 31 March 2022G as a result of depreciation expenses during the same period.

Projects Under Construction

The balance of projects under construction increased from SAR 45 million as of 31 December 2019G to SAR 70.2 million as of 31 December 2020G, as a result of additions amounting to SAR 25.1 million related to the purchase of equipment, in addition to construction and energy works during the same period. The balance of projects under construction decreased to nil as of 31 December 2021G driven by the transfers to the buildings (amounting to SAR 38.6 million), land (amounting to SAR 45.1 million) and construction and fittings (amounting to SAR 3.5 million) items as a result of the completion of the building in Al Qirawan during the financial year 2021G. The balance of projects under construction amounted to SAR 2.6 million as of 31 March 2022G as a result of additions related to the expansion of the building in Al Qirawan.

6.7.14 Investments at Fair Value through Other Comprehensive Revenue

Table (52): Investments at Fair Value Through Other Comprehensive Revenue as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Management Information)
1 January	-	-	1,014	1,502
Additions during the year	-	516	-	-
Change in fair value during the year	-	497	487	270
As of 31 December	**-**	**1,014**	**1,502**	**1,771**

Source: The audited financial statements for the financial year ended 31 December 2021G and Management information.

The balance of investments at fair value through comprehensive revenue amounted to SAR 1.0 million as of 31 December 2020G related to the purchase of 9,303 shares in Dr. Sulaiman Al Habib Hospital during the financial year 2020G. This balance increased to SAR 1.5 million as of 31 December 2021G in line with an increase in the fair value of the shares of Dr. Sulaiman Al Habib Hospital during the same period. As of 31 March 2022G, the balance of investments at fair value through comprehensive income amounted to SAR 1.8 million.

6.7.15 Investment in a Subsidiary

Table (53): Investment in a Subsidiary as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

Name of subsidiary	Ownership (%) FY 2019G	Ownership (%) FY 2020G	Ownership (%) FY 2021G	Ownership (%) As of 31 March 2022G	Country of Incorporation
Smart Health Communications and Information Technology Company	-	67%	-	-	Kingdom of Saudi Arabia

Source: The audited financial statements for the financial year ended 31 December 2021G.

Table (54): Summary of the Movement of an Investment in a Subsidiary as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Management Information)
1 January	-	-	19	-
Additions during the year	-	67	-	-
Share in the net losses of a subsidiary	-	(48)	-	-
Disposals during the year	-	-	(19)	-
As of 31 December	**-**	**19**	**-**	**-**

Source: The audited financial statements for the financial year ended 31 December 2021G and Management information.

Share in the Net Losses of a Subsidiary

Share in the net losses of a subsidiary relate to the Company's share in the losses of Smart Health Communications and Information Technology Company, which was established during the financial year 2020G and which was owned 67% by the Company with the investment amounting to SAR 67 thousand. During the financial year 2020G, this investment was accounted for using the equity method instead of consolidation as the Company benefited from the exemptions of international standards by not preparing consolidated financial statements, since the ultimate parent Company, The Ideal for Business and Investment Trade Company, prepares consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and the standards and other issuances issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA), as well as the requirements of the Saudi Companies Law and the Company's Articles of Association related to the preparation and presentation of financial statements. According to the restated financial statements as of 31 December 2020G, the investment in the subsidiary amounted to SAR 19 thousand after recording the Company's share in the subsidiary's net losses of SAR 48 thousand.

Disposal of an Investment in a Subsidiary

According to the restated financial statements, as of 31 December 2021G, the Company has disposed all of its shares in the subsidiary (along with its rights and obligations) at a value of SAR 19 thousand. The legal procedures have been completed by the transfer of such shares and the amendment of the Articles of Association in this regard.

6.7.16 Current Assets

Table (55): Current Assets as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Reviewed)
Inventory	1,082	5,413	892	1,623
Due from Related Parties	6,923	3,960	1,607	8,231
Contract assets	36,489	61,707	192,098	186,893
Trade receivables	70,088	121,353	97,829	237,450
Prepaid expenses and other debit balances	20,321	14,547	21,290	26,369
Cash and cash equivalents	3,350	10,548	69,459	22,804
Total	**138,253**	**217,529**	**383,175**	**483,370**
Key Performance Indicators				
days sales outstanding (DSO) – trade receivables (in days)	86	72	61	78
Average days of accounts receivable and contract assets (days)	130	110	132	166

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

6.7.17 Inventory

Table (56): Inventory as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Management Information)
Bulk SMS	1,082	1,330	843	1,574
Fingerprint devices	-	4,083	48	48
Total	**1,082**	**5,413**	**892**	**1,623**
Average age of inventory (days)	4	9	7	6

Source: The audited financial statements for the financial year ended 31 December 2021G and Management information.

Bulk SMS

Bulk SMS inventory relates to unused Bulk SMS obtained from local network service providers to be resold/disbursed to clients as messages, OTPs, etc. to access websites and applications. It is worth mentioning that the inventory balance at the end of the year was low in relation to Bulk SMS given that invoice is done based on used Bulk SMS whereas the purchase of Bulk SMS from local network service providers is prepaid. Thus, the unused balances appear in inventory. Bulk SMS inventory increased from SAR 1.1 million as of 31 December 2019G to SAR 1.3 million as of 31 December 2020G, then decreased to SAR 843 thousand as of 31 December 2021G as a result of clients' consumption rates during the period.

Inventory increased to SAR 1.6 million as of 31 March 2022G as a result of an increase in the Bulk SMS inventory during the same period.

Fingerprint Devices

Fingerprint device inventory is related to the fingerprint devices of a clock-in clock-out system project for a government entity. Fingerprints device inventory decreased from SAR 4.1 million as of 31 December 2020G to SAR 48 thousand as of 31 December 2021G and 31 March 2022G due to the use of the inventory in projects as the Company does not keep Inventory stock unless they relate to projects.

6.7.18 Due from Related Parties

Table (57): Due from Related Parties as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Reviewed)
Information Technology Belt Company	625	738	1,571	7,601
Perfect Presentation for Trading - Egypt	882	882	-	-
Prime Technology Est.	-	-	-	595
Wahaj Energy Company	-	-	27	27
Fawran Smart Logistics Company	-	-	9	9
Perfect Presentation for Technology - Jordan	1,144	1,322	-	-
Cloud Distribution Company for Communications and IT (Cloud Distribution)	2,675	913	-	-
Smart Health Communications and Information Technology Company	-	105	-	-
Sustainable Energy Company	1,360	-	-	-
Nasser Abdullah bin Mohamed Albassam	90	-	-	-
The Ideal for Business and Investment Trade Company	74	-	-	-
Saleh bin Ibrahim bin Hamad Al Mazroua	73	-	-	-
Total	**6,923**	**3,960**	**1,607**	**8,231**

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

Information Technology Belt Company

Information Technology Belt Company is a sister company providing services in the field of cybersecurity and the installation of surveillance cameras. The balance of receivables due from Information Technology Belt Company increased from SAR 625 thousand as of 31 December 2019G to SAR 738 thousand as of 31 December 2020G, then to SAR 1.6 million as of 31 December 2021G and SAR 7.6 million as of 31 March 2022G, in line with the increase in transactions and services between the Related Parties during the same period.

Perfect Presentation for Trading - Egypt

Perfect Presentation for Trading - Egypt is an affiliate company. Perfect Presentation for Commercial Services financed commercial transactions on behalf of Perfect Presentation for Trading - Egypt. The balance decreased from SAR 882 thousand as of 31 December 2019G and 2020G to nil as of 31 December 2021G and 31 March 2022G as a result of settlements that were made during such period.

Prime Technology Est.

Prime Technology Est. is a shareholder/partner-related company working on the Al Qirawan Building project, in addition to government subcontracting projects. The outstanding balance of receivables due from Prime Technology Est. amounted to SAR 595 thousand as of 31 March 2022G, and mainly related to rent income receivable..

Wahaj Energy Company

Wahaj Energy Company is a shareholder/partner-related company. The balance of receivables due from Wahaj Energy Company amounted to SAR 27 thousand as of 31 December 2021G and 31 March 2022G, which represents payments made on behalf of Wahaj Energy Company.

Fawran Smart Logistics Company

The amounts owed by Fawran Smart Logistics Company an affiliate company represent amounts related to payments made on It's behalf. The balance of receivables due from Fawran Smart Logistics Company amounted to SAR 9 thousand as of 31 December 2021G and 31 March 2022G.

Perfect Presentation for Technology - Jordan

Perfect Presentation for Technology - Jordan is an affiliate company. Perfect Presentation for Commercial Services financed the capital increase on behalf of Perfect Presentation for Technology - Jordan. The balance of receivables due from Perfect Presentation for Technology - Jordan increased from SAR 1.1 million as of 31 December 2019G to SAR 1.3 million as of 31 December 2020G as a result of the increase in the amounts transferred to the affiliate company during the year. The balance decreased to nil as of 31 December 2021G as a result of settlements that were made during such period.

Cloud Distribution Company for Communications and Information Technology (Cloud Distribution)

Cloud Distribution Company for Communications and Information Technology (Cloud Distribution) is an affiliate. The balance due from it represents commercial transactions and purchases. The balance of receivables due from Cloud Distribution Company for Communications and Information Technology (Cloud Distribution) decreased from SAR 2.7 million as of 31 December 2019G to SAR 913 thousand as of 31 December 2020G and to nil as of 31 December 2021G as a result of settlements that were made during such period.

Smart Health Communications and Information Technology Company

Smart Health Communications and Information Technology Company is a subsidiary established during the financial year 2020G. Perfect Presentation Company owned 67% with a value of SAR 67 thousand. The balance of receivables due from Smart Health Communications and Information Technology Company concerns government expenses related to the legal incorporation of the company. The balance decreased from SAR 105 thousand as of 31 December 2020G to nil as of 31 December 2021G as a result of the Company disposing all of its shares of the subsidiary company (including its rights and obligations).

Sustainable Energy Company

Sustainable Energy Company is an affiliate company whereby the balance represents commercial transactions and purchases. The balance decreased from SAR 1.4 million as of 31 December 2019G to nil as of 31 December 2020G as a result of settlements that were made during such period.

Nasser Abdullah bin Mohamed Albassam

The balance due from Nasser Abdullah bin Mohamed Albassam relates to a balance due from one of the Company's owners. The balance decreased from SAR 90 thousand as of 31 December 2019G to nil as of 31 December 2020G as a result of settlements that were made during such period.

The Ideal for Business and Investment Trade Company

The balance due from The Ideal for Business and Investment Trade Company relates to a balance due as a result of financing operations. The balance decreased from SAR 74 thousand as of 31 December 2019G to SAR 1 thousand as of 31 December 2020G as a result of settlements that were made during such period.

Saleh bin Ibrahim bin Hamad Al Mazroua

The balance of receivables due from Saleh bin Ibrahim bin Hamad Al Mazroua relates to a balance due from one of the Company's owners. The balance decreased from SAR 73 thousand as of 31 December 2019G to nil as of 31 December 2020G as a result of settlements that were made during such period.

6.7.19 Contract Assets

Table (58): Contract Assets as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Management Information)	As of 31 December 2020G (Management Information)	As of 31 December 2021G (Management Information)	As of 31 March 2022G (Management Information)
Government Entity No. 1 projects	4,526	2,290	38,923	38,055
Government Entity No. 7 projects	701	11,000	21,860	22,984
Government Entity No. 18 project	-	2,705	8,538	7,618
Government Entity No. 3 projects	1,386	9,556	5,215	6,323
Government Entity No. 2 projects	-	3,197	19,638	5,731
Government Entity No. 4 project	2,103	2,685	2,024	2,524
Government Entity No. 8 project	-	5,799	2,069	2,054
Other	27,773	24,474	93,831	101,604
Total	**36,489**	**61,707**	**192,098**	**186,893**

Source: Management information.

The contract asset balance represents amounts due from clients under contracts relating to the Customer Experience Unit, Operation and Maintenance Unit and Software Development Unit projects. The Company has the right to issue invoices to clients for the activities carried out based on the achievement of a series of performance milestones. When a certain performance milestone is achieved, a certificate of completion and an invoice for the payment related to the performance milestone are shared with the customers (after the deliverables are reviewed by third party consultants affiliated with clients) provided that the Company has previously recognized the contract assets for any work performed. Any amounts previously recognized as contract assets shall be reclassified to trade receivables when invoices are issued and approved by clients.

Contract assets increased from SAR 36.5 million as of 31 December 2019G to SAR 61.7 million as of 31 December 2020G, mainly due to projects with public sector clients during such period. The balance of contract assets increased to SAR 192.1 million as of 31 December 2021G, mainly due to an increase in the number of projects during the financial year 2021G, in addition to an increase in the unbilled amounts, mostly related to projects with public sector clients in addition to other projects during such period. The balance of contract assets decreased to SAR 186.9 million as of 31 March 2022G, as a result of issuing invoices amounting to SAR 144.2 million, which was offset by an increase in the balance of contract assets as a result of additions amounting to SAR 139.0 million during Q1 of the financial year 2022G, driven by the increase in the number of projects during the same period.

6.7.20 Trade Receivables

Table (59): Trade Receivables as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Reviewed)
Trade receivables	74,672	122,000	99,981	240,812
Provision for expected credit losses	(4,583)	(647)	(2,152)	(3,362)
Total	**70,089**	**121,353**	**97,829**	**237,450**
Key Performance Indicators				
days sales outstanding (DSO) – trade receivables (in days)	86	72	61	78
Average days of accounts receivable and contract assets (days)	130	110	132	166

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

Table (60): Movement of the Provision for Expected Credit Losses as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Reviewed)
1 January	-	4,583	647	2,152
Additions	10,032	2,804	1,505	1,210
Written-off	(5,449)	(6,740)	-	-
As of 31 December	**4,583**	**647**	**2,152**	**3,363**

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

Table (61): Trade Debtor Aging Analysis as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	Current	31 - 60 days	61 - 90 days	91 - 180 days	181 - 360 days	More than 360 days	Total
March 2022G	78,639	65,106	29,611	38,430	12,908	16,118	**240,812**
December 2021G	16,252	9,903	29,247	18,798	13,824	11,957	**99,981**
December 2020G	40,386	34,918	17,151	15,686	10,000	3,693	**122,000**
December 2019G	28,558	12,558	9,843	9,161	7,902	7,902	**74,671**

Source: The audited financial statements for the financial year ended 31 December 2021G and Management information.

The (net) balance of trade receivables amounted to SAR 237.5 million as of 31 March 2022G, whereby the receivables included balances amounting to SAR 16.10 million with an age of more than 360 days. The Company recorded impairment losses on trade receivables in the revenue statement amounting to SAR 10.0 million, SAR 2.8 million, SAR 1.5 million and SAR 1.2 million in the financial years 2019G, 2020G and 2021G and the three-month period ended 31 March 2022G, respectively.

Table (62): Trade Receivables by Client as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Management Information)	As of 31 December 2020G (Management Information)	As of 31 December 2021G (Management Information)	As of 31 March 2022G (Management Information)
Government Entity No. 1	7,688	25,430	19,052	75,485
Entity No. 16	-	-	13,515	16,942
Government Entity No. 2	9,323	5,560	7,549	16,046
Entity No. 17	218	7,578	7,813	7,813
Government Entity No. 18	-	-	1,477	5,629
Government Entity No. 3	2,454	13,571	3,870	2,402
Other	**54,989**	**69,856**	**46,705**	**116,494**
Total	**74,672**	**122,000**	**99,981**	**240,811**

SAR'000	As of 31 December 2019G (Management Information)	As of 31 December 2020G (Management Information)	As of 31 December 2021G (Management Information)	As of 31 March 2022G (Management Information)
Provision for expected credit losses	(4,583)	(647)	(2,152)	(3,362)
Total (net)	**70,089**	**121,353**	**97,829**	**237,450**
Key Performance Indicators				
days sales outstanding (DSO) – trade receivables (in days)	86	72	61	78
Average days of accounts receivable and contract assets (days)	130	110	132	166

Source: Management information.

The balance of trade receivables includes receivables from clients. This account is concentrated on receivable balances from government entities, especially Government Entity No. 1 (which constitutes 31.3% of the total balance), in addition to other semi-government and private sector entities. The total balance amounted to approximately SAR 240.8 million as of 31 December 2021G.

The net balance of trade receivables increased from SAR 70.1 million as of 31 December 2019G to SAR 121.4 million as of 31 December 2020G, in line with the increase in revenue during the year from call center projects of the Government Entities Nos. 1 and 3. The balance of trade receivables decreased to SAR 97.8 million as of 31 December 2021G as a result of the repayment of the amounts owed by clients during such period.

The balance of trade receivables increased from SAR 97.8 million as of 31 December 2021G to SAR 237.5 million as of 31 March 2022G, in line with an increase in revenue from government projects, in addition to the delay in government payments during such period, as government payments are usually made after Q1 of each financial year.

The days sales outstanding (DSO) – trade receivables (in days) decreased from 86 days to 72 days during the period between 31 December 2019G and 31 December 2020G, and then to 61 days as of 31 December 2021G. This was due to the application of policies set by the Management during the year to enhance the collection process. The accounts receivable days increased to 78 days as of 31 March 2022G, stemming from the nature of government payment scheduling, as government payments are usually made after Q1 of each financial year. The average days of accounts receivable and contract assets decreased from 130 days to 110 days during the period between 31 December 2019G and 31 December 2020G, before increasing to 132 days as of 31 December 2021G and 166 days as of 31 March 2022G. This was due to the presence of a major concentration of government clients, as the Company uses short-term loans to finance the working capital.

6.7.21 Prepaid Expenses and Other Debit Balances

Table (63): Prepaid Expenses and Other Debit Balance as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Management Information)
Bank margins	9,876	7,729	9,542	9,644
Advance payments to suppliers	6,501	3,221	2,759	7,959
Initial Public Offering expenses	-	-	699	4,240
Prepaid expenses	3,332	2,969	7,473	3,569
Employee receivables	592	608	797	937
Other	20	20	20	20
Total	**20,321**	**14,547**	**21,290**	**26,369**

Source: The audited financial statements for the financial year ended 31 December 2021G and Management information.

Bank Margins

The balance of bank margins relates to balances that are retained by banks as an indication of seriousness margin and against letters of credits (LCs) and letters of guarantees (LGs), the ratio of which ranges between 5% and 10% of the value of the guarantee or letter of credit. The balance decreased from SAR 9.9 million as of 31 December 2019G to SAR 7.7 million as of 31 December 2020G as a result of negotiations with banks that led to a reduction in rates from 10% to 5% of the contract value.

The balance increased to SAR 9.5 million as of 31 December 2021G and then to SAR 9.6 million as of 31 March 2022G, due to an increase in purchases and credits during such period as a result of the increase in the value of issued guarantees and credits affected by the increase in the size and number of projects.

Advance Payments to Suppliers

Advance payments made to suppliers relate primarily to goods purchased from third-party suppliers in relation to Information Technology software, hardware, and cloud services. Advance payments made to suppliers decreased from SAR 6.5 million as of 31 December 2019G to SAR 3.2 million as of 31 December 2020G, and then to SAR 2.8 million as of 31 December 2021G, in line with an improvement in payment terms between the Company and suppliers with regard to advance payments, starting from the end of the financial year 2020G. This led to a decrease in the balance of advance payments made to suppliers during such period.

The balance of advance payments made to suppliers increased from SAR 2.8 million as of 31 December 2021G to SAR 8.0 million as of 31 March 2022G, mainly due to an increase in the balance of advance payments made to suppliers during Q1 of the financial year, including an advance payment made to the insurance company amounting to SAR 4 million.

Initial Public Offering Expenses

Initial Public Offering expenses relate to consultants' expenses and all expenses related to the Initial Public Offering. The balance increased from SAR 699 thousand as of 31 December 2021G to SAR 4.2 million as of 31 March 2022G in line with an increase in consulting expenses during such period.

Prepaid Expenses

Prepaid expenses consist mainly of software licensing fees, insurance costs and other prepaid expenses. The balance decreased from SAR 3.3 million as of 31 December 2019G to SAR 3.0 million as of 31 December 2020G in line with the amortization of the software license payment balance. Prepaid expenses increased to reach SAR 7.5 million as of 31 December 2021G as a result of an increase in insurance costs paid in advance in line with the increase in the number of employees during the same period.

The balance of prepaid expenses decreased from SAR 7.5 million as of 31 December 2021G to SAR 3.6 million as of 31 March 2022G, due to a reduction in the balance of prepaid expenses in Q1 of the financial year 2022G owing to the insurance company's delay in issuing invoices.

Employee Receivables

Employees receivables comprise of advances provided by the Company to its employees (to finance their transportation to and from various regions in the Kingdom of Saudi Arabia), which are granted upon the approval of Management, depending on the employee's grade, length of stay, etc. and are paid in installments over a period ranging from 3 to 6 months. Employee receivables increased from SAR 592 thousand as of 31 December 2019G to SAR 608 thousand as of 31 December 2020G, followed by an increase to SAR 797 thousand as of 31 December 2021G, and then to SAR 937 thousand as of 31 March 2022G, in line with an increase in the number of employees during the same period.

Other Advance Payments

Other advance payments amounted to SAR 20 thousand throughout the historical period whereby the balance was related to to a rent deposit for one of the Company's offices. The recoverability of the amount is under discussion with the landlord.

6.7.22 Cash and Cash Equivalents

Table (64): Cash and Cash Equivalents as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR '000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Management Information)
Cash at banks	3,087	10,100	69,120	21,855
Cash in hand	264	449	339	949
Total	**3,350**	**10,548**	**69,459**	**22,804**

Source: The audited financial statements for the financial year ended 31 December 2021G and Management information.

Cash at banks and cash in hand increased from SAR 3.4 million as of 31 December 2019G to SAR 10.5 million as of 31 December 2020G, and then to SAR 69.5 million as of 31 December 2021G, in line with an increase in cash generated from operating activities following an increase in net profit during the period. Cash at banks and cash in hand decreased to SAR 22.8 million as of 31 March 2022G due to a delay in government payments during such period, as government payments are usually made after Q1 of each financial year.

6.7.23 Equity

Table (65): Equity as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Reviewed)
Capital	20,000	20,000	20,000	150,000
Additional capital	6,670	6,670	6,670	-
Statutory reserve	2,690	6,000	6,000	-
Retained earnings	41,179	78,447	127,047	32,062
Total	**70,539**	**111,117**	**159,717**	**182,062**

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

Table (66): Share Capital as of 31 December 2021G

SAR'000	No. of Shares	Capital
The Ideal for Business and Investment Trade Company	652,000	6,520
Saleh Ibrahim Hamad Al Mazroua	260,000	2,600
Nasser Abdullah Mohamed Albassam	260,000	2,600
Nada Mohamed Al Issa	138,000	1,380
Ibrahim Saleh Al Mazroua	138,000	1,380
Aljohara Saleh Al Mazroua	138,000	1,380
Hessa Sultan Mohamed Al Sultan	82,800	828
Aseel Nasser Albassam	82,800	828
Sadeem Nasser Albassam	82,800	828
Abdullah Nasser Albassam	82,800	828
Youssef Nasser Albassam	82,800	828
Total	**2,000**	**20,000**

Source: The audited financial statements for the financial year ended 31 December 2021G.

Table (67): Capital as of 31 March 2022G

SAR'000	No. of Shares	Capital
The Ideal for Business and Investment Trade Company	4,890,000	48,900
Saleh Ibrahim Hamad Al Mazroua	1,950,000	19,500
Nasser Abdullah Mohamed Albassam	1,950,000	19,500
Nada Mohamed Al Issa	1,035,000	10,350
Ibrahim Saleh Al Mazroua	1,035,000	10,350
Aljohara Saleh Al Mazroua	1,035,000	10,350
Hessa Sultan Mohamed Al Sultan	621,000	6,210
Aseel Nasser Albassam	621,000	6,210
Sadeem Nasser Albassam	621,000	6,210
Abdullah Nasser Albassam	621,000	6,210
Youssef Nasser Albassam	621,000	6,210
Total	**150,000,000**	**150,000**

Capital

The Company's share capital which amounts to SAR 150 million as of 31 March 2022G consists of 15 million nominal shares, with a value of SAR 10 per share, all of which are ordinary shares distributed among 11 Shareholders, namely The Ideal for Business and Investment Trade Company (with an ownership percentage of 32.6%) as the holding group, in addition to 10 Individual Shareholders (with an ownership percentage of 67.4%).

The share capital increased from SAR 20.0 million as of 31 December 2021G to SAR 150.0 million as of 31 March 2022G. On 21 February 2022G, the Company's Board of Directors made a recommendation to the Extraordinary General Assembly to approve an increase in the Company's capital of SAR 130.0 million, through transferring SAR 6.0 million from the statutory reserve account, SAR 6.7 million from the additional paid-in capital account, and SAR 117.3 million from the retained earnings account.

Additional Capital

Additional capital amounted to SAR 6.7 million throughout the historical period and represented the contribution of The Ideal for Business and Investment Trade Company, which was transferred during the financial year 2019G to increase the Company's capital. The entire amount was transferred to the capital during the financial year 2022G.

Statutory Reserve

In accordance with the Saudi Companies Law, the Company transfers 10.0% of its net income per year to the statutory reserve until this reserve equals 30.0% of the share capital. This reserve is not distributable as profit.

The statutory reserve balance decreased to nil as of 31 March 2022G as a result of transferring the entire amount to the capital account as determined at the Extraordinary General Assembly meeting held on 21 February 2022G.

Retained Earnings

Retained earnings increased from SAR 41.2 million as of 31 December 2019G to SAR 78.4 million as of 31 December 2020G, due to achieving net profits amounting to SAR 62.6 million during the financial year 2020G, which was offset by dividend distribution of SAR 22.0 million and transfer of an amount of SAR 3.3 million to the statutory reserve account during the same period. Retained earnings increased to SAR 127.0 million as of 31 December 2021G, in line with the achieving net profits amounting to SAR 81.0 million during the financial year 2021G, which was offset by dividend distribution of SAR 32.4 million.

Retained earnings decreased from SAR 127.0 million as of 31 December 2021G to SAR 32.1 million as of 31 March 2022G, as a result of (1) transferring amounts of SAR 117.3 million to the capital account for the purpose of capital increase, which was offset by (2) recording a net profit amounting to SAR 22.3 million during the same period.

6.7.24 Non-Current Liabilities

Table (68): Non-current Liabilities as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Reviewed)
Defined benefit obligation	7,389	13,817	20,916	23,755
Long-Term loans	-	9,953	7,256	9,290
Total	**7,389**	**23,771**	**28,172**	**33,045**

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

6.7.25 Defined Benefit Obligation

Table (69): Reconciliation of the Current Value of the Defined Benefit Obligation as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Management Information)
1 January	5,560	7,389	13,817	20,916
Current service costs	1,961	6,265	11,672	4,141
Financing costs	256	187	283	-
Total charge to profit or loss	**2,216**	**6,452**	**11,955**	**-**
Actuarial remeasurement loss	451	2,290	126	-
Total charge to other comprehensive revenue	**451**	**2,290**	**126**	**-**
Paid	(838)	(2,315)	(4,983)	(1,302)
As of 31 December	**7,389**	**13,817**	**20,916**	**23,755**

Source: The audited financial statements for the financial year ended 31 December 2021G and Management information.

Table (70): Principal Actuarial Assumptions for the Financial Years Ended 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Management Information)
Valuation discount rate	3.0%	3.50%	2.8%	N/A*
Expected rate of salary increase	3.0%	3.50%	2.8%	N/A*
Employee turnover	High	High	High	N/A*

Source: The audited financial statements for the financial year ended 31 December 2021G and Management information.

* No actuarial study was conducted for Q1, and the registration and hedging were done according to the Saudi Labor Law.

The defined benefit obligation is remeasured periodically by independent actuaries using the projected credit unit method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using interest rates for high-quality corporate bonds registered in the currency in which the benefits will be paid, and that have terms approximating to the terms of the r related obligation (or, if they are not available, market prices shall be used on government bonds). With respect to the obligation of end-of-service benefits for employees in the Kingdom of Saudi Arabia, the actuarial evaluation process takes into account the provisions of the Saudi Labor Law, as well as the Company's policy.

Employees' defined benefit liabilities increased from SAR 7.4 million as of 31 December 2019G to SAR 13.8 million as of 31 December 2020G, as a result of (1) the increase in service cost (SAR 4.3 million) due to an increase in the number of employees and increase in wages, in addition to (2) accumulation of actuarial re-measurement loss (SAR 1.8 million), in line with the adjustment of assumptions after allowances granted to employees. Employees' defined benefit liabilities increased to SAR 20.9 million as of 31 December 2021G, mainly due to current service costs with an amount of SAR 5.4 million during the same period, offset by a decrease in actuarial re-measurement loss (SAR 2.2 million).

Employees' defined benefit liabilities increased from SAR 20.9 million as of 31 December 2021G to SAR 23.8 million as of 31 March 2022G, in line with the service cost amounting to SAR 4.1 million during the same period.

6.7.26 Long-Term Loans

Long-Term loans are as follows:

Table (71): Long-Term Loans as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Reviewed)
Non-current portion included in non-current liabilities	-	9,953	7,256	9,290
Current portion included in current liabilities	-	848	2,697	Nil
Total	**-**	**10,801**	**9,953**	**9,290**

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

Table (72): Maturity Schedule of Long-Term Loans as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Management Information)
FY 2021G	-	848	-	-
FY 2022G	-	2,697	2,697	Nil
FY 2023G	-	2,812	2,812	2,812
FY 2024G	-	2,932	2,932	2,932
FY 2025G	-	1,512	1,512	1,512
Total	**-**	**10,801**	**9,953**	**9,290**

Source: The audited financial statements for the financial year ended 31 December 2021G and Management information.

Long-Term loans relate to a loan granted to the Company during the financial year 2020G in order to finance the construction of the building in Al Qirawan. It is worth mentioning that the loan is guaranteed by two real estate mortgages, one issued by the Company on a building belonging to it, located in the Sarhiya neighborhood in the city of Diriyah, and the other issued by Nasser Abdullah Albassam on a land located in the Wadi Laban area in the city of Riyadh. The loan is subject to a financing cost (based on interbank offered rates plus a fixed margin) and is due in the financial year 2025G. For more information, refer to Section 12.5 "**Financing Agreements**" of this Prospectus.

6.7.27 Current Liabilities

Table (73): Current Liabilities for the Financial Years Ended 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Reviewed)
Trade payables	12,591	27,385	67,426	49,987
Due to Related Parties	234	14,662	5,958	11,977
Short-Term loans	60,685	67,040	84,033	183,019
Current portion of long-term loans	-	848	2,697	-
Unearned revenue	22,612	29,459	58,337	63,213
Accrued expenses and other credit balances	26,613	40,595	91,538	76,098
Zakat payable	1,460	1,745	3,473	4,323
Total	**124,196**	**181,733**	**313,463**	**388,618**
Key Performance Indicators				
Average days payable outstanding (days)	37	46	84	85

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

Trade Payables

The balances of trade payables are mainly those related to suppliers of fixed assets, contractors and suppliers of software and equipment, where terms of payment ranged from 30 to 180 days. The balance of trade payables increased from SAR 12.6 million as of 31 December 2019G to SAR 27.4 million as of 31 December 2020G, due to an increase in purchases during this period. The balance of trade payables continued to rise to SAR 67.4 million as of 31 December 2021G, as a result of an increase in purchases in line with an increase in the volume of the Company's operations during this period.

The balance of trade payables decreased from SAR 67.4 million as of 31 December 2021G to SAR 50 million as of 31 March 2022G as a result of settlements made during this period. The average days payable outstanding increased from 37 days as of 31 December 2019G to 46 days as of 31 December 2020G, then to 84 days as of 31 December 2021G and 85 days as of 31 March 2022G, as a result of an increase in purchases and the improvement of payment terms with suppliers.

6.7.28 Due to Related Parties

Table (74): Balances Due to Related Parties as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Reviewed)
The Ideal for Business and Investment Trade Company	-	5,804	4,084	4,113
Nasser Abdullah bin Mohamed Albassam	-	-	-	3,000
Saleh bin Ibrahim bin Hamad Al Mazroua	-	-	-	2,991
Sustainable Energy Company	-	2,100	1,862	1,862
Cloud Distribution Company for Communications and Information Technology (Cloud Distribution)	-	-	12	12
Prime Technology Est.	234	6,758	-	-
Total	**234**	**14,662**	**5,958**	**11,977**

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

The Ideal for Business and Investment Trade Company

The balance due to The Ideal for Business and Investment Trade Company relates to an amount received from The Ideal for Business and Investment Trade Company to finance the Al Qirawan Building construction project. The balance decreased from SAR 5.8 million as of 31 December 2020G to SAR 4.1 million as of 31 December 2021G due to settlements during this period. The balance due to The Ideal for Business and Investment Trade Company stabilized at SAR 4.1 million as of 31 March 2022G.

Nasser Abdullah bin Mohamed Albassam

The balance owed to Nasser Abdullah bin Mohamed Albassam, amounted to SAR 3.0 million, which related to expenses payable for the Company's Initial Public Offering.

Saleh bin Ibrahim bin Hamad Al Mazroua

The balance owed to Saleh bin Ibrahim bin Hamad Al Mazroua, amounted to SAR 3.0 million, which related to expenses payable for the Company's Initial Public Offering.

Sustainable Energy Company

Sustainable Energy Company is an affiliate which provides Perfect Presentation with energy management systems services. The balance of SAR 2.1 million as of 31 December 2020G related to the works executed for Al Qirawan Building construction project. The balance decreased from SAR 2.1 million as of 31 December 2020G to SAR 1.9 million as of 31 December 2021G due to settlements during this period. The balance due to Sustainable Energy Company stabilized at SAR 1.9 million as of 31 March 2022G.

Cloud Distribution Company for Communications and Information Technology (Cloud Distribution)

Cloud Distribution Company for Communications and Information Technology (Cloud Distribution) is an affiliate, whereby the balance represented works related to data centers.

Prime Technology Est.

Prime Technology Est. is a shareholder/partner-related company working on the Al Qirawan building project, in addition to subcontracting projects with government projects. The balance increased from SAR 234 thousand as of 31 December 2019G to SAR 6.8 million as of 31 December 2020G as a result of an increase in construction work carried out during the financial year 2020G in relation to government projects. The balance decreased to nil as of 31 December 2021G as a result of settlements during this period.

6.7.29 Short-Term Loans

Table (75): Short-Term Loans as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Reviewed)
Short-Term loans	60,685	67,040	84,033	183,019
Total	**60,685**	**67,040**	**84,033**	**183,019**

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

Table (76): Short-Term Loans by Bank as of 31 December 2021G and 31 March 2022G

SAR'000	Balance of Short-Term Loans As of 31 December 2021G	Balance of Short-Term Loans As of 31 March 2022G	Percentage (%)	Loan maturity date
Riyad Bank	33,784	98,028	SAIBOR + 3.5%	December 2022G
SABB	31,011	47,226	SAIBOR + 2.75%	August 2022G
National Bank of Bahrain	17,140	17,580	SAIBOR + 3.0%	September 2022G
Arab National Bank	-	16,129	SAIBOR + 2.5%	December 2022G
Bank Aljazira	597	4,055	SAIBOR + 2.75%	September 2022G
Emirates NBD Bank	831	-	SAIBOR + 3.0%	February 2022G
Saudi National Bank	669	-	SAIBOR + 3.0%	February 2022G
Total	**84,033**	**183,019**		

Source: Management information.

Credit Facility Agreement with Bank Aljazira

The Company entered into a credit facility agreement with Bank Aljazira on 14/09/1441H (corresponding to 07/05/2020G) to obtain facilities amounting to SAR 60,000,000. The following is a summary of the most important terms of this agreement:

Item description	Details	
Total facilities	Sixty million Saudi Riyals (SAR 60,000,000)	
Expiration date	This agreement is under renewal.	
Maximum limit	(A) Specified limits for financing 80% of government projects acceptable to Bank Aljazira, for which dues have been transferred to Bank Aljazira, with a maximum total amount of sixty million Saudi Riyals (SAR 60,000,000).	
Facilities	**Facility**	1- A facility for issuance and financing of letters of credit through Tawarruq.
	Purpose	Purchasing and importing supplies for projects approved by Bank Aljazira.
	Availability period	The principal and the profits shall be paid by installment or installments due within a maximum period of 180 days including the term period (deferred credits) and/or by financing the payment certificates (whichever is earlier).
	Profit margin	SAIBOR + 2.75% per annum
	Fees	Account opening fees: SAMA Tariff + 1% per annum Document acceptance fee: 0.125% per month or part thereof
	Facility	2 - Letters of guarantee - the maximum limit for each letter of guarantee is one million Saudi Riyals (SAR 1,000,000).
	Purpose	To ensure and facilitate the execution of projects approved by Bank Aljazira, which the Company will not be able to execute without obtaining a facility, whose returns/dues have been transferred to Bank Aljazira.
	Profit margin	SAIBOR + 2.75% per annum
	Fees	Issuance fees: SAMA Tariff + 1% / 1.25% per annum
	Facility	3- A deferred sale limit that leads to Tawarruq (Dinar Program).
	Purpose	To finance a maximum of 80% of the net value of each approved payment certificate related to projects accepted by Bank Aljazira, whose returns/accruals have been transferred to Bank Aljazira.
	Availability period	Principal and profits shall be paid by installment or installments due within a maximum period of 6 months and/or upon receipt of project payment certificates checks (whichever is earlier).
	Profit margin	SAIBOR + 2.75% per annum
	Facility	4- A deferred sale limit that leads to Tawarruq (Dinar Program).
	Purpose	To finance a maximum of 20% of the net value of the preparation works for the projects to be executed, whose returns/dues have been transferred to Bank Aljazira.
	Availability period	The principal and profits shall be paid by installment or installments and according to the cash flow statement.
	Profit margin	SAIBOR + 3.5% per annum
	Facility	5- A deferred sale limit that leads to Tawarruq (Dinar Program).
	Purpose	For the purchase of materials to execute projects, whose returns/dues have been transferred to Bank Aljazira.
	Availability period	The principal and profits shall be paid by installment or installments due within a maximum period of 180 days.
	Profit margin	SAIBOR + 2.75% per annum
	Facility Maximum limit	(B) Letters of guarantee amounting to a maximum of three million Saudi Riyals (SAR 3,000,000).
	Purpose	Entering into new projects acceptable to Bank Aljazira.
	Availability period	A maximum of 6 months.
	Fees	Account opening fees: SAMA Tariff + 1% per annum
Guarantees	• These facilities are secured by a guarantee and performance bond given jointly and severally signed by Nasser Abdullah Albassam, Saleh Ibrahim Hamad Al Mazroua and/or The Ideal for Business and Investment Trade Company with an amount of sixty-six million Saudi Riyals (SAR 66,000,000) on 22/03/2021G. • Assignment in favor of Bank Aljazira by 125% of the total amount utilized of facilities (A). • A promissory note with an amount of sixty-six million Saudi Riyals (SAR 66,000,000) signed by Nasser Abdullah Albassam on behalf of the Company and secured by Nasser Abdullah Albassam, Saleh Ibrahim Hamad Al Mazroua and/or The Ideal for Business and Investment Trade Company on 07/05/2020G. • Bank Aljazira shall have the right to request any additional guarantees.	

Item description	Details
Terms	• The Company undertakes to maintain a total debt to equity ratio within the range of 1:2.5 and a current ratio of not less than 1:1 until all its liabilities towards Bank Aljazira are settled. • The Company undertakes that the total of its withdrawals, including the distribution of any dividends to the partners, shall not exceed 50% of the annual net profits.
Termination and expedited payment	Bank Aljazira shall have the right to change, cancel or restrict any or all of the facilities and their terms without prior notice and shall have the right to immediately demand the debit balances including expenses and/or the profit margin as a debt with a fixed amount, due and payable immediately.
Applicable law	The agreement is subject to the laws in force in the Kingdom and any dispute arising therefrom shall be referred to the Banking Disputes Resolution Committee of the Saudi Central Bank.

Source: Management information.

Credit Facility Agreement with Emirates NBD Bank

The Company entered into a credit facility agreement with Emirates NBD on 25/06/1441H (corresponding to 19/02/2020G) to obtain facilities amounting to twenty-five million Saudi Riyals (SAR 25,000,000). The following is a summary of the most important terms of this agreement:

Item description		Details
Total facilities		Twenty-five million Saudi Riyals (SAR 25,000,000)
Expiration date		This agreement is under renewal.
Purpose		Financing government and private projects of the Company.
Facilities	**Facility**	1 (a) Islamic guarantee - Islamic letters of guarantee amounting to a maximum of three million Saudi Riyals (SAR 3,000,000).
	Availability period	One year
	Cash margin	SAMA Tariff + 0.5% per annum 5% on cash security deposit
	Facility	2 (a) Import Letter of Credit (Murabaha Agency) (Bill of Exchange/Acceptance Credits/Deferred Payment Credits) with an amount of seven million Saudi Riyals (SAR 7,000,000) as a maximum.
	Availability period	180 days
	Profit margin	Bills of exchange: SAMA + 0.5% per annum Acceptance credits: SAMA Tariff + 0.75% per annum Refinancing: SAIBOR + 3% per annum
	Fees	Acceptance fees: SAMA Tariff + 0.75%
	Facility	1 (b) Financing contract dues (80% of approved invoices) with a maximum amount of seven million Saudi Riyals (SAR 7,000,000).
	Availability period	180 days
	Profit margin	SAIBOR + 3% per annum
	Facility	1 (c) Islamic guarantee: Letters of advance payment guarantee and performance bonds of a maximum amount of eight million Saudi Riyals (SAR 8,000,000).
	Availability period	3 years
	Cash margin	SAIBOR + 5% per annum
	Fees	Issuance fees: SAMA Tariff + 1% per annum A penalty fee of 0.5% for failure to meet the terms listed below.
Guarantees		• A corporate guarantee from The Ideal for Business and Investment Trade Company with an amount of twenty-five million Saudi Riyals (SAR 25,000,000) on 19/02/2020G. • A guarantee given jointly and severally by Nasser Abdullah Albassam and Saleh Ibrahim Hamad Al Mazroua on 19/02/2022G. • A promissory note with an amount of twenty-five million Saudi Riyals (SAR 25,000,000) signed by Nasser Abdullah Albassam on behalf of the Company on 19/02/2020G.
Terms		• The Company undertakes to retain at least 50% of the annual profits. • The Company undertakes to maintain a debt to tangible net worth ratio of not more than 1:2 and the a current ratio not less than 1:1. • The Company undertakes that the net material rights of the Shareholders shall not be less than forty-nine million Saudi Riyals (SAR 49,000,000).
Termination and expedited payment		Emirates NBD shall have the right to settle all its obligations and liabilities and amend or cancel all granted facilities without giving any reason or justification by submitting a written notice of 30 days.
Applicable law		The agreement is subject to the laws in force in the Kingdom and any dispute arising therefrom shall be referred to the Banking Disputes Resolution Committee of the Saudi Central Bank.

Source: Management information.

Credit Facility Agreement with the National Bank of Bahrain

The Company entered into a credit facility agreement with the National Bank of Bahrain on 12/06/1442H (corresponding to 25/01/2021G), to obtain facilities amounting to forty-eight million, seven hundred and sixty thousand Saudi Riyals (SAR 48,760,000). The following is a summary of the most important terms of this agreement:

Item description	Details	
Total facilities	Forty-eight million, seven hundred and sixty thousand Saudi Riyals (SAR 48,760,000)	
Expiration date	This agreement is under renewal.	
Facilities	**Facility**	Facilities to issue initial letters of guarantee, performance bonds and advance payment guarantees of a maximum amount of eight million Saudi Riyals (SAR 8,000,000).
	Purpose	Issuance of guarantees to government and semi-government entities.
	Availability period	12 – 36 months
	Cash margin	1.25% per annum
	Facility	Bills of exchange and acceptance letters of credit, refinancing of letters of credit through Murabaha or Tawarruq, and short-term financing through Murabaha or Tawarruq (for general multi-purpose projects).
	Purpose	For working capital
	Availability period	180 days
	Profit margin	SAMA Tariff + 1.25% per annum (5% on cash amounts and to be paid in advance)
	Facility	A short-term Murabaha of a maximum amount of five million Saudi Riyals (SAR 5,000,000).
	Purpose	Operation and maintenance of the services provided and technical support (for the Government Entity No. 4 project).
	Availability period	180 days
	Profit margin	SAIBOR + 3% per annum
	Facility	A performance bond for an amount of two million, four hundred and forty-five thousand Saudi Riyals as a maximum (SAR 2,445,000).
	Purpose	Performance bond for the Government Entity No. 4 project.
	Availability period	42 months
	Profit margin	1.25% per annum to be paid in advance (5% cashback margin on cash amounts and to be paid in advance)
	Facility	A facility to issue bills of exchange/acceptance credits/refinancing of letters of credit through Murabaha or Tawarruq/short-term refinancing through Murabaha or Tawarruq with a maximum amount of SAR 3,500,000.
	Purpose	For the working capital of the Government Entity No. 7 project.
	Availability period	180 days
	Profit margin	SAMA Tariff + 1.25% per annum and SAIBOR + 3% per annum (5% on cash amounts and to be paid in advance)
	Facility	Performance bond for the Government Entity No. 7 project with a maximum amount of nine hundred and forty thousand Saudi Riyals (SAR 940,000).
	Purpose	Performance bond for the Government Entity No. 7 project.
	Availability period	42 months
	Profit margin	1.25% per annum (5% cashback margin on cash amounts and to be paid in advance)
	Facility	A facility to issue bills of exchange/acceptance credits/refinancing of letters of credit through Murabaha or Tawarruq/short-term refinancing through Murabaha or Tawarruq with a maximum amount of SAR 4,500,000.
	Purpose	For the working capital of the Government Entity No. 3 project.
	Availability period	180 days as maximum
	Profit margin	SAMA Tariff + 1.25% per annum and SAIBOR + 3% per annum (5% on cash amounts and to be paid in advance)
	Facility	A performance bond for an amount of one million, three hundred and seventy-five thousand Saudi Riyals (SAR 1,375,000) as a maximum.
	Purpose	Performance bond for the Government Entity No. 3. project.

Item description	Details	
	Availability period	36 months
	Profit margin	1.25% per annum to be paid in advance (5% cashback margin on cash amounts and to be paid in advance)
	Facility	A facility of a maximum amount of eleven million Saudi Riyals (SAR 11,000,000).
	Purpose	Financing the new call center building.
	Availability period	Sixteen (16) equal installments starting 90 days after the end of the grace period (one year).
	Profit margin	SAIBOR + 3% per annum paid quarterly
	Facility	Murabaha/Tawarruq - a short-term facility of a maximum amount of twelve million Saudi Riyals (SAR 12,000,000).
	Purpose	To support bulk SMS purchases.
	Availability period	180 days
	Profit margin	SAIBOR + 3% per annum
	Fees	A penalty fee of 0.25% for failure to meet the terms.
Guarantees	• A corporate guarantee from The Ideal for Business and Investment Trade Company for an amount of forty-eight million, seven hundred and sixty thousand Saudi Riyals (SAR 48,760,000) on 25/01/2021G. • A personal guarantee from Nasser Abdullah Albassam and Saleh Ibrahim Hamad Al Mazroua for an amount of forty-eight million, seven hundred and sixty thousand Saudi Riyals (SAR 48,760,000) on 25/01/2021G. • A promissory note for an amount of forty-eight million, seven hundred and sixty thousand Saudi Riyals (SAR 48,760,000) issued on behalf of the Company on 25/01/2021G. • A pledge by the Company on Plot No. 116 of Project No. 2975 in Sarhiyah district, Diriyah city and any building to be established on the Plot as a guarantee of twelve million Saudi Riyals (SAR 12,000,000) of the total amount. In case of non-payment by the Company, the National Bank of Bahrain shall have the right to sell the pledged plot. • A pledge by Nasser Abdullah Albassam on a plot of land in Wadi Laban district, in Riyadh and any building to be established on the Plot as a guarantee of SAR 12,000,000 of the total amount. In case of non-payment by the Company, the National Bank of Bahrain shall have the right to sell the pledged plot. • The National Bank of Bahrain shall have the right to request any additional guarantees.	
Terms	• The Company undertakes to maintain a current ratio of not less than 1:1, a debt service ratio of not less than 1.5:1 and a financial leverage ratio of not more than 2:1. • The Company undertakes not to distribute any profits if it violates one of the financial terms. • The Company undertakes to direct project revenues to its account at the National Bank of Bahrain.	
Termination and expedited payment	The National Bank of Bahrain shall have the right to change, cancel or withdraw any or all of the facilities without prior notice and at its absolute discretion. The National Bank of Bahrain shall be entitled to promptly claim debit balances including expenses and/or profit margin as a debt with a fixed amount, due and payable immediately.	
Applicable law	The agreement is subject to the laws in force in the Kingdom and any dispute arising therefrom shall be referred to the Banking Disputes Resolution Committee of the Saudi Central Bank.	

Source: Management information.

Credit Facility Agreement with Samba Financial Group (currently known as the Saudi National Bank)

The Company entered into a credit facility agreement with Samba Financial Group (currently known as the Saudi National Bank) on 26/03/1442H (corresponding to 12/11/2020G), to obtain facilities amounting to SAR 40,000,000. The following is a summary of the most important terms of this agreement:

Item description	Details	
Total facilities	Finance with a total amount of a maximum of forty million Saudi Riyals (SAR 40,000,000).	
Expiration date	31 October 2021G (this agreement is under renewal).	
Facilities	**Facility**	1 - Letter of Guarantee - Initial letters of guarantee amounting to a maximum of five million Saudi Riyals (SAR 5,000,000).
	Purpose	Government and semi-government projects
	Availability period	365 days
	Profit margin	SAMA Tariff + 0.75% per annum (5% cashback margin on cash amounts)
	Facility	2- Omnibase contract facility (a project facility acceptable to Samba) amounting to a maximum of thirty-five million Saudi Riyals (SAR 35,000,000).
	Purpose	To finance contracts after reviewing them with due diligence

Type of facility	Profit margin	Availability period
Performance bond	SAMA Tariff + 1% per annum	5 years
Advance payment guarantee	SAMA Tariff + 1.25% per annum	3 years
Acceptance credit	SAMA Tariff + 1% per annum	210 days
Import letter of credit	Acceptance fee of 1.25% per annum	210 days
Bill of Exchange	SAMA Tariff + 1% per annum	210 days
Refinancing of letters of credit	SAIBOR + 2.5% per annum	210 days
Project Preparation Facility (PPF)	SAIBOR + 2.5% per annum	6 months

5% on cash amounts and to be paid in advance

Guarantees	• A corporate guarantee from The Ideal for Business and Investment Trade Company for an amount of forty million Saudi Riyals (SAR 40,000,000) on 12/11/2020G. • A promissory note for an amount of forty million Saudi Riyals (SAR 40,000,000) signed by the Company on 13/11/2020G and guaranteed by Nasser Abdullah Albassam, Saleh Ibrahim Hamad Al Mazroua and/or The Ideal for Business and Investment Trade Company • Samba Bank shall have the right to request any additional guarantees.
Terms	• The Company undertakes to maintain a current ratio of not be less than 1:1 and a financial leverage ratio of not more than 2.50:1. • The Company undertakes not to distribute more than 50% of its profits.
Termination and expedited payment	Samba Bank shall have the right to change, cancel or withdraw any or all of the facilities, their terms and rates without prior notice and at its absolute discretion.
Applicable law	The agreement is subject to the laws in force in the Kingdom and any dispute arising therefrom shall be referred to the Banking Disputes Resolution Committee of the Saudi Central Bank.

Source: Management information.

Credit Facility Agreement with Al Rajhi Bank

The Company entered into a credit facility agreement with Al Rajhi Bank on 26/07/1442H (corresponding to 10/03/2021G), to obtain facilities amounting to SAR 100,000,000. The following is a summary of the most important terms of this agreement:

Item description	Details	
Total facilities	One hundred million Saudi Riyals (SAR 100,000,000)	
Expiration date	10/03/2022G	
Maximum limit	Finance with a maximum total amount of one hundred million Saudi Riyals (SAR 100,000,000)	
Facilities	**Facility**	(A) Facility for general working capital requirements with a maximum of one hundred million Saudi Riyals (SAR 100,000,000)
	Availability period	31/03/2022G
	Profit margin	N/A
	Fees	N/A
	Facility	(B) A letter of guarantee of participation to finance projects offered by government and semi-government entities and other entities approved by Al Rajhi Bank, with a maximum of thirty million Saudi Riyals (SAR 30,000,000).
	Availability period	60 months
	Profit margin	SAIBOR (12 calendar months) + 2.50%
	Fees	N/A
	Facility	(C) Expedited sale to finance projects offered by government and semi-government entities and other entities approved by Al Rajhi Bank with a maximum of seventy million Saudi Riyals (SAR 70,000,000).
	Availability period	Documents shall be submitted under the letter of credit within 12 months from the date of opening the relevant credit application.
	Profit margin	SAIBOR (12 calendar months) + 2.5%
	Fees	0.5%
	Facility	(D) Export financing with a maximum of one hundred million Saudi Riyals (SAR 100,000,000) to finance projects offered by government and semi-government entities and other entities approved by Al Rajhi Bank.
	Availability period	60 months
	Profit margin	SAIBOR (12 calendar months) + 2.50%
	Fees	0.5%
Guarantees	• These facilities are guaranteed by a commercial and personal guarantee by Saleh Ibrahim Hamad Al Mazroua and The Ideal for Business and Investment Trade Company dated 10/03/2021G. • A promissory note for an amount of one hundred and seventeen million, three hundred and thirty-one thousand, one hundred and sixty-three Saudi Riyals (SAR 117,331,163) on behalf of the Company on 10/03/2021G.	
Terms	• It is prohibited to make any change in the capital of the Client without the prior written approval of the Bank. • The Client commits and undertakes to maintain a current ratio of not less than 1 throughout the financing period. • The Client commits and undertakes to keep 50% of the annual profits and the retained earnings in the activity, provided that this appears in the next year's budget. • The Client commits and undertakes to provide the Bank with a quarterly report on the progress of the project to be reviewed by the Bank. • The Client commits to open an intermediary account at the Bank for each project.	
Termination and expedited payment	The Client acknowledges that the Bank may at any time (at its discretion and without giving any reasons) reduce the amount of any facilities, cancel or terminate these facilities or any of them.	
Applicable law	The agreement is subject to the laws in force in the Kingdom and any dispute arising therefrom shall be referred to the Banking Disputes Resolution Committee of the Saudi Central Bank.	

Source: Management information.

Credit Facility Agreement with the Arab National Bank

The Company entered into a credit facility agreement with the Arab National Bank on 15/10/1442H (corresponding to 27/05/2021G) to obtain facilities amounting to SAR 25,000,000. The following is a summary of the most important terms of this agreement:

Item description	Details	
Total facilities	Twenty-five million Saudi Riyals (SAR 25,000,000).	
Expiration date	31/05/2022G	
Maximum limit	Finance with a maximum total limit of twenty-five million Saudi Riyals (SAR 25,000,000).	
Facilities	**Facility**	(A) A credit facility of a maximum of twenty-five million Saudi Riyals (SAR 25,000,000).
	Availability period	31/05/2022G
	Profit margin	N/A
	Fees	N/A
	Facility	(B) A short-term Tawarruq to finance 60% of the receivables of government and semi-government projects transferred to the Arab National Bank, with a maximum of twenty million Saudi Riyals (SAR 20,000,000).
	Availability period	9 months
	Profit margin	N/A
	Fees	N/A
	Facility	(C) A documentary letter of credit (bill of exchange/deferred payment) (Category 1/Category 2) and withdrawal therefrom of a maximum of five million Saudi Riyals (SAR 5,000,000) to issue letters of guarantee to beneficiaries accepted by the Arab National Bank in order to purchase and provide the necessary materials, tools and spare parts (locally and internationally).
	Availability period	9 months
	Profit margin	SAIBOR (3 calendar months) + 2.5% per annum
	Fees	Account opening fees: SAMA Tariff + 0.5% per annum Deferral fees: 1.25% per annum
	Facility	Credit financing with a maximum of five million Saudi Riyals (SAR 5,000,000) to finance exports that the Company obtains through documentary credits opened by the Arab National Bank.
	Availability period	N/A
	Profit margin	SAIBOR (three months) + 2.5% per annum
	Fees	N/A
	Facility	(D) Islamic letters of guarantee issued in favor of beneficiaries accepted by the Arab National Bank for the execution of government and semi-government projects with a maximum of five million Saudi Riyals (SAR 5,000,000).
	Availability period	12 months for initial letters of guarantee and 48 months for final letters of guarantee and advance payment.
	Profit margin	N/A
	Fees	Issuance fees: Initial guarantee: SAMA Tariff + 0.5% per annum Final guarantee: SAMA Tariff + 0.75% per annum Advance payment guarantee: SAMA Tariff + 1% per annum
Guarantees	• A promissory note for an amount of twenty-five million Saudi Riyals (SAR 25,000,000) on 17/05/2021G. • A personal guarantee given jointly by Nasser Abdullah Albassam and Saleh Ibrahim Hamad Al Mazroua on 17/05/2021G. • Transfer of proceeds to the Arab National Bank for the projects for which the Arab National Bank issued letters of guarantee. • Any other guarantees that the Arab National Bank may require.	

Item description	Details
Terms	• The Bank shall be given a written notice two working days prior to the date of withdrawal of the financing. • If the project supervisor is an independent advisory office, the payment certificate shall contain the signature of the resident engineer (the project manager appointed by the advisory office, in addition to the stamp of the advisory office). • If the supervising authority is the owner of the project, the payment certificate shall be signed by at least two persons. • The Bank will not deduct/finance any payment certificate issued for more than three months, unless the client submits proof that the payment certificate has not yet been disbursed. • The number of payment certificates allocated/funded for one existing project shall not exceed five payment certificates. • Goods shall be fully insured against all risks for the benefit of the Bank, provided that this is recorded in a policy issued by an acceptable insurance company. • The maximum amount for initial guarantees is SAR 3,000,000, provided that a single initial guarantee shall not exceed SAR 4,000,000. • The issuance of final letters of guarantee issued with initial letters of guarantee from other banks shall be allowed, with a maximum limit of SAR 40,000.
Termination and expedited payment	The Bank shall have the full right to impose an early payment fee and, in the event of any case of eviction, the Bank shall have the right to cancel the facilities.
Applicable law	The agreement is subject to the laws in force in the Kingdom and any dispute arising therefrom shall be referred to the Banking Disputes Resolution Committee of the Saudi Central Bank.

Source: Management information.

Credit Facility Agreement with the Saudi National Bank

The Company concluded an amendment annex to a credit facility agreement with the Saudi National Bank on 27/05/1442H (corresponding to 11/01/2021G) to obtain facilities amounting to twenty-five million Saudi Riyals (SAR 25,000,000). The following is a summary of the most important terms of this agreement:

Item description	Details	
Total facilities	25,000,000	
Expiration date	31/08/2021G (this agreement is under renewal)	
Maximum limit	The maximum limit for the issuance of a single initial guarantee is five hundred thousand Saudi Riyals (SAR 500,000), and anything exceeding such amount shall be subject to the approval of the First Party. The maximum limit for the issuance of a single final guarantee is one million, two hundred and fifty thousand Saudi Riyals (SAR 1,250,000), and anything exceeding such amount shall be subject to a credit approval.	
Facilities	**Facility**	(C) Letters of credit for exports with a maximum of fifteen million Saudi Riyals (SAR 15,000,000) for the purpose of purchasing business supplies (for example, supplies for drivers, electronic devices, network monitoring systems and network extenders) from suppliers in the local and international markets.
	Availability period	N/A
	Profit margin	10%
	Fees	Issuance fees of 1% with a minimum of one thousand Saudi Riyals (SAR 1,000)
	Facility	(D) Letters of guarantee for the purpose of executing government and semi-government projects with a maximum of ten million Saudi Riyals (SAR 10,000,000).
	Availability period	N/A
	Profit margin	10% cashback margin on cash amounts
	Fees	Issuance fees of 1% with a minimum of two thousand Saudi Riyals (SAR 2,000).
	Facility	(E) A commercial facility with a maximum of five million Saudi Riyals (SAR 5,000,000) as a sub-limit of the export letters of credit facility to finance 80% of the receivables.
	Availability period	N/A
	Profit margin	SAIBOR + 3% per annum
	Fees	N/A
Guarantees	• Personal guarantees issued by Nasser Abdullah Albassam and Saleh Ibrahim Hamad Al Mazroua on 11/01/2021G, each for an amount of twenty-seven million, five hundred thousand Saudi Riyals (SAR 27,500,000). • A personal guarantee issued by Nasser Abdullah Albassam and Saleh Ibrahim Hamad Al Mazroua on 11/01/2021G for an amount of twenty-seven million, five hundred thousand Saudi Riyals (SAR 27,500,000). • A promissory note for an amount of twenty-seven million Saudi Riyals (SAR 27,000,000), dated 11/01/2021G, guaranteed by The Ideal for Business and Investment Trade Company, Nasser Abdullah Albassam and Saleh Ibrahim Hamad Al Mazroua.	

Item description	Details
Terms	• The Company undertakes to maintain a dividend payout ratio of not more than 50% of the annual net profit and subject to the written approval of the Saudi National Bank. • The Company undertakes to deduct 20% of each payment certificate received on the broker account to pay Murabaha and trade facilities when they fall due. • The Company undertakes to maintain a leverage ratio of not more than 1:2. • The Company undertakes to maintain equity of not less than SAR 107,000,000. • The Company undertakes to provide the First Party with the audited financial statements within 180 days from the end of the financial year. • The Company undertakes to provide the Saudi National Bank with the internal financial statements for each year within 60 days from the end of June.
Termination and expedited payment	Unspecified in the annex to the renewal or amendment agreement.
Applicable law	Unspecified in the annex to the renewal or amendment agreement.

Source: Management information.

Facility Contract with the Saudi British Bank (SABB)

The Company signed a facility offer letter for a facility contract with the Saudi British Bank (SABB) on 04/12/1442H (corresponding to 14/07/2021G) to obtain facilities amounting to SAR 104,515,000. The following is a summary of the most important terms of this agreement:

Item description	Details	
Total facilities	One hundred and four million, five hundred and fifteen thousand Saudi Riyals (SAR 104,515,000)	
Expiration date	This agreement is under renewal.	
Maximum limit	One hundred and four million, five hundred and fifteen thousand Saudi Riyals (SAR 104,515,000)	
Facilities	**Facility**	(A) Short-Term Tawarruq with a maximum of thirty-three million Saudi Riyals (SAR 33,000,000) regarding the operation and maintenance of the information center, network, information security and technical support for the academic and administrative application for the purpose of financing the invoices of Telecom Company No. 1, Telecom Company No. 2 and Telecom Company No. 3.
	Availability period	N/A
	Profit margin	SAIBOR + 2.75% per annum
	Fees	N/A
	Facility	(B) Letters of guarantee (bid bond) for a maximum of six million, three hundred and eighty-one thousand Saudi Riyals (SAR 6,381,000) for the purpose of issuing guarantees for new contracts that the Company concludes, especially with government and private entities, for amounts less than fifty million Saudi Riyals (SAR 50,000,000).
	Availability period	N/A
	Profit margin	N/A
	Fees	Issuance fees: SAMA tariff + 0.75% with a minimum of five hundred Saudi Riyals (SAR 500)
	Facility	A letter of guarantee (letter of performance bond) for an amount of ten million Saudi Riyals (SAR 10,000,000) for the purpose of issuing guarantees for new contracts that the Company concludes, especially with government and private entities, for amounts less than fifty million (SAR 50,000,000).
	Availability period	N/A
	Profit margin	10% cashback margin
	Fees	SAMA tariff issuance fees + 0.5%
	Facility	(C) Short-Term Tawarruq for the purpose of financing up to 75% of the receivables of the Ministry of Municipal and Rural Affairs' project, with a maximum of five million Saudi Riyals (SAR 5,000,000).
	Availability period	N/A
	Profit margin	3% per annum above SAIBOR
	Fees	N/A

Item description	Details	
	Facility	A letter of guarantee (letter of performance bond) for an amount of three million, three hundred and forty-one thousand Saudi Riyals (SAR 3,341,000) for the purpose of issuing letters of guarantee in favor of the contracts that the Company concludes for the Ministry of Municipal and Rural Affairs' project.
	Availability period	N/A
	Profit margin	10% cashback margin
	Fees	Issuance fees: SAMA tariff + 1.25% per annum with a minimum of five hundred Saudi Riyals (SAR 500)
	Facility	(D) A revolving Tawarruq for the purpose of financing up to 80% of the receivables for the operation and maintenance of the information center, network, information security, and technical support for the academic and administrative application (Government Entity No. 19), with a maximum of two million Saudi Riyals (SAR 2,000,000).
	Availability period	N/A
	Profit margin	SAIBOR + 2.75% per annum
	Fees	N/A
	Facility	A letter of guarantee (letter of performance bond) with a maximum of two million and twelve thousand Saudi Riyals (SAR 2,012,000) to issue a guarantee for the operation and maintenance of the information center, network, information security and technical support for the academic and administrative application (Government Entity No. 19)
	Availability period	N/A
	Profit margin	10% cashback margin
	Fees	SAMA tariff + 0.50% per annum with a minimum of five hundred Saudi Riyals (SAR 500)
	Facility	(E) A facility with a maximum of fifteen million, five hundred thousand Saudi Riyals (SAR 15,500,000) to finance the health information system and infrastructure insurance project of Government Entity No. 13, covered by withdrawing 30% of each invoice amount.
	Availability period	N/A
	Profit margin	SAIBOR + 2.75% per annum
	Fees	N/A
	Facility	A letter of credit with a maximum of thirteen million, two hundred thousand Saudi Riyals (SAR 13,200,000) to import raw materials related to the health information system and infrastructure insurance project of Government Entity No. 13.
	Availability period	N/A
	Profit margin	N/A
	Fees	Account opening commission: SAMA tariff + 0.5% per annum with a minimum of five hundred Saudi Riyals (SAR 500), to be paid in advance. Acceptance commission: 2% per annum with a minimum of five hundred Saudi Riyals (SAR 500), to be paid in advance
	Facility	Revolving Murabaha with a maximum of thirteen million, two hundred thousand Saudi Riyals (SAR 13,200,000) to finance the client's financial liabilities related to a letter of credit issued by the Saudi British Bank (SABB) to a supplier regarding import billing.
	Availability period	N/A
	Profit margin	SAIBOR + 2.75% per annum
	Fees	N/A
	Facility	A letter of guarantee (letter of performance bond) for the issuance of a guarantee for the health information system and infrastructure insurance project of Government Entity No. 13 with a maximum of two million, nine hundred and eighty thousand, four hundred and twenty-five Saudi Riyals (SAR 2,980,425).
	Availability period	N/A
	Cashback margin	10% cashback margin on cash amounts
	Fees	Issuance fees: SAMA tariff + 0.5% per annum with a minimum of five hundred Saudi Riyals (SAR 500)
	Facility	(F) A revolving letter of credit with a maximum of ten million, two hundred thousand Saudi Riyals (SAR 10,200,000) to import the required materials for the Government Entity No. 13 project.
	Availability period	N/A
	Profit margin	N/A

Item description	Details	
	Fees	Account opening fees: SAMA tariff + 0.5% per annum with a minimum of five hundred Saudi Riyals (SAR 500), to be paid in advance Acceptance fees: 2% per annum with a minimum of five hundred Saudi Riyals (SAR 500), to be paid in advance
	Facility	Revolving Murabaha with a maximum of ten million, two hundred thousand Saudi Riyals (SAR 10,200,000) for the purpose of financing the client's financial liabilities related to a letter of credit issued by the Saudi British Bank (SABB) to a supplier related to import billing.
	Availability period	N/A
	Profit margin	SAIBOR + 2.75% per annum
	Fees	N/A
	Facility	Letter of guarantee (letter of performance bond) with a maximum of nine hundred thousand Saudi Riyals (SAR 900,000) to issue a guarantee for the Government Entity No. 13 project.
	Availability period	N/A
	Profit margin	N/A
	Fees	Issuance fees: SAMA tariff + 0.5% per annum with a minimum of five hundred Saudi Riyals (SAR 500)
Guarantees	• A promissory note for the amount of one hundred and four million, five hundred and fifteen thousand Saudi Riyals (SAR 104,515,000) signed by the Company and the guarantors. • A commercial guarantee for the amount of seventy-seven million, three hundred and forty-one thousand, one hundred Saudi Riyals (SAR 77,341,100) from The Ideal for Business and Investment Trade Company on 14/07/2021G. • A personal guarantee issued by Nasser Abdullah Mohamed Albassam for the amount of thirteen million, five hundred and sixty-eight thousand, nine hundred and fifty Saudi Riyals (SAR 13,586,950) on 14/07/2021G. • A personal guarantee issued by Saleh Ibrahim Hamad Al Mazroua for the amount of thirteen million, five hundred and sixty-eight thousand, nine hundred and fifty Saudi Riyals (SAR 13,586,950) on 14/07/2021G. • Transfer of debt and a senior mortgage on the amounts due from the Government Entity No. 15 project. • Transfer of debt and a senior mortgage on the amounts due from the Government Entity No. 3 project. • Transfer of debt and a senior mortgage on the amounts due from the Government Entity No. 19 project. • Transfer of debt and a senior mortgage on the amounts due from the Government Entity No. 13 project.	
Terms	• The Company undertakes not to dispose of the acquired assets using the proceeds of any facility without obtaining prior written consent from the Bank. • Initial guarantees are issued without any obligation on the part of the Bank to issue any subsequent guarantees and/or provide the necessary financing. • The penalty rate for delay is 40%.	
Termination and expedited payment	Unspecified.	
Applicable law	The agreement is subject to the laws in force in the Kingdom and any dispute arising therefrom shall be referred to the Banking Disputes Resolution Committee of the Saudi Central Bank.	

Source: Management information.

Letter of Terms and Conditions for a Facility Contract with Riyad Bank

The Company signed a letter of terms and conditions for a facility contract with Riyad Bank on 10/02/1442H (corresponding to 27/09/2020G) to obtain facilities amounting to SAR 402,311,000. The following is a summary of the most important terms of this agreement:

Item description	Details	
Total facilities	Four hundred and two million, three hundred and eleven thousand Saudi Riyals (SAR 402,311,000).	
Expiration date	27/10/2022G	
Maximum limit	Four hundred and two million, three hundred and eleven thousand Saudi Riyals (SAR 402,311,000).	
Facilities	**Facility**	Liabilities related to operations with a maximum of forty-five million Saudi Riyals (SAR 45,000,000).
	Availability period	N/A
	Cashback margin	5% cashback margin
	Fees	Tariff + 1.5% commission on initial and final letters of guarantee Tariff + 1.75% commission on advance payment guarantee letters
	Facility	Tawarruq finance with a maximum of four hundred and sixty-eight thousand Saudi Riyals (SAR 468,000).
	Availability period	N/A
	Profit margin	SAIBOR + 1% per annum
	Fees	N/A
	Facility	(a) Direct alternative credit with a maximum of thirty-five million Saudi Riyals (SAR 35,000,000) to finance 65% of the transferred projects.
	Availability period	N/A
	Cashback margin	5% cashback margin
	Fees	Tariff commission + 0.5% Acceptance commission: 1.5% Administrative commission: One-time commission of 0.5%
	Facility	Tawarruq with a maximum of thirty-three million, two hundred and fifty thousand Saudi Riyals (SAR 33,250,000) to finance 65% of the dues on which a transfer of debt was made in favor of Riyad Bank (a sub-limit of the limit allocated for direct alternative credit).
	Availability period	N/A
	Profit margin	SAIBOR + 3% per annum
	Fees	N/A
	Facility	(B) Tawarruq with a maximum of fifteen million Saudi Riyals (SAR 15,000,000) to finance 75% of the amounts due to the project provided that the amounts due in the project are waived.
	Availability period	N/A
	Profit margin	SAIBOR + 3% per annum
	Fees	Administrative commission: One-time commission of 0.5%
	Facility	(C) Tawarruq for the call centers of Government Entity No. 1 up to a maximum of fourteen million, seven hundred and fifty thousand Saudi Riyals (SAR 14,750,000).
	Availability period	N/A
	Profit margin	SAIBOR + 2.5% per annum
	Fees	N/A
	Facility	(d) Tawarruq for the operation of Government Entity No. 1 call centers up to a maximum of thirty-four million Saudi Riyals (SAR 34,000,000).
	Availability period	N/A
	Profit margin	SAIBOR + 2.5% per annum
	Fees	One-time administrative fees: 0.5% per annum + VAT (before adding enforceable amounts)
	Facility	Letter of guarantee (letter of performance bond) for the operation of the call centers of Government Entity No. 1 up to a maximum of twelve million, five hundred thousand Saudi Riyals (SAR 12,500,000).
	Availability period	N/A
	Profit margin	N/A
	Fees	Tariff commission + 1.25%

Item description	Details	
	Facility	Guarantee of an advance payment for the operation of the call centers of Government Entity No. 1 with a maximum of twelve million, five hundred thousand Saudi Riyals (SAR 12,500,000).
	Availability period	N/A
	Profit margin	N/A
	Fees	Tariff Commission + 1.75%
	Facility	Tawarruq with a maximum of thirty-two million Saudi Riyals (SAR 32,000,000) for the operation of the call centers of Government Entity No. 1.
	Availability period	N/A
	Profit margin	SAIBOR + 2.5% per annum
	Fees	-
	Facility	(e) Tawarruq with a maximum of forty-four million Saudi Riyals (SAR 44,000,000) for the operation of the call centers of Government Entity No. 1.
	Availability period	N/A
	Profit margin	SAIBOR + 3.5% per annum
	Fees	-
	Facility	Letter of guarantee (letter of performance bond) with a maximum of twelve million, five hundred and fifty-seven thousand Saudi Riyals (SAR 12,557,000) for the operation of the call centers of Government Entity No. 1.
	Availability period	N/A
	Profit margin	N/A
	Fees	Tariff commission + 1.5% 5% on cash amounts
	Facility	(f) Direct alternative credit with a maximum of eighteen million, five hundred thousand Saudi Riyals (SAR 18,500,000) for the operation and maintenance of the fiber optic networks of Government Entity No. 9.
	Availability period	N/A
	Profit margin	N/A
	Fees	Tariff commission + 0.5% Acceptance commission: 1.5% 10% on cash payments
	Facility	Tawarruq with a maximum of sixteen million, six hundred and fifty thousand Saudi Riyals (SAR 16,650,000) for the operation and maintenance of the fiber optic networks of Government Entity No. 9 (sub-limit of the limit allocated for direct alternative credit).
	Availability period	N/A
	Profit margin	SAIBOR + 4% per annum
	Fees	N/A
	Facility	Tawarruq with a maximum of seven million Saudi Riyals (SAR 7,000,000).
	Availability period	N/A
	Profit margin	SAIBOR + 4% per annum
	Fees	N/A
	Facility	Tawarruq with a maximum of eight million Saudi Riyals (SAR 8,000,000)
	Availability period	N/A
	Profit margin	SAIBOR + 4% per annum
	Fees	One-time administrative expenses: 0.5% per annum + VAT
	Facility	Letter of guarantee (letter of performance bond) with a maximum of four million, four hundred and eighty-five thousand Saudi Riyals (SAR 4,485,000).
	Availability period	N/A
	Profit margin	N/A
	Fees	Tariff commission + 1.5% 5% cashback margin on cash amounts
	Facility	(G) Direct alternative credit with a maximum of seventy-three million Saudi Riyals (SAR 73,000,000) to import, license and secure Microsoft licenses for Government Entity No. 1.
	Availability period	N/A

Item description	Details	
	Profit margin	N/A
	Fees	Issuance fees: Tariff and commission Acceptance commission: 0.5% 5% cashback margin on cash amounts
	Facility	Letter of guarantee (letter of performance bond) with a maximum of five million, two hundred thousand Saudi Riyals(SAR 5,200,000) to import, license and secure Microsoft licenses for Government Entity No. 1.
	Availability period	N/A
	Profit margin	N/A
	Fees	Tariff commission + 1.25%
	Facility	Tawarruq with a maximum of seventy million Saudi Riyals (SAR 70,000,000) to import, license and secure Microsoft licenses for Government Entity No. 1 (sub-limit of the limit allocated for direct alternative credit).
	Availability period	N/A
	Profit margin	SAIBOR + 2.5% per annum
	Fees	N/A
	Facility	Letter of guarantee (letter of performance bond) with a maximum of seven hundred and thirty-four million Saudi Riyals (SAR 734,000) for the import and installation of the BMS system in Government Entity No. 9.
	Availability period	N/A
	Profit margin	N/A
	Fees	Issuance fees: Tariff + 1.5% 10% cashback margin on cash amounts
	Facility	(H) Tawarruq (sub-limit of direct credit alternatives) with a maximum of three million, six hundred and ninety-one thousand Saudi Riyals (SAR 3,691,000) for the operation and maintenance of the attendance system in Government Entity No. 20.
	Availability period	N/A
	Profit margin	SAIBOR + 4% per annum
	Fees	N/A
	Facility	Direct alternative credit with a maximum of three million, eight hundred and seventeen thousand Saudi Riyals (SAR 3,817,000) for the operation and maintenance of the attendance system in Government Entity No. 20.
	Availability period	N/A
	Profit margin	N/A
	Fees	Acceptance fees: 1.5% Issuance fees: Tariff + 0.5% additional commission 10% cashback margin on cash amounts
	Facility	(i) Direct alternative credit with a maximum of twelve million Saudi Riyals (SAR 12,000,000) for the operation and maintenance of the information center of Government Entity No. 9.
	Availability period	N/A
	Profit margin	N/A
	Fees	Issuance fees: Tariff + 0.5% Acceptance fees: 1.5% Administrative fees: 0.5% per annum + VAT (one-time)
	Facility	Tawarruq with a maximum of twelve million Saudi Riyals (SAR 12,000,000) for the operation and maintenance of the information center of Government Entity No. 9 (sub-limit of the limit allocated for direct alternative credit).
	Availability period	N/A
	Profit margin	SAIBOR + 2.5% per annum
	Fees	N/A
	Facility	Letter of guarantee (letter of performance bond) with a maximum of three million, eight hundred thousand Saudi Riyals (SAR 3,800,000) for the operation and maintenance of the information center of Government Entity No. 9 (sub-limit of the limit allocated for direct alternative credit).
	Availability period	N/A
	Profit margin	N/A

Item description	Details	
	Fees	Issuance fees: Tariff + 1.25% Administrative fees: 0.5% per annum + VAT (one-time)
	Facility	Tawarruq with a maximum of eight million Saudi Riyals (SAR 8,000,000) for the operation and maintenance of an information center (one-time payment)
	Availability period	N/A
	Profit margin	SAIBOR + 2.5% per annum
	Fees	0.5% per annum + VAT (before adding enforceable amounts)
Guarantees	• Mortgage on 9,303 shares of the Company according to the investment account statement dated 27/09/2021G. • A joint personal guarantee issued by Nasser Abdullah Albassam, Saleh Ibrahim Hamad Al Mazroua and The Ideal for Business and Investment Trade Company on 27/09/2021G. • A promissory note for an amount of four hundred and sixteen million Saudi Riyals (SAR 416,000,000) dated 27/09/2021G, guaranteed by The Ideal for Business and Investment Trade Company, Nasser Abdullah Albassam and Saleh Ibrahim Hamad Al Mazroua.	
Terms	• Initial or final letters of guarantee shall not be regarded as an advance payment of tenders as an obligation on the part of the Bank to finance the operation or to provide new guarantees or working capital in case of winning the tender. • The original waiver in favor of Riyad Bank of financial dues in projects for which the final guarantees and the advance payment are issued, provided that the waiver is supported by the assignors. • Administrative expenses and commissions for the issuance or extension of letters of guarantee are non-refundable and are not entitled to refunds or part thereof in the event of their return for failure to be submitted by the Company to the assignor or the release or cancellation of any letters of guarantee during or before the date of their expiration or maturity.	
Termination and expedited payment	The limits and terms of the facilities are not specified in the notification letter.	
Applicable law	The limits and terms of the facilities are not specified in the notification letter.	

Source: Management information.

Short-term loans represent credit facilities obtained from several commercial banks and bear financing costs at prevailing market rates based on interbank offered rates that charge fees at the prevailing interbank interest rate in the Kingdom of Saudi Arabia "SAIBOR" in addition to an agreed margin between the parties. Management intends to recycle short-term loans as they mature. Some of these loans are guaranteed and secured by the partners, as well as by promissory notes and assignment of receivables to projects financed by means of these facilities.

Short-term loans increased from SAR 60.7 million as of 31 December 2019G to SAR 67.0 million as of 31 December 2020G, and then to SAR 84.0 million as of 31 December 2021G, in line with an increase in the volume of the Company's operations and activities, in addition to the accumulation of the balance of trade receivables. This led to a rise in short-term loans to finance working capital during the same period.

Short-term loans increased from SAR 84.0 million as of 31 December 2021G to SAR 183.0 million as of 31 March 2022G, in line with new loans mainly related to Government Entity No. 1 projects amounting to SAR 67.6 million, and a financing loan related to Bulk SMS amounting to SAR 29.8 million.

Unearned Revenue

The unearned revenue balance amounted to SAR 58.3 million as of 31 December 2021G, consisting of unearned revenue related to projects in addition to unearned revenue related to SMS packages (Bulk SMS). The unearned revenue balance increased from SAR 22.6 million as of 31 December 2019G to SAR 29.5 million as of 31 December 2020G, due to the increase in unearned revenue related to SMS packages (Bulk SMS) (SAR 9.6 million), which was offset by a decrease in unrealized project-related revenue (SAR 2.8 million).

The unearned revenue balance continued to increase to SAR 58.3 million as of 31 December 2021G given, in some cases, payments were received from clients according to the agreed payment schedule but before delivery of full deliverables, resulting in an increase in the balance of unearned revenue during the year. The balance increased to SAR 63.2 million as of 31 March 2022G, due to higher payments from clients before the delivery of full deliverables.

It is worth mentioning that the impact of revenue and costs resulting from the SMS sales product (Yamamah) has been reversed according to IFRS 15 by remeasuring and reassessing the mechanism of applying IFRS 15 from the initial mechanism of calculating revenue when recharging balances to clients to the subsequent mechanism of calculating revenue against clients' use of the charged balance, which resulted in a change in the calculation of revenue from a point in time to over time.

6.7.30 Accrued Expenses and Other Credit Balances

Table (77): Accrued Expenses and Other Credit Balances as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Management Information)
Accrued salaries and wages	1,770	1,596	35,289	101
Accrued leave	5,669	16,106	20,313	21,861
Value added tax, net	265	2,462	9,623	17,508
Advance payments from clients	10,741	4,647	4,493	4,411
Social insurance	1,033	3,141	3,451	1,851
Accrued commissions	3,497	5,665	2,781	1,600
Project accruals	-	-	9,664	25,994
Other	3,639	6,978	6,284	2,772
Total	**26,613**	**40,595**	**91,538**	**76,098**

Source: The audited financial statements for the financial year ended 31 December 2021G and Management information.

Accrued Salaries and Wages

Accrued salaries and wages relate to salaries that are allocated to projects and that have been incurred but not invoiced, as the Company awaits the timesheet approval from the project owner (Client), in addition to year-end bonuses for employees. The balance decreased from SAR 1.8 million as of 31 December 2019G to SAR 1.6 million as of 31 December 2020G as a result of the settlement of some outstanding balances related to projects during the same period. The balance increased to SAR 35.3 million as of 31 December 2021G as a result of salary entitlement (including employee bonuses).

The balance of accrued salaries and wages decreased from SAR 35.3 million as of 31 December 2021G to SAR 101 thousand as of 31 March 2022G as a result of the payment of accrued salaries (including employee bonuses) at the beginning of the financial year 2022G.

Accrued Leave

Accrued leave balance pertain to the unused leave days due to employees. The accrued leave balance increased from SAR 5.7 million as of 31 December 2019G to SAR 16.1 million as of 31 December 2020G, and then to SAR 20.3 million as of 31 December 2021G, in line with the increase in the number of employees and unused leave days of some employees due to the coronavirus pandemic (COVID-19).

The accrued leave balance increased from SAR 20.3 million as of 31 December 2021G to SAR 21.9 million as of 31 March 2022G as a result of an increase in the number of employees during the same period.

Value Added Tax, Net

The value-added tax (VAT) balance increased from SAR 265 thousand as of 31 December 2019G to SAR 2.5 million as of 31 December 2020G as a result of the initiatives of the government of the Kingdom of Saudi Arabia to postpone tax dues during the coronavirus pandemic (COVID-19), in addition to an increase in VAT from 5% to 15% during the financial year 2020G.The VAT balance continued to rise to SAR 9.6 million as of 31 December 2021G as a result of an increase in the Company's revenue.

The VAT balance increased from SAR 9.6 million as of 31 December 2021G to SAR 17.5 million as of 31 March 2022G as a result of an increase in revenue during the same period.

Advance Payments from Clients

Advance payments from clients, which usually amounted to 5% of the contract value or, in some exceptional cases, 10% of the contract value. The balance of advance payments from clients decreased from SAR 10.7 million as of 31 December 2019G to SAR 4.6 million as of 31 December 2020G as a result of the maturity of advance payments and the Company's execution of its works with the clients. The balance of advance payments from clients stabilized at SAR 4.5 million as of 31 December 2021G whereby it related to advance payments from several clients within the public sector.

The balance of advance payments from clients stabilized at SAR 4.4 million as of 31 March 2022G.

Social Insurance

The balance of accrued social insurance increased from SAR 1.0 million as of 31 December 2019G to SAR 3.1 million as of 31 December 2020G, and then to SAR 3.5 million as of 31 December 2021G. in line with an increase in the number of employees during the same period. It is worth mentioning that during the financial year 2020G, the General Organization for Social Insurance (GOSI) provided a grace period in relation to the non-payment of social insurance expenses in response to the economic effects of the coronavirus pandemic (COVID-19).

The social insurance balance decreased from SAR 3.5 million as of 31 December 2021G to SAR 1.9 million as of 31 March 2022G as a result of the amendments set by the government, according to which insurance fees for Saudi employees were reduced from 1.0% to 0.5% during the same period.

Accrued Commissions

The balance of accrued commissions relates to bonuses and commissions due to sales employees. The balance of accrued commissions increased from SAR 3.5 million as of 31 December 2019G to SAR 5.7 million as of 31 December 2020G, due to an increase in the number of employees in addition to the high commission rates for employees in line with an increase in the volume of the Company's operations and the achievement of the targets set out during this period.

The balance of accrued commissions decreased to SAR 2.8 million as of 31 December 2021G as a result of the payment of part of the commissions during the period, which led to a decrease in the accrued commissions.

The balance of accrued commissions continued to decrease from SAR 2.8 million as of 31 December 2021G to SAR 1.6 million as of 31 March 2022G as a result of an adjustment to the expected revenue targets for the financial year 2022G. These targets were relatively high compared to the previous period, which led to a decrease in commission fees during the period.

Project Accruals

Project accruals include project related expenses which are incurred at year end and are not yet invoiced, concerning projects that have been terminated, whereby the balance amounted to SAR 9.7 million as of 31 December 2021G.

The project accruals balance increased from SAR 9.7 million as of 31 December 2021G to SAR 26.0 million as of 31 March 2022G in line with the increase in the number of projects during the same period.

Other Credit Balances

Other credit balances include expenses in relation to goods received but not yet invoiced by suppliers as well as expenses due for taxes, interest, etc. (Including Tax). Other credit balances increased from SAR 3.6 million as of 31 December 2019G to SAR 7.0 million as of 31 December 2020G as a result of the non-issuance of invoices amounting to SAR 4.2 million that did not relate to projects. Other credit balances decreased to SAR 6.3 million as of 31 December 2021G as a result of a decrease in the value of accrued expenses related to goods received but not invoiced by suppliers.

Other credit balances decreased from SAR 6.3 million as of 31 December 2021G to SAR 2.8 million as of 31 March 2022G as a result of a decrease in accrued expenses in relation to Bulk SMS in addition to a decrease in the value of accrued expenses related to goods received but not invoiced by suppliers.

6.7.31 Zakat Payable

Table (78): Key components of the Zakat base as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Management Information)
Equity, opening balance	43,801	34,436	78,741	29,717
Restated net profit before Zakat	34,109	69,813	107,352	28,277
Non-current and other liabilities	43,644	11,148	68,566	198,687
Non-current and other assets	(63,871)	(99,074)	(116,675)	(118,584)

Source: The audited financial statements for the financial year ended 31 December 2021G and Management information.

Some of these amounts have been restated to arrive at the Zakat base. Zakat payable is calculated at 2.5% of the Zakat base or restatednet profit for the year, whichever is higher.

Table (79): Movement in Zakat Payable as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR '000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Management Information)
1 January	912	1,460	1,745	3,473
Zakat expense	1,460	1,745	3,467	850
Shortfall in previous years' provisions	-	-	146	-
Paid during the year	(912)	(1,460)	(1,885)	-
As of 31 December	**1,460**	**1,745**	**3,473**	**4,323**

Source: The audited financial statements for the financial year ended 31 December 2021G and Management information.

The Company submitted its Zakat declarations up to the financial year ended 31 December 2020G to the Zakat, Tax and Customs Authority (ZATCA) and received a final certificate during 2021G of adjustment letter (Zakat Assessment) from ZATCA for 2015G, showing the existence of Zakat differences in the amount of SAR 146 thousand, which the Company paid, thus completing its Zakat status until 2015G. The remaining years are still under examination by the Zakat, Tax and Customs Authority.

The Zakat payable balance increased from SAR 1.5 million as of 31 December 2019G to SAR 1.7 million as of 31 December 2020G, and then to SAR 3.5 million as of 31 December 2021G, as a result of an increase in the Zakat base in line with the increase in the Company's net income during the same period.

The Zakat payable balance increased from SAR 3.5 million as of 31 December 2021G to SAR 4.3 million as of 31 March 2022G as a result of an increase in the Zakat base in line with the increase in the Company's net income during the same period.

6.7.32 Statement of Cash Flows

Table (80): Cash Flow Statement for the Financial Years Ended 31 December 2019G, 2020G and 2021G

SAR '000	FY 2019G (Restated)	FY 2020G (Restated)	FY 2021G (Audited)	Three-Month Period Ended 31 March 2021G (Reviewed)	Three-Month Period Ended 31 March 2022G (Reviewed)
Cash flows generated from operating activities					
Profit before Zakat	24,466	66,117	84,228	14,944	22,925
Adjustments to:					
Depreciation of property, plant and equipment	2,249	2,417	2,891	634	1,011
Provision for expected credit losses	10,032	2,804	1,504	-	1,211
Loss on disposal of property, plant and equipment	-	26	296	-	-
Current service costs for employees' defined benefit obligation	1,961	6,265	11,672	3,231	4,141
Financing costs	256	187	283	-	-
Share in the net losses of a subsidiary	-	48	-	19	-
Changes in operating assets and liabilities:					
Inventory	(454)	(4,331)	4,522	407	(731)
Due from/to Related Parties	3,738	17,390	(6,351)	621	(605)
Contract assets	(19,803)	(25,219)	(130,391)	(18,017)	5,205
Trade receivables	(13,768)	(54,068)	22,019	(34,366)	(140,831)
Prepaid expenses and other assets	(7,669)	5,774	(6,743)	(12,452)	(5,079)
Trade payables	(21,855)	14,794	40,041	11,361	(17,439)
Unearned revenue	22,612	6,847	28,878	9,854	4,876
Accrued expenses and other liabilities	10,261	13,982	50,943	3,389	(15,440)
Cash (used in) generated from operations	**12,026**	**53,033**	**103,793**	**(20,375)**	**(140,754)**
Paid employees' defined benefit obligation	(838)	(2,315)	(4,983)	(48)	(1,302)
Zakat paid	(912)	(1,460)	(1,885)	(191)	-
Net cash generated from/used in operating activities	10,276	49,257	96,925	(20,613)	(142,056)
Cash flows generated from investment activities					
Purchase of property, plant and equipment	**(45,461)**	**(36,715)**	**(21,802)**	**(3,991)**	**(2,921)**
Proceeds from the disposal of property, plant and equipment	-	83	-	1	-
Investment additions at fair value through other comprehensive revenue	-	(517)	-	-	-
Additional / Disposal of investment in a subsidiary	-	(67)	19	-	-
Net cash used in investment activities	(45,461)	(37,215)	(21,783)	(3,990)	(2,921)
Cash flows generated from financing activities					
Net change in bank facilities	39,615	17,156	16,146	26,976	98,322
Paid dividends	(8,000)	(22,000)	(32,377)	(536)	-
Net cash (used in)/generated from financing activities	**31,615**	**(4,844)**	**(16,231)**	**26,440**	**98,322**
Net change in cash and cash equivalents	**(3,570)**	**7,198**	**58,911**	**1,836**	**(46,655)**
Cash and cash equivalents at the beginning of the year	6,920	3,350	10,548	10,548	69,459
Cash and cash equivalents at the end of the year	**3,350**	**10,548**	**69,459**	**12,384**	**22,804**

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

Cash Flows Generated from Operating Activities

Cash generated from operating activities increased from SAR 10.3 million in the financial year 2019G to SAR 49.3 million in the financial year 2020G, mainly due to an increase in profit before Zakat from SAR 24.5 million in the financial year 2019G to SAR 66.1 million in the financial year 2020G, in line with the increase in the volume of the Company's operations during such period. This was accompanied by (1) an increase in dues from/to Related Parties from SAR 3.7 million in the financial year 2019G to SAR 17.4 million in the financial year 2020G, (2) an increase in trade payables from SAR (-21.9) million in the financial year 2019G to SAR 14.8 million in the financial year 2020G, which was offset by (3) an increase in trade receivables from SAR (-13.8) million in the financial year 2019G to SAR (-54.1) million in the financial year 2020G, and (4) a decrease in unearned revenue from SAR 22.6 million in the financial year 2019G to SAR 6.8 million in the financial year 2020G.

Cash generated from operating activities increased to SAR 96.9 million in the financial year 2021G, mainly due to an increase in profit before Zakat from SAR 66.1 million in the financial year 2020G to SAR 84.2 million in the financial year 2021G, in line with an increase in the volume of the Company's operations during such period. This was accompanied by (1) an increase in trade payables from SAR 14.8 million in the financial year 2020G to SAR 40.0 million in the financial year 2021G, (2) an increase in trade receivables from SAR (-54.1) million in the financial year 2020G to SAR 22.0 million in the financial year 2021G, (3) an increase in accrued expenses and other liabilities from SAR 14.0 million in the financial year 2020G to SAR 50.9 million in the financial year 2021G, which was offset by (4) an increase in contract assets from SAR (-25.2) million in the financial year 2020G to SAR (-130.4) million in the financial year 2021G, and (5) a decrease in dues from/to Related Parties from SAR 17.4 million in the financial year 2022G to SAR (-6.4) million in the financial year 2021G.

Cash used in operating activities increased from SAR (-20.6) million in the three-month period ended 31 March 2021G to SAR (-142.1) million in the three-month period ended 31 March 2022G, mainly due to (1) a decrease in trade payables from SAR 11.4 million in the three-month period ended 31 March 2021G to SAR (-17.4) million in the three-month period ended 31 March 2022G, (2) a decrease in trade receivables from SAR (-34.4) million in the three-month period ended 31 March 2021G to SAR (-140.1) million in the three-month period ended 31 March 2022G, (3) a decrease in accrued expenses and other liabilities from SAR 3.4 million in the three-month period ended 31 March 2021G to SAR (-15.4) million in the three-month period ended 31 March 2022G, which was offset by (4) an increase in contract assets from SAR (-18.0) million in the three-month period ended 31 March 2021G to SAR 5.2 million in the three-month period ended 31 March 2022G.

Cash Flows Used in Investment Activities

Cash used in investment activities decreased from SAR 45.5 million in the financial year 2019G to SAR 37.2 million in the financial year 2020G, in line with a decrease in the purchase of property, plant and equipment from SAR 45.5 million to SAR 36.7 million, which was offset by (1) proceeds from the disposal of property, plant and equipment amounting to SAR 83 thousand, and (2) additions to investment at fair value through other comprehensive revenue amounting to SAR 517 thousand during such period. Cash used in investment activities decreased to SAR 21.8 million in the financial year 2021G, due to a decrease in the purchase of property, plant and equipment during such period.

Cash used in investment activities decreased from SAR (-4.0) million in the three-month period ended 31 March 2021G to SAR (-2.9) million in the three-month period ended 31 March 2022G, due to a decrease in the purchase of property, plant and equipment during such period.

Cash Flows (used in) Generated from Financing Activities

Cash generated from financing activities decreased from SAR 31.6 million in the financial year 2019G to cash used in financing activities amounting to SAR (-4.8) million in the financial year 2020G, due to (1) an increase in paid dividends to reach SAR 22.0 million during such period, and (2) a decrease in the net change in bank facilities from SAR 39.6 million in the financial year 2019G to SAR 17.2 million in the financial year 2020G. Cash used in financing activities increased to SAR 16.6 million in the financial year 2021G, due to an increase in paid dividends, reaching SAR 32.4 million during such period.

Cash generated from financing activities increased from SAR 26.5 million in the three-month period ended 31 March 2021G to SAR 98.3 million in the three-month period ended 31 March 2022G, due to an increase in the net change in bank facilities.

6.7.33 Contingent Liabilities

Table (81): Contingent Liabilities as of 31 December 2019G, 2020G and 2021G and 31 March 2022G

SAR'000	As of 31 December 2019G (Restated)	As of 31 December 2020G (Restated)	As of 31 December 2021G (Audited)	As of 31 March 2022G (Reviewed)
Letters of Guarantee	84,957	97,224	206,067	207,799
Total	**84,957**	**97,224**	**206,067**	**207,799**

Source: The audited financial statements for the financial year ended 31 December 2021G and the reviewed financial statements for the period ended 31 March 2022G.

The Company has contingent liabilities for bank guarantees issued in the ordinary course of business as of the end of the financial year during the Company's ordinary business cycle.

6.7.34 Previous Years' Adjustments

During the year ended 31 December 2021G, the Company restated the opening balance of retained profits in accordance with the requirements of International Accounting Standard (IAS) 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

The following are adjustments to the statement of financial position as of 31 December 2020G:

SAR'000	Note	31 December 2020G (Before Restatement)	Reclassification	Remeasurement	31 December 2020G (Restated)
Assets					
Trade receivables	B	122,000	-	(647)	121,353
Total			**-**	**(647)**	
Equity					
Retained earnings	B, C	79,280	-	(833)	78,447
Total			**-**	**(833)**	
Liabilities					
Unearned revenue	A, C	-	29,273	186	29,459
Accrued expenses and other credit balances	A	69,868	(29,273)	-	40,595
Total			**-**	**(647)**	

Source: The audited financial statements for the financial year ended 31 December 2021G.

The following are adjustments to the statement of financial position as of 31 December 2019G:

SAR'000	Note	31 December 2019G (Before Adjustment)	Reclassification	Remeasurement	31 December 2019G (Restated)
Assets					
Trade receivables	B	73,241	-	(3,153)	70,088
Total			**-**	**(3,153)**	
Equity					
Retained earnings	B, C	45,076	-	(3,897)	41,179
Total			**-**	**(3,897)**	
Liabilities					
Unearned revenue	A, C	-	21,869	744	22,612
Accrued expenses and other credit balances	A	48,481	(21,869)	-	26,613
Zakat payable		1,460	-	-	1,460
Total			**-**	**(3,153)**	

Source: The audited financial statements for the financial year ended 31 December 2021G.

The following are adjustments to the statement of profit or loss and other comprehensive revenue for the year ended 31 December 2020G:

SAR'000	Note	31 December 2020G (Before Restatement)	Reclassification	Remeasurement	31 December 2020G (Restated)
Revenue	C	492,031	-	(9,556)	482,475
Cost of revenue	C	(401,568)	-	10,114	(391,454)
General and administrative expenses	A	(25,312)	5,310	-	(20,003)
Impairment losses on trade receivables	A, B	-	(5,310)	2,506	(2,804)
Profit before Zakat		**63,053**	**-**	**3,064**	**66,117**
Profit for the year		**61,308**	**-**	**3,064**	**64,371**
Other comprehensive revenue					
Total comprehensive revenue for the year		**59,515**	**-**	**3,064**	**62,578**

Source: The audited financial statements for the financial year ended 31 December 2021G.

The following are adjustments to the statement of profit or loss and other comprehensive revenue for the year ended 31 December 2019G:

SAR'000	Note	31 December 2019G (Before Restatement)	Reclassification	Remeasurement	31 December 2019G (Restated)
Revenue	C	306,159	-	(8,057)	298,102
Cost of revenue	C	(250,682)	-	7,314	(243,369)
General and administrative expenses	A	(22,691)	6,879	-	(15,812)
Impairment losses on trade receivables	A, B	-	(6,879)	(3,153)	(10,032)
Profit before Zakat		**28,364**	**-**	**(3,897)**	**24,466**
Profit for the year		**26,902**	**-**	**(3,897)**	**23,005**
Total comprehensive revenue for the year		**26,451**	**-**	**(3,897)**	**22,554**

Source: The audited financial statements for the financial year ended 31 December 2021G.

Disclosure on the Reconciliation of the Statement of Financial Position as of 31 December 2019G and 31 December 2020G, and the Statement of Profit or Loss and Other Comprehensive Revenue for the Financial Years 2019G and 2020G:

a. Certain comparative figures have been reclassified to conform to the presentation of the financial statements for the current year.

b. The impact of IFRS 9 for expected credit losses for the years ended 2019G and 2020G has been reversed by calculating the provision for expected credit losses through the application of the provision matrix to the total trade receivables and their credit rating in terms of their age and determining the risk ratio accordingly.

c. The impact on the revenue and costs resulting from the product of SMS sales (Yamamah) has been reversed according to IFRS15 by remeasuring and interpreting the mechanism of applying IFRS 15 from the initial mechanism calculating revenue when recharging balances to clients to the subsequent mechanism of calculating revenue against clients' use of the charged balance, which resulted in a change in the calculation of revenue from a point in time to over time.

7. Dividend Distribution Policy

Pursuant to Article 110 of the Companies Law, all rights and liabilities related to the shares shall be equally established for each Shareholder. including in particular the right to receive a portion of dividends to be distributed. The declaration and distribution of any dividends will be recommended by the Board of Directors before being approved by the Shareholders at a General Assembly meeting. However, there shall be no guarantee of an actual distribution of dividends. Any decision to distribute dividends shall depend on a number of factors, including the Company's previous and expected profits, cash flows, financing and capital requirements, market data and economic factors in general, Zakat, and other factors that the Board of Directors deems important, in addition to other legal and regulatory considerations. The Company's expectations with respect to such factors are subject to many assumptions and risks that may fall outside the Company's control. For a discussion of the risks related to the distribution of dividends, please refer to Section 2.3.4 "**Risks Related to the Company's Ability to Distribute Dividends**". For example, Shares shall entitle their holders to receive dividends announced by the Company as of the date of this Prospectus and for the subsequent financial years. Despite the Company's intention to distribute annual dividends to its Shareholders, there shall be no guarantee of actual distribution of dividends. There shall also not be any guarantee of the amounts that will be paid in any given year.

The Company intends to distribute dividends to its Shareholders in order to enhance the value of their investments in it in a manner that is consistent with its capital expenses and investment requirements. This shall occur based on the profits achieved by the Company, its financial position, market conditions and general economic factors, as well as other factors that include the Company's need to reinvest such profits, its capital requirements, future expectations and economic activity, in addition to other legal and regulatory considerations.

In addition, investors wishing to invest in the Offer Shares should be aware that the Dividends Distribution Policy may change from time to time.

Although the Company intends to distribute dividends to its Shareholders, it shall not provide any guarantees that it will distribute dividends, nor shall it guarantee the value of such dividends that it intends to distribute in any given year. The distribution of dividends shall also be subject to a number of restrictions stipulated in the Company's Bylaws. Dividends shall be distributed in Saudi Riyals.

The Company's annual net profits shall be distributed as follows:

1. 10% of the net profits shall be set aside to form a statutory reserve. Such setting aside may be discontinued by the Ordinary General Assembly when the said statutory reserve amounts to 30% of the Company's paid-up capital.
2. The Ordinary General Assembly may, upon recommendation of the Board of Directors, set aside a percentage of the annual net profits to form a voluntary reserve to be allocated to one or more specific purposes.
3. The Ordinary General Assembly may decide to form other reserves to the extent they serve the Company's interests, or to ensure the distribution of fixed dividends - so far as possible - to the Shareholders. The Ordinary General Assembly may also deduct amounts from the net profits to create social institutions for the Company's employees or to support existing institutions of such kind.
4. Thereafter, the Ordinary General Assembly may distribute the remainder to Shareholders of the Company, provided that the percentage of such profits shall not be less than 1% of the Company's share capital.

The Company may distribute interim dividends to its Shareholders on a semi-annual or quarterly basis by a resolution of the Board of Directors based on an authorization by the Company's General Assembly, if the Company's financial position so allows and it has sufficient liquidity, in accordance with the controls and procedures set by the competent authority.

The following is a summary of the dividends announced and distributed by the Company since the beginning of 2019G:

Table (82): Dividends Distributed in the Years Ended 31 December 2019G, 2020G and 2021G and the Three-Month Period Ended 31 March 2022G

	2019G	2020G	2021G	Three-Month Period Ended 31 March 2022G
Dividends announced for the period	8,000,000	22,000,000	32,376,562	17,000,000
No. of shares	1,000	1,000	2,000,000	15,000,000
Dividends distributed per share during the period (SAR)	8,000	22,000	16,188	1.13
Dividends distributed during the period	8,000,000	22,000,000	32,376,562	N/A
Company's capital during the period	20,000,000	20,000,000	20,000,000	150,000,000

	2019G	2020G	2021G	Three-Month Period Ended 31 March 2022G
Net profit for the period	22,553,874	62,578,217	80,976,128	22,345,254
Dividend payout ratio	35.5%	35.2%	40%	N/A

Source: The Company

The Offer Shares shall not be entitled to any dividends announced before the date of this Prospectus. The first entitlement of the Offer Shares to dividends announced by the Company shall be as of the date of this Prospectus and for subsequent financial years. Members of the Board of Directors acknowledge that, as of the date of this Prospectus, there are no declared or accrued dividends for the mentioned periods, except for what has been mentioned above.

Dividends were distributed by a resolution of the Shareholders' General Assembly dated 13/10/2021G amounting to SAR 2,376,562.49. Dividends were also distributed by a resolution of the Shareholders' General Assembly dated 14/12/2021G amounting to SAR 30,000,000.00, bringing the total dividends distributed during the financial year 2021G to SAR 32,376,562.49, equivalent to 16.19 Saudi Riyals per share.

Interim dividends were distributed by a resolution of the Board of Directors dated 12/04/2022G amounting to SAR 17,000,000. Interim dividends were also distributed by a resolution of the Board of Directors dated 30/08/2022G amounting to SAR 9,000,000.00, bringing the total dividends distributed during the financial year 2022G, as at the date of this Prospectus, to SAR 26,000,000, equivalent to SAR 1.73 per share.

8. Use of Offering Proceeds

The total Offering proceeds are estimated at approximately SAR (832,500,000), of which approximately SAR (27,000,000) shall be used to settle all expenses related to the Offering. This includes the fees of the Financial Advisor, the Bookrunner, the Lead Manager, the Underwriter, the Legal Advisors, the Financial Due Diligence Advisor, the Auditor, the Receiving Entities, the Market Consultant, and other Advisors, as well marketing, printing, translation and distribution fees, and other costs and expenses related to the Offering. The Company shall not receive any portion of the net Offering Proceeds.

The net Offering proceeds amounting to approximately SAR (805,500,000) shall be distributed to the Selling Shareholders on a pro-rata basis based on the number of Offer Shares sold. The Company shall not receive any portion of the net Offering proceeds. The Selling Shareholders shall bear all fees, expenses and costs related to the Offering.

9. Capitalization and Indebtedness of the Company

The Selling Shareholders own all of the Company's shares prior to the Offering. After the completion of the Offering, the Selling Shareholders shall own 70% of the Company's shares.

The following table shows the Company's capitalization as it reflected in the financial statements for the financial years ended 31 December 2019G, 2020G and 2021G, and the three-month period ended 31 March 2022G. The following table should be read and interpreted in conjunction with the relevant financial statements, including the notes attached thereto, set out in Section 19 "**Financial Statements and Auditor's Report**".

Table (83): Capitalization and Indebtedness of the Company

	2019G	2020G	2021G	Three-Month Period Ended 31 March 2022G
Total loans	60,685,448	77,841,161	93,986,734	192,308,592
Shareholders' equity				
Capital	20,000,000	20,000,000	20,000,000	150,000,000
Additional capital	6,670,311	6,670,311	6,670,311	0
Statutory reserve	2,690,215	6,000,000	6,000,000	0
Other reserves	0	0	0	0
Retained earnings	41,178,681	78,447,113	127,046,679	32,062,244
Total Shareholders' equity	70,539,207	111,117,424	159,716,990	182,062,244
Non-controlling interest	-	-	-	0
Total equity	**70,539,207**	**111,117,424**	**159,716,990**	**182,062,244**
Total capitalization (total loans + total shareholders' equity)	**131,224,655**	**188,958,585**	**253,703,724**	**374,370,836**
Total loans/total capitalization	**46.3%**	**41.1%**	**37%**	**51.3%**

Source: The financial statements and Management information.

Members of the Board of Directors acknowledge that:

a. None of the Company's Shares are under option.

b. The Company does not have any debt instruments as of the date of this Prospectus.

c. The Company's cash balance and cash flows are sufficient to cover its anticipated cash needs for working capital and capital expenditure for at least twelve (12) months following the date of this Prospectus.

10. Expert Statements

As of the date of this Prospectus, all of the Advisors and the Auditor, whose names appear on page (vi), have given, and have not withdrawn, their written consent to the publication of and reference to their names, addresses, logos and the statements attributed to each of them in the context in which they appear in this Prospectus, and do not, themselves, nor their employees forming part of the team serving the Company, or any of their relatives, have any shareholding or interest of any kind in the Company as of the date of this Prospectus which would impair their independence.

11. Declarations of the Board of Directors

The Board of Directors declare that:

1. The Company's shares have not previously been listed in any stock market inside or outside the Kingdom of Saudi Arabia prior to this Offering.
2. None of them, nor any of the Senior Executives or Board Secretary, have at any time been declared bankrupt or been subject to bankruptcy proceedings.
3. None of the companies in which any of the Board of Directors, Senior Executives or the Board Secretary were employed, in a managerial or supervisory capacity, was declared bankrupt or insolvent during the past five years.
4. Except as described in Section 12.8 "**Related Party Transactions**", none of the Board of Directors, Senior Executives, Board Secretary, or any of their relatives or affiliates, have any interest in any existing written or verbal contract or arrangement, or any contract or arrangement under consideration or expected to be concluded with the Company as of the date of this Prospectus.
5. Except as described in Section 5.2 "**Members of the Board of Directors and the Board Secretary**" and Section 5.4 "**Senior Management**", neither the Board of Directors, nor any of the Senior Executives, Board Secretary, or their relatives, have any shareholding or interest of any kind in the Company, and the Company is prohibited from granting a loan of any kind to members of the Board of Directors or guaranteeing a loan entered into by any of them.
6. No commissions, discounts, brokerage fees or other non-cash compensations were granted by the Company within the three years immediately preceding the date application for the registration and offer of securities in connection with the issue or offer of any securities.
7. There has been no interruption in the Company's business that may significantly affect or have affected its financial position during the last (12) months.
8. There is no intention to introduce any material changes to the nature of the Company's business.
9. Members of the Board of Directors did not vote on resolutions related to business with Related Parties or contracts in which they have a direct or indirect interest.
10. There has been no material adverse change in the Company's financial or trading position during the three years immediately preceding the date of filing the application for registration and offering the securities that are subject of this Prospectus, in addition to the period covered by the Auditor's report until the date of approval of this Prospectus.
11. There are currently no employee share schemes for the Company's employees or any other existing similar arrangement involving the employees in the Company's capital.
12. The Company does not have any securities (contractual or otherwise) or any assets, the value of which is subject to fluctuation that would adversely and materially affect its financial position.
13. Except as described in Section 2 "**Risk Factors**", the Company is not aware of any information regarding any governmental, economic, financial, monetary or political policies or any other factors that have materially affected or may materially affect (directly or indirectly) its operations.
14. The Company is not aware of any seasonal factors or business cycles related to its activity that may have an impact on the Company's business or financial position.
15. The statistical information used in Section 3 "**Market Overview**" obtained from third-party sources represents the latest information available from each respective source.
16. All contracts and agreements that the Company considers to be important or material or which may have an impact on an investor's decisions to invest in the Offer Shares have been disclosed. There are no other material agreements or contracts that have not been disclosed.
17. All terms and conditions that may affect the decisions of the investors to invest in the Offer Shares have been disclosed.
18. As of the date of this Prospectus, there are no material Related-Party contracts or transactions that have any material impact on the Company's business, and the Company has no intention to enter into any new agreements with Related Parties, except as specified in Section 12.8 "**Related Party Transactions**".
19. The Selling Shareholders will bear all expenses and costs related to the Offering. These costs will be deducted from the Offering proceeds and include the fees of the Financial Advisor, the Lead Manager, the Underwriter, the Legal Advisors, the Auditor and the Market Consultant, in addition to the fees of the Receiving Entities, as well as marketing, printing, distribution and translation costs and other expenses related to the Offering.

20. Except as mentioned in Section 2.1.29 "**Risks Related to Zakat and Income**", there is currently no dispute with the Zakat, Tax and Customs Authority (ZATCA), or objection thereof.
21. They have developed procedures, controls and systems that would enable the Company to meet all the requirements of the relevant laws and regulations, including the Companies Law, the Capital Market Law and its Implementing Regulations, the Corporate Governance Regulations, the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules.
22. All increases in the Company's capital do not violate the laws and regulations in force in the Kingdom of Saudi Arabia.
23. Except as disclosed in Section 2 "**Risk Factors**", and to the best of their knowledge and belief, there are no other material risks that may affect a prospective investor's decision to invest in the Offer Shares.
24. Except as disclosed in Section 2.1.20 "**Risks Related to Licenses, Certificates, Permits and Approvals**", the Company has obtained all necessary licenses and approvals required to carry out its business activities.
25. Except as disclosed in the Section 12.11 "**Lawsuits and Claims**", the Company is not a party to any existing disputes, claims, legal procedures or investigative procedures that could have a material impact on the Company's operations or financial position.
26. Except as disclosed in Section 12.5 "**Financing Agreements**", the Company has not issued any debt instruments, nor does it have any term loans or any other outstanding loans or indebtedness (including bank overdrafts, financial liabilities under acceptance, acceptance credits or purchase commitments).
27. Except as disclosed in Section 12.7 "**Company's Properties**", the Board of Directors acknowledges that there are no mortgages, rights or encumbrances on the Company's property as of the date of this Prospectus.
28. The Company has working capital sufficient for a period of at least twelve (12) months immediately following the date of publication of this Prospectus.
29. The financial information contained in this Prospectus has been extracted from the financial statements for the financial years ended 31 December 2019G, 2020G and 2021G and the three-month period ended 31 March 2022G.
30. The Company is capable of preparing the required reports in a timely manner in accordance with the Implementing Regulations issued by the CMA.
31. All necessary approvals have been obtained from the lenders to offer 30% of the Company's shares in an initial public offering. The Company is also committed to all the terms and conditions under the agreements with lenders for all loans, facilities and financing.
32. As of the date of this Prospectus, there is no breach of the contractual terms and conditions under the agreements with lenders granting all loans, facilities and financing. The Company is also committed to all such terms and conditions.
33. As of the date of this Prospectus, the persons whose names appear in Table 19 "**Ownership Structure of the Company Pre- and Post-Offering**" are the legal and beneficial owners, whether directly or indirectly, of the Shares.
34. All transactions with Related Parties that the Company had previously concluded, including determination of the financial consideration for contracts, have been carried out in a systematic and legal manner and on appropriate and fair commercial principles used in transactions with third parties. the Board of Directors also acknowledge that all future transactions with Related Parties will be conducted on a commercial basis and all works and contracts with Related Parties shall be subject to a vote in meetings of the Board of Directors and, if required by law, the Company's General Assembly. Members of the Board of Directors may not vote on any decision related to transactions or contracts with the Company in which they have a direct or indirect interest, whether in the Board of Directors or the General Assembly.
35. Except as described in Section 12.8 "**Related Party Transactions**", the Board of Directors do not, themselves, nor do their relatives or the Senior Executives have any interest in any agreement or contract in force or expected to be concluded on the date of this Prospectus.
36. The Company has insurance policies with sufficient coverage and have sufficient limits for the Company to carry out its business. The Company renews its insurance policies regularly to ensure continued insurance coverage.
37. All the Company's employees are under its sponsorship.
38. As of the date of this Prospectus, the Company has no policy regarding research and development of new products or production methods.
39. Neither the Board of Directors nor the CEO have the right to vote on a contract or proposal in which they have an interest.
40. All necessary approvals have been obtained for the Company's shares to be offered on the Exchange and for it to be a public joint-stock company.

In addition to the above declarations, the Board of Directors confirm that:

1. The information and data contained in this Prospectus obtained from third parties, including information obtained from the Market Study Report prepared by the Market Consultant, can be relied upon and there is no reason for the Company to believe that such information is materially inaccurate.
2. The Company has prepared its internal control policies on sound principles, where the Company has implemented a written policy regulating and resolving possible conflicts of interest issues, which include the misuse of the Company's assets and misfeasance due to Related Party transactions. In addition, the Company has ensured that its operational and financial policies are sound and that control procedures appropriate for risk management are implemented in accordance with Part 5 of the Corporate Governance Regulations. the Board of Directors review the Company's internal control procedures on an annual basis.
3. The internal control, accounting and information technology systems are sufficient and adequate.
4. Except as disclosed in Section 12.8 "**Related Party Transactions**", there is no conflict of interest related to members of the Board of Directors with respect to contracts or transactions entered into with the Company.
5. As of the date of this Prospectus, none of the Board of Directors engaged in any activities similar or competitive with activities with the Company. the Board of Directors undertake to fulfill this regulatory requirement in the future as per Article 72 of the Companies Law and Chapter 6 of Part 3 of the Corporate Governance Regulations.
6. Unless otherwise approved by the General Assembly on an annual basis, members of the Board of Directors may not have a direct or indirect interest in the transactions and contracts entered into by the Company.
7. The Board of Directors shall notify the Board of Directors of any personal direct or indirect interests they may have in the transactions and contracts entered into by the Company, and this notification will be recorded in the minutes of the Board of Directors meeting.
8. All transactions with the Related Parties for the financial year ended 31/12/2021G and thereafter will be carried out on a commercial basis and all business and contracts with Related Parties shall be subject to a vote in meetings of the Board of Directors and, if required by law, the General Assembly of the Company. Members of the Board of Directors may not vote on any decision related to transactions or contracts with the Company in which they have a direct or indirect interest, whether in the Board of Directors or the General Assembly, in accordance with Article 71 of the Companies Law and Chapter 6 of Part 3 of the Corporate Governance Regulations.
9. The Board of Directors and the CEO shall not have the right to vote on decisions relating to their fees and remuneration.
10. Neither members of the Board of Directors nor any Senior Executive shall obtain a loan from the Company, and the Company shall not guarantee any loan entered into by a member of the Board of Directors.
11. This Prospectus contains all the information required to be included in accordance with the Rules on the Offer of Securities and Continuing Obligations, and no facts that may affect the application for registration and offer of securities were omitted from this Prospectus.
12. All documents required under the Capital Market Law and the Rules on the Offer of Securities and Continuing Obligations have been submitted and will be submitted to the CMA.

The members of the Board undertake to:

1. Record all Board of Directors' resolutions and deliberations in the form of written minutes of meetings to be signed by them.
2. Disclose the details of any Related Party transactions in accordance with the requirements of the Companies Law and the Corporate Governance Regulations.
3. Comply with the provisions of Articles 71, 72 and 73 of the Companies Law and Chapter 6 of Part 3 of the Corporate Governance Regulations.

12. Legal Information

12.1 Legal Declarations

The Offering does not violate the relevant laws and regulations in force in the Kingdom of Saudi Arabia.

a. The Offering does not prejudice any of the contracts or agreements to which the Company is a party.

b. All material legal information related to the Company has been disclosed in the Prospectus.

c. Other than as stated in Section 12.11 "**Lawsuits and Claims**", the Company is not subject to any lawsuits or legal proceedings that may, individually or collectively, materially affect the Company's business or its financial position.

d. The Board of Directors are not subject to any lawsuits or legal proceedings that may, individually or collectively, materially affect the business of the Company or its financial position.

12.2 The Company

Perfect Presentation for Commercial Service is a Saudi closed joint-stock company registered in Riyadh under Commercial Registration No. 1010203693 issued on 25/10/1425H (corresponding to 08/12/2004G) and its registered address is Al Khozama District, Imam Muhammad bin Saud Street, P.O Box 10552, Postal Code 11651, Riyadh, the Kingdom of Saudi Arabia. The current capital of the Company is one hundred and fifty million Saudi Riyals (SAR 150,000,000) divided into fifteen million (15,000,000) fully paid ordinary Shares at a nominal value of ten Saudi Riyals (SAR 10) per share.

The Company's activities, according to its Bylaws, include the following: UI and UX design, robot technologies, VR and AR technologies, application development, artificial intelligence technologies, fintech solutions, provision of management and control of communication and information networks, design and programming of custom software, systems analysis, provision of SMS services, provision of call center services; registration for cloud computing services, big data technologies, data science and analysis; provision of information and communication technology services provided via cloud computing, repair and maintenance of PCs and laptops (of all types and sizes); repair and maintenance of printers and scanners, monitors, keyboards, mice and other similar accessories; repair and maintenance of drives, systems and fixed and portable information storage devices; and the repair and maintenance of military communications devices. The Company operates under a license to provide call center services and a license to provide short message service (SMS) issued by the Communications and Information Technology Commission, which expire on 16/04/1446H (corresponding to 19/10/2021G) and 21/12/1443H (corresponding to 20/07/2022G), respectively. The Company has two branches in Riyadh and Makkah (for more information about the Company's branches, please refer to Section 4.7.2 "**Company's Branches**" of this Prospectus).

12.2.1 Ownership Structure

The Company's current capital is SAR 150,000,000 fully paid and divided into 15,000,000 ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per share, all of which are ordinary cash Shares.

The following table shows the ownership structure of the Company pre- and post-Offering:

Table (84): Ownership Structure of the Company

Shareholder Name	Pre-Offering			Post-Offering		
	Number of shares	Nominal value (SAR)	Direct Ownership (%)	Number of shares	Nominal value (SAR)	Direct Ownership (%)
The Ideal for Business and Investment Trade Company	4,890,000	48,900,000	32.6%	3,423,000	34,230,000	22.82%
Saleh Ibrahim Hamad Al Mazroua	1,950,000	19,500,000	13%	1,365,000	13,650,000	9.10%
Nasser Abdullah Mohamed Albassam	1,950,000	19,500,000	13%	1,365,000	13,650,000	9.10%
Hessa Sultan Mohamed Al Sultan	621,000	6,210,000	4.14%	434,700	4,347,000	2.90%
Aseel Nasser Albassam	621,000	6,210,000	4.14%	434,700	4,347,000	2.90%
Sadeem Nasser Albassam	621,000	6,210,000	4.14%	434,700	4,347,000	2.90%
Abdullah Nasser Albassam	621,000	6,210,000	4.14%	434,700	4,347,000	2.90%
Youssef Nasser Albassam	621,000	6,210,000	4.14%	434,700	4,347,000	2.90%

Shareholder Name	Pre-Offering			Post-Offering		
	Number of shares	Nominal value (SAR)	Direct Ownership (%)	Number of shares	Nominal value (SAR)	Direct Ownership (%)
Nada Mohamed Al Issa	1,035,000	10,350,000	6.90%	724,500	7,245,000	4.83%
Ibrahim Saleh Al Mazroua	1,035,000	10,350,000	6.90%	724,500	7,245,000	4.83%
Aljohara Saleh Al Mazroua	1,035,000	10,350,000	6.90%	724,500	7,245,000	4.83%
Public	-	-	-	4,500,000	45,000,000	30%
Total	**15,000,000**	**150,000,000**	**100%**	**15,000,000**	**150,000,000**	**100%**

Source: The Company

12.2.2 Company's Branches

The Company has two branches in Riyadh and Makkah which carry out activities similar to those of the Company as mentioned in its Commercial Registration. The following table shows the details of the registered branches of the Company:

Table (85): Company's Branches

No.	Branch	Commercial Registration No.	Issue date	Expiration date
1.	Makkah	4031218300	13/02/1440H (corresponding to 21/11/2018G)	13/02/1446H (corresponding to 17/08/2024G)
2.	Riyadh	1010290349	08/07/1431H (corresponding to 20/06/2010G)	08/01/1447H (corresponding to 03/07/2025G)

Source: The Company

12.3 Key Licenses and Approvals

The Company, including its branches, has obtained all the necessary licenses from the competent authorities in order to carry out its business and activities. The following is a summary of the substantial licenses issued to the Company and its branches:

The following table shows the Company's key licenses and approvals.

Table (86): Key Licenses and Approvals of the Company

Type	No.	Issue date	Expiration date	Issuing authority
Commercial Registration Certificate	1010203693	25/10/1425H (corresponding to 08/12/2004G)	01/04/1446H (corresponding to 04/10/2024G)	Ministry of Commerce
Commercial Registration Certificate (Makkah Branch)	4031218300	13/02/1440H (corresponding to 21/11/2018G)	13/02/1446H (corresponding to 17/08/2024G)	Ministry of Commerce
Commercial Registration Certificate (Riyadh Branch)	1010290349	08/07/1431H (corresponding to 20/06/2010G)	08/01/1447H (corresponding to 03/07/2025G)	Ministry of Commerce
Chamber of Commerce Registration Certificate	10100156390	18/01/1441H (corresponding to 17/09/2019G)	01/04/1446H (corresponding to 04/10/2024G)	Riyadh Chamber of Commerce, Kingdom of Saudi Arabia
Municipality License	40031790773	14/08/1436H (corresponding to 01/06/2015G)	14/08/1446H (corresponding to 13/02/2025G)	Diriyah Municipality
Civil Defense Certificate	1-000192785-39	22/09/1440H (corresponding to 27/05/2019G)	22/09/1441H (corresponding to 15/05/2020G)	General Directorate of Civil Defense
Civil Defense Certificate	1-000264067-40	10/04/1440H (corresponding to 17/12/2018G)	10/04/1441H (corresponding to 07/12/2019G)	General Directorate of Civil Defense
Contractors Classification Certificate	21811	19/03/1440H (corresponding to 27/11/2018G)	19/03/1444H (corresponding to 15/10/2022G)	Ministry of Municipal and Rural Affairs and Housing
Contractor Membership Certificate	100003509	28/09/2021G	18/09/2022G	Saudi Contractors Authority
Call Center Service License	29-13-13	17/04/1438H (corresponding to 15/01/2017G)	16/04/1446H (corresponding to 19/10/2024G)	Communications and Information Technology Commission

Type	No.	Issue date	Expiration date	Issuing authority
Short Message Service (SMS) License	27-10-60	22/03/1438H (corresponding to 21/12/2016G)	21/12/1443H (corresponding to 20/07/2022G)	Communications and Information Technology Commission
Saudization Certificate	20002202029309	23/07/1443H (corresponding to 24/02/2022G)	23/10/1443H (corresponding to 24/05/2022G)	Ministry of Human Resources and Social Development (MHRSD)
Certificate of Settlement of Social Insurance Liabilities	45548986	06/09/1443H (07/04/2022G)	05/10/1443H (06/05/2022G)	General Organization for Social Insurance (GOSI)
Zakat Certificate	1110187456	19/09/1443H (corresponding to 20/04/2022G)	10/10/1444H (corresponding to 30/04/2023G)	Zakat, Tax and Customs Authority
VAT Registration Certificate	3000464795	21/02/1439H (corresponding to 10/11/2017G)	N/A	Zakat, Tax and Customs Authority
Local Content Certificate	100532M	22/12/1442H (corresponding to 01/08/2021G)	02/11/1443H (01/06/2022G)	Local Content and Government Procurement Authority

Source: The Company

12.4 Material Agreements

The Company has entered into a number of material agreements, contracts and transactions with multiple parties. This section shows a summary of the agreements and contracts that the members of the Company's Board of Directors considers material or important to the Company's business or which may otherwise influence an investor's decision to subscribe to the Offer Shares.

12.4.1 Material Agreements with Government Entities

This section shows a summary of the material agreements and contracts concluded between the Company and government entities.

12.4.1.1 Agreement for the Operation of Call Centers concluded between the Company and Government Entity No. 1

Parties	Government Entity No. 1 (First Party) The Company (Second Party)
Signature date	27/11/1440H (corresponding to 30/07/2019G)
Term and renewal mechanism	The term of the agreement is twenty-four (24) months and was renewed by a letter.
Object	The Company shall be responsible for the operation of the Call Center of Government Entity No. 1, including the related infrastructure and equipment.
Price and arrangements	SAR 251,139,984
Termination	The First Party may withdraw the project in certain cases as stipulated in Article 38 of the General Rules.
Waiver and change of control	The Company may not waive this Agreement, in whole or in part, without the prior consent of the First Party, and in the event the First Party agrees to such, the Company shall not be entitled to waive more than 30% of the Agreement. The Company shall not subcontract, in whole or in part, any of its works that are the subject of this Agreement without the prior written consent of the First Party. The Company shall remain liable under the Agreement following the waiver and/or subcontracting of any of its works.
Applicable law and jurisdiction	The Agreement shall be governed by the laws of the Kingdom of Saudi Arabia. The competent courts in the Kingdom of Saudi Arabia shall settle any dispute arising from the Agreement.
Other unusual, onerous or noteworthy provisions	• If the Company violates the provisions of the Agreement, the Company shall be subject to fines not exceeding 10% of the value of the Agreement. The Agreement stipulates the value of the fine for each case of breach. • The First Party shall have the right to impose negligence fines on the Company, as well as penalties in case of the Company's poor performance of its obligations. • The First Party shall have the right to withdraw works from the Company in case the Company is unable to fulfill its obligations, and shall execute the withdrawn works using third-party service providers at the Company's expense. • The confidentiality obligations shall remain valid and in full force and effect following the termination or expiration of the Agreement. • In the event of non-performance of all its obligations, the Company will not be able to recover the final guarantee it provides upon project award by the First Party. Such final guarantee amounts to 5% of the value of the Agreement.

12.4.1.2 Data Center Operation and Maintenance Agreement concluded between the Company and Government Entity No. 12

Parties	Government Entity No. 12 (First Party) The Company (Second Party)
Signature date	19/02/1443H (corresponding to 26/09/2021G)
Term and renewal mechanism	The term of the Agreement is sixty (60) months.
Object	The Company shall be responsible for operation and maintenance of data center at Government Entity No. 12.
Price and arrangements	SAR 74,386,194.96
Termination	The First Party shall have the right to terminate the Agreement for the following main reasons: a. If it is proven that the Company has offered a bribe to one of the employees of the First Party, directly or indirectly, or obtained the Agreement fraudulently etc. b. If the Company becomes bankrupt or insolvent. c. If the Company transfers the Agreement or assigns it to a third party without the consent of the First Party. d. If the Company fails to implement its obligations as agreed upon or delays in executing its obligations after receiving a notice to rectify the fault within fifteen days. e. If the Company transfers the contract or assigns it to a third party without the consent of the First Party. f. If the Company concludes a subcontract without the consent of the First Party. g. Termination upon thirty 30-day prior written notice.
Waiver and change of control	The Company may not assign the Agreement to third parties or conclude a subcontract with third parties without the prior written consent of the First Party.
Applicable law and jurisdiction	The Agreement shall be governed by the laws of the Kingdom of Saudi Arabia. The competent courts in the Kingdom of Saudi Arabia shall settle any dispute arising from the Agreement.

12.4.1.3 Agreement to Provide Services for the Operation of Information Technology Systems concluded between the Company and Government Entity No. 5

Parties	Government Entity No. 5 (First Party) The Company (Second Party)
Signature date	16/07/1442H (corresponding to 28/02/2021G)
Term and renewal mechanism	The term of the Agreement is 36 months from the date of the Notice To Proceed (NTP).
Object	The Company shall operate the Information Technology system in the Ministry's buildings, including data centers, servers, desktop computers and laptops, local network and related devices, software, applications, databases, internet services and any devices owned by the Ministry during the term of the Agreement, through specialized technical personnel and consultants in the ICT field. These personnel are assigned to work at the Ministry's headquarters for a period of 36 months. This includes providing services, individuals, employees, materials and all items necessary for execution and completion of the works stipulated in the Agreement, as well as any amendments requested by the First Party.
Price and arrangements	SAR 25,600,000, inclusive of everything contained in the Agreement. Prices may change based on the provisions of the Agreement and the Saudi Tenders and Procurement Law.
Termination	The First Party shall have the right to terminate the Agreement under a thirty-day prior written notice, in addition to the other terms stipulated in Article 57 of the General Rules.
Waiver and change of control	The Company may not waive this Agreement, in whole or in part, without the prior consent of the First Party, even if such waiver results from a merger, separation, acquisition, liquidation or any similar process.
Applicable law and jurisdiction	The Agreement is subject to the laws of the Kingdom of Saudi Arabia. The Administrative Courts in the Kingdom of Saudi Arabia shall have jurisdiction to settle any dispute arising from the Agreement, unless the Agreement includes an arbitration clause to settle dispute between the parties.
Other unusual, onerous or noteworthy provisions	• The Company shall not to disclose any of the contents of the Agreement without obtaining the prior written consent of the First Party in accordance with the confidentiality obligations stipulated in Article 9 of the General Rules. The confidentiality obligations shall remain valid and in full force and effect following the termination or expiration of the Agreement. • The First Party shall have the right to impose negligence fines on the Company, as well as penalties in case of the Company's poor performance of its obligations. • The First Party shall have the right to withdraw works from the Company in case the Company is unable to fulfill its obligations, and shall execute the withdrawn works using third-party service providers at the Company's expense. • The First Party shall have the right to impose fines on the Company in case the Company fails to comply with the local content requirements when performing its obligations. • If the Company violates the provisions of the Agreement, it shall be subject to fines not exceeding 20% of the value of the Agreement. Article 4 of the Financial Rules stipulates the fine for each case of breach. The imposition of such fines does not affect the right of the First Party to claim any additional compensation for any damages resulting from the Company's breach of its obligations. • The First Party shall have the right to terminate the Agreement in case the latter delays in performing its obligations. • The First Party shall have the right to increase the Company's obligations by no more than 10% of the value of the Agreement, or reduce its obligations by no more than 20% of the value of the Agreement, at the same rates mentioned in the Agreement. • The First Party shall have the right to hold the Company responsible for any losses or damages incurred by any third party if they result from a breach or negligence in the Company's performance of its obligations. • In the event of non-performance of all its obligations, the Company will not be able to recover the final guarantee it provides upon project award by the First Party. Such final guarantee amounts to 5% of the value of the Agreement.

12.4.1.4 PC Maintenance Agreement concluded between the Company and Government Entity No. 16

Parties	Government Entity No. 16 (First Party) The Company (Second Party)
Signature date	21/06/1442H (corresponding to 03/02/2021G)
Term and renewal mechanism	The term of the Agreement is five years from the date of the Company's taking-over of the work site.
Object	The object of the Agreement indicates that the Company shall be responsible for the execution of a project for the maintenance of personal computers at the headquarters of the First Party as per what is stipulated in Article 2 of the Agreement.
Price and arrangements	SAR 24,000,000, inclusive of all fees, taxes and VAT. The value of the Agreement may be increased or decreased according to the provisions of the Agreement and the Saudi Tenders and Procurement Law.
Termination	The First Party shall be entitled to terminate the project in certain cases, as stipulated in Article 63 of the General Rules.
Waiver and change of control	The Company may not waive this Agreement, in whole or in part, without the prior consent of the First Party, even if such waiver results from a merger, separation, acquisition, liquidation or any similar process.
Applicable law and jurisdiction	• The Agreement shall be governed by the laws of the Kingdom of Saudi Arabia. The Administrative Courts in the Kingdom of Saudi Arabia shall have jurisdiction to settle any dispute arising from the Agreement. • The Agreement shall be subject to the Saudi Tenders and Procurement Law and its Executive Regulations.
Other unusual, onerous or noteworthy provisions	• The First Party shall have the right to increase the Company's obligations by no more than 10% of the value of the Agreement, or to reduce the Company's obligations by no more than 20% of the value of the Agreement, as per the rates stated in the Agreement. • If the Company violates the provisions of the Agreement, it shall be subject to fines not exceeding 10% of the value of the Agreement. Article 4 of the Financial Rules stipulates the value of the fine for each case of breach. The imposition of such fines does not require any prior notice by the First Party and does not affect the right of the First Party to claim any additional compensation for any damages resulting from the Company's breach of its obligations. • The confidentiality obligations shall remain valid and in full force and effect following the termination or expiration of the Agreement.

12.4.1.5 Expansion and Operation Agreement of the Unified Call Center concluded between the Company and Government Entity No. 3

Parties	Government Entity No. 3 (First Party) The Company (Second Party)
Signature date	14/03/1441H (corresponding to 11/11/2019G)
Term and renewal mechanism	The term of the Agreement is 12 months from signature of the meeting minutes (work for this project has been completed).
Object	The Company shall be responsible for the operation of a unified call center and documentation rooms at Government Entity No. 3, as part of an integrated implementation, by providing materials, studies and human resources.
Price and arrangements	SAR 34,602,460.20, inclusive of all fees and taxes.
Termination	The First Party is entitled to withdraw the project in certain cases, as stipulated in Article 38 of the General Rules.
Waiver and change of control	The Company may not waive this Agreement, in whole or in part, without the prior consent of the First Party, and in the event the First Party agrees to such, the Company shall not be entitled to waive more than 30% of the Agreement. The Company may not subcontract, in whole or in part, any of its works that are the subject of this Agreement without the prior written consent of the First Party. The Company shall remain liable under the Agreement after waiver and/or subcontracting of any of the works.
Applicable law and jurisdiction	This Agreement shall be subject to the laws of the Kingdom of Saudi Arabia and the Board of Grievances shall have jurisdiction to settle any dispute arising from the Agreement.
Other unusual, onerous or noteworthy provisions	• The First Party shall have the right to impose delay fines on the Company if the Company delays execution of its obligations. • If the Company violates the provisions of the Agreement, it shall be subject to fines not exceeding 10% of the value of the Agreement. The Special Terms stipulate the value of the fine for each case of breach. • The First Party shall have the right to withdraw works from the Company in case the Company is unable to fulfill its obligations, and shall execute the withdrawn works using third-party service providers at the Company's expense. • The First Party shall have the right to impose negligence fines on the Company, as well as penalties in case of the Company's poor performance of its obligations. • The confidentiality obligations shall remain valid and in full force and effect following the termination or expiration of the Agreement. • The First Party shall have the right to increase the Company's obligations by no more than 10% of the value of the Agreement, or reduce its obligations by no more than 20% of the value of the Agreement, at the same rates mentioned in the Agreement. • In the event of non-performance of all its obligations, the Company will not be able to recover the final guarantee it provides upon project award by the First Party. Such final guarantee amounts to 5% of the value of the Agreement.

12.4.1.6 Health Information System and Infrastructure Agreement concluded between the Company and the Government Entity No. 13 Program

Parties	Government Entity No. 13 Program (First Party) The Company (Second Party)
Signature date	16/04/1442H (corresponding to 01/12/2020G)
Term and renewal mechanism	4 years (starting from 01/12/2020G and ending on 31/11/2024G).
Object	The purpose of the Agreement indicates that the Company shall be responsible for securing the health information system and infrastructure through technology systems and licenses, computers and human resources.
Price and arrangements	SAR 59,608,492 (inclusive of 15% VAT)
Termination	The First Party shall be entitled to withdraw the project in certain cases, as stipulated in Article 38 of the General Rules.
Waiver and change of control	The Company may not waive this Agreement, in whole or in part, without the prior consent of the First Party, and in the event the First Party agrees to such, the Company shall not be entitled to waive more than 30% of the Agreement. The Company may not subcontract, in whole or in part, any of its works that are the subject of this Agreement without the prior written consent of the First Party. The Company shall remain liable under the Agreement after waiver and/or subcontracting of any of the works.
Applicable law and jurisdiction	This Agreement shall be subject to the laws of the Kingdom of Saudi Arabia and the Board of Grievances shall have jurisdiction to settle any dispute arising from the Agreement, unless the dispute is settled amicably.
Other unusual, onerous or noteworthy provisions	• If the Company violates the provisions of the Agreement, the Company shall be subject to fines not exceeding 1% for each week, up to a maximum of 6% for any supply services and 10% for maintenance services of the total value of the Agreement. The Special Terms stipulate the value of the fine for each case of breach. • The First Party shall have the right to withdraw works from the Company in case the Company is unable to fulfill its obligations, and shall execute the withdrawn works using third-party service providers at the Company's expense. • The First Party shall have the right to impose negligence fines on the Company, as well as penalties in case of the Company's poor performance of its obligations. • The confidentiality obligations shall remain valid and in full force and effect following the termination or expiration of the Agreement. • In the event of non-performance of all its obligations, the Company will not be able to recover the final guarantee it provides upon project award by the First Party. Such final guarantee amounts to 5% of the value of the Agreement.

12.4.1.7 Information Center Operation Agreement concluded between the Company and Government Entity No. 2

Parties	Government Entity No. 2 (First Party) The Company (Second Party)
Signature date	19/02/1440H (corresponding to 28/10/2018G)
Term and renewal mechanism	The term of the Agreement is 48 months from the date on which the Notice To Proceed (NTP) is received.
Object	The purpose of the Agreement indicates that the Company shall be responsible for operation of the information center of the First Party.
Price and arrangements	SAR 66,819,937.96 According to Article 14 of the General Rules, the total value of the Agreement may increase or decrease in accordance with the actual works carried out by the Company.
Termination	If the Company ceases execution or the project or violates any of the rules of the Agreement, the First Party shall notify the Company within 15 days regarding the same. If the Company does not remedy the breach, the First Party shall have the right to terminate the Agreement or execute the work through third parties at the Company's expense.
Waiver and change of control	The Company shall not waive the Agreement, in whole or in part, without the prior consent of the First Party and shall not subcontract with third parties, in whole or in part, for any works without the prior written consent of the First Party. The Company shall remain liable under the Agreement after waiver or subcontracting of any works.
Applicable law and jurisdiction	The Agreement shall be governed by the laws of the Kingdom of Saudi Arabia. The competent courts in the Kingdom of Saudi Arabia shall settle any dispute arising from the Agreement.
Other unusual, onerous or noteworthy provisions	• The First Party shall have the right to impose delay fines on the Company if the Company delays execution of its obligations. • If the Company fails to provide the services in full by the end of the term of the Agreement, it shall be subject to the penalties stipulated in Article 12 of the General Rules. • The First Party shall have the right to impose negligence fines on the Company, as well as penalties in case of the Company's poor performance of its obligations. • The First Party shall have the right to increase the Company's obligations by no more than 10% of the value of the Agreement, or to reduce the Company's obligations by no more than 20% of the value of the Agreement, as per the rates stated in the Agreement. • The Company is a party to a Non-Disclosure Agreement (NDA) included in Annex 3 of the Tender Documents. • In the event of non-performance of all its obligations, the Company will not be able to recover the final guarantee it provides upon project award by the First Party. Such final guarantee amounts to 5% of the value of the Agreement.

12.4.1.8 Data Center, Information Security and Technical Support Agreement Concluded between the Company and Government Entity No. 19

Parties	Government Entity No. 19 (First Party) The Company (Second Party)
Signature date	13/04/1441H (corresponding to 10/12/2019G)
Term and renewal mechanism	The term of the Agreement is 36 months starting from the Company's taking-over of the work site.
Object	The Company shall be responsible for the operation of the computer data center and provide information security and technical support for administrative and academic applications, through the provision of equipment, materials, technical human resources and everything necessary to execute and complete the works mentioned in the Agreement, including any amendments requested by the First Party.
Price and arrangements	The total value of the Agreement may increase or decrease according to additions and amendments made to the actual works subject of the Agreement as requested by the First Party.
Applicable law and jurisdiction	This Agreement shall be subject to the laws of the Kingdom of Saudi Arabia and the Board of Grievances shall have jurisdiction to settle any dispute arising from the Agreement.
Other unusual, onerous or noteworthy provisions	• If the Company does not provide the services in full by the end of the term of the Agreement, it shall be subject to the penalties stipulated in Articles 39 and 40 of the General Rules of the Agreement. • The Company shall guarantee the works that are the subject of the Agreement for a period starting from the date of initial delivery and ending on the date of final delivery, taking into account what is stated in Article 41 of the General Rules of the Agreement. • The First Party shall have the right to impose negligence fines on the Company, as well as penalties in case of the Company's poor performance of its obligations. • If the Company breaches the terms of the Agreement, the Company shall be subject to delay fines of 1% per week of the value of the delayed works, provided that such fines do not exceed 10% of the total value of the Agreement. The Special Terms stipulate the value of the fine for each case of breach. • In the event of non-performance of all its obligations, the Company will not be able to recover the final guarantee it provides upon project award by the First Party. Such final guarantee amounts to 5% of the value of the Agreement.

12.4.1.9 Information Systems Operation and Maintenance Agreement concluded between the Company and Government Entity No. 4

Parties	Government Entity No. 4 (First Party) The Company (Second Party)
Signature date	03/02/1441H (corresponding to 02/10/2019G)
Term and renewal mechanism	The term of the Agreement is 3 years from the date of the Company's taking-over of the work site, according to the receiving report signed by both parties.
Object	The Company shall be responsible for the operation and maintenance of applications and information systems, including the necessary materials, equipment and components, in accordance with the terms of the Agreement.
Price and arrangements	SAR 48,899,781, inclusive of VAT.
Termination	The First Party shall be entitled to withdraw the project in certain cases, as stipulated in Article 38 of the General Rules.
Waiver and change of control	The Company may not waive the Agreement, in whole or in part, without the prior written consent of the First Party, and in the event the First Party agrees to such, the Company shall not be entitled to waive more than 30% of the Agreement. The Company may not subcontract, in whole or in part, any of its works that are the subject of this Agreement without the prior written consent of the First Party. The Company shall remain liable under the Agreement after waiver or subcontracting of any works.
Applicable law and jurisdiction	The Agreement shall be governed by the laws of the Kingdom of Saudi Arabia. The Civil Courts in the Kingdom of Saudi Arabia (Board of Grievances) shall have jurisdiction to settle any dispute arising from the Agreement.
Other unusual, onerous or noteworthy provisions	• If the Company violates the provisions of the Agreement, it shall be subject to fines not exceeding 10% of the value of the Agreement. The Special Terms include the fine for each breach. • The First Party shall have the right to impose negligence fines on the Company, as well as penalties in case of the Company's poor performance of its obligations. • If the First Party breaches its obligations, the Company shall not cease execution of its obligations under the Agreement or to terminate the Agreement, but it shall have the right to claim any compensation as a result of the First Party's breach. • The First Party shall have the right to withdraw works from the Company in case the Company is unable to fulfill its obligations, and shall execute the withdrawn works using third-party service providers at the Company's expense. • The First Party shall have the right to increase the Company's obligations by no more than 10% of the value of the Agreement, or to reduce the Company's obligations by no more than 20% of the value of the Agreement, as per the rates stated in the Agreement. The confidentiality obligations shall remain valid and in full force and effect following the termination or expiration of the Agreement. • In the event of non-performance of all its obligations, the Company will not be able to recover the final guarantee it provides upon project award by the First Party. Such final guarantee amounts to 5% of the value of the Agreement.

12.4.1.10 PCs and Accessories Operation Agreement concluded between the Company and Government Entity No. 21

Parties	Government Entity No. 21 (First Party) The Company (Second Party)
Signature date	25/01/1442H (corresponding to 13/09/2020G)
Term and renewal mechanism	The term of the Agreement is 5 years from the date of the Company's taking-over of the work site, according to the receiving report signed by both parties.
Object	The Company shall be responsible for the operation and maintenance of the computers and their accessories of the First Party and its branches.
Price and arrangements	SAR 30,548,722, inclusive of fees, taxes and VAT.
Termination	The First Party shall have the right to withdraw the project in accordance with Articles 38 and 39 of the Special Terms.
Waiver and change of control	The Company may not waive the Agreement, in whole or in part, without the prior written consent of the First Party, and in the event the First Party agrees to such, the Company shall not be entitled to waive more than 30% of the Agreement. The Company shall not subcontract, in whole or in part, any of its works that are the subject of this Agreement without the prior written consent of the First Party. The Company shall remain liable under the Agreement after waiver or subcontracting of any works.
Applicable law and jurisdiction	This Agreement shall be subject to the laws of the Kingdom of Saudi Arabia and the Board of Grievances shall have jurisdiction to settle any dispute arising therefrom.
Other unusual, onerous or noteworthy provisions	• If the Company violates the provisions of the Agreement, it shall be subject to fines not exceeding 10% of the value of the Agreement. • The First Party shall have the right to impose negligence fines on the Company, as well as penalties in case of the Company's poor performance of its obligations. • The First Party shall have the right to withdraw works from the Company in case the Company is unable to fulfill its obligations, and shall execute the withdrawn works using third-party service providers at the Company's expense. • The First Party shall have the right to increase the Company's obligations by no more than 10% of the value of the Agreement, or reduce its obligations by no more than 20% of the value of the Agreement, at the same rates mentioned in the Agreement. • In the event of non-performance of all its obligations, the Company will not be able to recover the final guarantee it provides upon project award by the First Party. Such final guarantee amounts to 5% of the value of the Agreement.

12.4.1.11 Complaint Center Agreement Concluded between the Company and Government Entity No. 18

Parties	Government Entity No. 18 (First Party) The Company (Second Party)
Signature date	10/01/1442H (corresponding to 30/08/2020G)
Term and renewal mechanism	Two years as of 1 September 2020G
Object	The Company shall be responsible for the operation of a complaint center for users of the telecommunications and postal sectors in the Kingdom of Saudi Arabia.
Price and arrangements	SAR 39,017,228.30, inclusive of fees, taxes, VAT and any travel costs that cover up to 12 employees of the First Party to attend conferences or exhibitions outside the Kingdom of Saudi Arabia for the term of the Agreement.
Termination	The First Party shall have the right to terminate the Agreement upon written notice. The Company shall terminate its works within 60 days from the date of such notice.
Waiver and change of control	The Company may not waive this Agreement, in whole or in part, without the prior consent of the First Party and shall not subcontract, in whole or in part, any works assigned under the Agreement without the prior written consent of the First Party.
Applicable law and jurisdiction	This Agreement shall be subject to the laws of the Kingdom of Saudi Arabia. Any dispute arising from the Agreement shall be settled amicably within 60 days. If such dispute is not settled amicably during this period, the Administrative Courts in the Kingdom of Saudi Arabia shall have jurisdiction to resolve the matter.
Other unusual, onerous or noteworthy provisions	• The confidentiality obligations contained in Article 6 of the Agreement shall remain valid and in full force and effect after the termination of the Agreement or the expiry of its term. Publicly available information shall be excluded from such obligations unless it was made available as a result of the Company's breach. • The Company may not replace any of the project managers without the consent of the First Party. • The First Party shall have the right to increase the Company's obligations by no more than 10% of the value of the Agreement, or reduce its obligations by no more than 20% of the value of the Agreement, at the same rates mentioned in the Agreement. • If the Company fails to provide the service within the required timespan, it shall be subject to a fine of 1% of the late service fee for each week, provided that the fine does not exceed 10% of the total value of the Agreement across its term. To impose such fine, the First Party is not required to provide prior notice and such fine does not affect the First Party's right to claim any additional compensation as a result of the Company's breach of its obligations. • The Company may not increase its prices during the term of the Agreement for any reason or circumstance.

12.4.1.12 Technical Systems Agreement Concluded between the Company and Government Entity No. 3

Parties	Government Entity No. 3 (First Party) The Company (Second Party)
Signature date	15/08/1441H (corresponding to 08/04/2020G)
Term and renewal mechanism	The term of the Agreement is 24 months from the date of the Company's taking-over of the work site, according to the receiving report signed by both parties. The Agreement may be extended in accordance with Article 9 of the Saudi Tenders and Procurement Law.
Object	The Company shall be responsible for the development and construction of technology systems for courts and enforcement offices as part of an integrated execution initiative, through provision of materials, studies and human resources.
Price and arrangements	SAR 27,482,250.60, inclusive of all fees and taxes.
Waiver and change of control	The Company shall not waive this Agreement, in whole or in part, without the consent of the First Party and shall not subcontract, in whole or in part, with any third party for any works without the prior written consent of the First Party.
Applicable law and jurisdiction	This Agreement shall be subject to the laws of the Kingdom of Saudi Arabia and the Board of Grievances shall have jurisdiction to settle any dispute arising from the Agreement.
Other unusual, onerous or noteworthy provisions	• If the Company breaches the provisions of the Agreement, it shall be subject to delay fines in accordance with Articles 39 and 40 of the General Rules. • If the Company fails to provide the services in full by the expiry of the Agreement term, it shall be subject to penalties in accordance with Articles 39 and 40 of the General Rules. • The First Party shall have the right to withdraw works from the Company in case the Company is unable to fulfill its obligations, and shall execute the withdrawn works using third-party service providers at the Company's expense. • The First Party shall have the right to impose negligence fines on the Company, as well as penalties in case of the Company's poor performance of its obligations. • The First Party shall have the right to increase the Company's obligations by no more than 10% of the value of the Agreement, or reduce the Company's obligations by no more than 20% of the value of the Agreement, provided that the value of the Agreement is restated accordingly. • In the event of non-performance of all its obligations, the Company will not be able to recover the final guarantee it provides upon project award by the First Party. Such final guarantee amounts to 5% of the value of the Agreement.

12.4.1.13 Increase of the Operational Capacity of Call Centers Agreement concluded between the Company and Government Entity No. 1

Parties	Government Entity No. 1 (First Party) The Company (Second Party)
Signature date	16/05/1443H (corresponding to 20/12/2021G)
Term and renewal mechanism	The term of the agreement is six (6) months from the date of expiry of a previous agreement (31/10/2021G), and may be extended for equal periods by a written agreement between the parties.
Object	The Company's provision of 627 employees to work at the call center of Government Entity No. 1 to increase the operational capacity of said center.
Price and arrangements	SAR 41,395,964, inclusive of fees, taxes and VAT.
Termination	The project shall be terminated as soon as the First Party provides written notice thereof to the Company.
Waiver and change of control	The Company may not waive this Agreement, in whole or in part, without the consent of the First Party and may not subcontract, in whole or in part, with any third party for any works without the prior written consent of the First Party.
Applicable law and jurisdiction	The Agreement shall be governed by the laws of the Kingdom of Saudi Arabia. The competent courts in the Kingdom of Saudi Arabia shall settle any dispute arising from the Agreement.
Other unusual, onerous or noteworthy provisions	• The First Party shall have the right to impose delay fines on the Company if the Company delays execution of its obligations. • If the First Party breaches its obligations, the Company shall not cease execution of its obligations under the Agreement or to terminate the Agreement, but it shall have the right to claim any compensation as a result of the First Party's breach. • The First Party shall have the right to withdraw works from the Company in case the Company is unable to fulfill its obligations, and shall execute the withdrawn works using third-party service providers at the Company's expense. • If the Company fails to provide the service within the required time, the Company shall be subject to a fine of not more than 6% of the value of the Supply Agreement and not more than 20% of the value of any other Agreements. • The First Party shall have the right to terminate the Agreement in case the latter delays in performing its obligations. • The First Party shall have the right to increase the Company's obligations by no more than 10% of the value of the Agreement, or reduce its obligations by no more than 20% of the value of the Agreement, at the same rates mentioned in the Agreement.

12.4.1.14 Call Centers Development Agreement concluded between the Company and Government Entity No. 1

Parties	Government Entity No. 1 (First Party) The Company (Second Party)
Signature date	26/04/1443H (corresponding to 01/12/2021G)
Term and renewal mechanism	The term of the Agreement is 24 months starting from the receipt of the Notice To Proceed (NTP).
Object	The Company shall operate and develop the call centers of Government Entity No. 1 in accordance with the terms and conditions of the Agreement, including the additional documents referred to in Article 2.
Price and arrangements	SAR 244,932,857.52, inclusive of fees, taxes and VAT. The total value of the Agreement may be increased or decreased by modifications or additions to the actual works subject of the Agreement at the request of the First Party.
Termination	The First Party may terminate the Agreement for the reasons provided for in Article 63 of the General Rules of the Agreement.
Waiver and change of control	The Company may not waive this Agreement, in whole or in part, without the consent of the First Party and may not subcontract, in whole or in part, with any third party for any works without the prior written consent of the First Party.
Applicable law and jurisdiction	The Agreement shall be subject to the laws of the Kingdom of Saudi Arabia. The administrative courts in the Kingdom of Saudi Arabia shall have jurisdiction to settle any dispute arising from the Agreement unless the Agreement includes an arbitration clause in respect of disputes between the two parties.
Other unusual, onerous or noteworthy provisions	• The confidentiality obligations shall remain valid and in full force and effect following the termination or expiration of the Agreement. • The First Party shall have the right to impose fines on the Company in case the Company fails to comply with the local content requirements when performing its obligations. • If the Company fails to provide the services in full by the end of the Agreement term, the Company shall be subject to penalties in accordance with Article 2.1 of the General Rules. • The First Party shall have the right to increase the Company's obligations by no more than 10% of the value of the Agreement, or reduce its obligations by no more than 20% of the value of the Agreement, at the same rates mentioned in the Agreement.

12.4.2 Material Agreements with Local Telecommunications Companies

This section outlines the summary of the material agreements and contracts that the Company concluded with Local Telecommunications Companies.

12.4.2.1 Bulk Text Messaging Services Agreement concluded between the Company and Telecom Company No. 2

Parties	Telecom Company No. 2 (First Party) The Company (Second Party)
Signature date	16/02/1442H (corresponding to 03/10/2020G)
Effective date	16/02/1442H (corresponding to 03/10/2020G)
Object	Telecom Company No. 2 shall provide the service of communicating with users via bulk text messages between the SMS service center of Telecom Company No. 2 and the Company's computer or host server in order to send bulk SMS through the network of Telecom Company No. 2 within the Kingdom of Saudi Arabia.
Price and arrangements	In accordance with the number of text messages purchased as agreed in the service contract for a total of SAR 1,200,000.
Applicable law and jurisdiction	The Agreement does not provide for an applicable law.

12.4.2.2 Amendment Annex to the Sale of Telecommunications Services Agreement concluded between the Company and Telecom Company No. 1

Parties	Telecom Company No. 1 (First Party) The Company (Second Party)
Signature date	04/12/1442H (corresponding to 14/07/2021G)
Effective date	04/12/1442H (corresponding to 14/07/2021G)
Term and renewal mechanism	Not applicable as a result of the nature of the Amendment Agreement
Object	The two parties shall amend the original agreement and add to it certain provisions (Article 7 Company's Obligations, and Article 12 Zakat, Taxes and Fees).
Exclusivity	The Company is prohibited from contracting with any other party, whether directly or indirectly, who is outside the Kingdom of Saudi Arabia, provided that messages be sent to clients within the Kingdom of Saudi Arabia from a server inside the Kingdom of Saudi Arabia.
Termination	The First Party shall have the right to terminate the Agreement in case of violation of Paragraph 1) of Article 7 of the Agreement.
Applicable law and jurisdiction	The Agreement does not provide for an applicable law.

12.4.2.3 Amendment Annex to the SMS Service Center Agreement concluded between the Company and Telecom Company No. 1

Parties	Telecom Company No. 1 (First Party) The Company (Second Party)
Signature date	23/03/1442H (corresponding to 09/11/2020G)
Effective date	23/03/1442H (corresponding to 09/11/2020G)
Term and renewal mechanism	The agreement was extended to 07/06/1444H (corresponding to 31/12/2022G).
Object	Extension and amendments to the original agreement.
Applicable law and jurisdiction	The Agreement does not provide for an applicable law.

12.4.2.4 Telecommunications Services Provision Agreement concluded between the Company and Telecom Company No. 3

Parties	Telecom Company No. 3 (First Party) The Company (Second Party)
Signature date	26/06/1442H (corresponding to 08/02/2021G)
Term and renewal mechanism	One year
Object	The Company receives telecommunications services from the First Party.
Price and arrangements	According to the price schedule agreed upon in the Commercial Offer of specific services, as follows: 260 million SMS messages for one year. The price of one message on the same network is SAR 0.04 and outside the network is SAR 0.12.
Applicable law and jurisdiction	The Agreement does not provide for an applicable law.
Other unusual, onerous or noteworthy provisions	• Any subsequent amendments to the Offer may change the First party's response to the Offer. This change may include, but is not limited to: Technical design, specifications, services, time frames and prices. • The Company may not disclose any of the document information without the prior written consent of the authorized representative of Telecommunications Company No. 3.

12.4.3 Material Agreements Concluded with Suppliers and Service Providers with whom the Company Does Business

This section outlines the material agreements and contracts entered into by the Company with suppliers and service providers with whom the Company does business.

12.4.3.1 Call Center Operation Agreement concluded between the Company and Saudi Bell Group

Parties	Saudi Bell Group (First Party) The Company (Second Party)
Signature date	21/04/1439H (corresponding to 08/01/2018G)
Object	The Company shall provide call center operation services as a subcontractor.
Price and arrangements	SAR 42,750,000.
Waiver and change of control	The Company may not assign the Agreement to any third parties without the prior written consent of the First Party.

12.4.3.2 Provision of Telecommunication Services Agreement concluded between the Company and Infobip (INFOBIP LTD)

Parties	Infobip (INFOBIP LTD) The Company (Second Party)
Signature date	19/05/1435H (corresponding to 20/03/2014G)
Term and renewal mechanism	The term of the Agreement is twelve (12) months. The agreement shall be renewed for a further twelve (12) months unless either party provides a written notice of termination no less than thirty (30) days prior to the expiration date of the Agreement.
Object	The Company's use of the communication services of the First Party.
Price and arrangements	The Company shall be notified of the price by email in the form of a coverage list, unless an express fixed price is agreed. The First Party shall have the right to change the agreed prices through an e-mail sent by them to the Company.
Exclusivity	There is no exclusivity between the two parties.
Termination	The Company shall have the right to terminate the Agreement in the following case: If the First Party unilaterally amends the Agreement, in which case a notice of termination shall be given to the First Party no later than fourteen (14) days before the date of notice of the amendment to the Company. The First Party shall have the right to terminate the agreement in either of the following two cases: 1. If one of the First-Party network operators terminates their contract. 2. If any amendment is made to the contracts of the network operators of the First Party in accordance with certain provisions stipulated in the Agreement.
Waiver and change of control	The Agreement may not be assigned or transferred by either party without the prior written consent of the First Party. However, either party shall be entitled to assign the Agreement (without the need for such consent) to one of their subsidiaries or successors who follow or succeed them as a result of a merger or restructuring or as a result of the assignment of all or most of their assets.
Applicable law and jurisdiction	The Agreement shall be governed by the laws of England and Wales. Any dispute arising from the Agreement shall be adjudicated by the competent courts in London.
Other unusual, onerous or noteworthy provisions	• The Company shall indemnify, defend and exonerate the First Party, their affiliates, employees, managers, representatives and agents, at the expense of the Company, against all losses, damages, liabilities, settlements, costs and expenses (including attorneys' and professionals' fees and other legal expenses) related to any claim, request or lawsuit filed by a third party regarding the following: • The First Party's breach of the Agreement. • Infringement of the intellectual property rights of third parties. • Any of the Company's services, content or other materials and services provided by the Company or its third-party service providers under the Agreement. • Any claim that services provided by the First Party or the Company's content violate any laws or regulations.

12.4.3.3 Strategic Cooperation Agreement concluded between the Company and Asas Al Qarar

Parties	Asas Al Qarar (First party) The Company (Second Party)
Signature date	18/07/1441H (corresponding to 12/03/2020G)
Effective date	18/07/1441H (corresponding to 12/03/2020G)
Term and renewal mechanism	The term of the Agreement is ten (10) years.
Object	The two parties shall cooperate strategically to sell and market the products and services of the Second Party exclusively.
Price and arrangements	According to the price schedule agreed in the Product and Service Agreement.
Exclusivity	The two parties shall cooperate strategically to sell and market the products and services of the Second Party exclusively.
Termination	The First Party shall have the right to terminate the Agreement immediately if the Company does not comply with its financial objectives, in accordance with Articles 5 and 8 of the Agreement.
Applicable law and jurisdiction	The Agreement shall be governed by the laws of the Kingdom of Saudi Arabia. The competent courts in the Kingdom of Saudi Arabia shall settle any dispute arising from the Agreement.
Other unusual, onerous or noteworthy provisions	The Agreement includes a confidentiality clause obliging parties not to disclose the data of the Agreement to third parties except for legally required disclosures. The two parties shall retain all intellectual property rights.

12.4.3.4 Distribution Agreement concluded between the Company and Dynatrace LLC

Parties	Dynatrace LLC (First Party) The Company (Second Party)
Signature date	08/08/1439H (corresponding to 24/04/2018G)
Effective date	01 April 2018G
Term and renewal mechanism	The term of the Agreement is three (3) years, and was extended on 01 April 2021G to end on 31 March 2022G. The term of the Agreement may be renewed for one further year by written agreement between the parties.
Object	Appointment of the Company as an independent distributor for products within the Kingdom of Saudi Arabia.
Price and arrangements	The First Party submits product tables with all product configurations and prices. The Company is obliged to reimburse the First Party with total revenue from each resale, minus net revenue. The Company shall be entitled to receive a commission on the basis of the formula mentioned in the Agreement.
Termination	The First Party may terminate the agreement if the Company fails to fulfill any material obligation, including, but not limited to, the following: 1. Non-fulfillment of the target quantity. 2. Non-compliance with the reporting requirements provided for in the Agreement. 3. Failure to maintain its credentials. 4. Failure to make payment to the First Party on the payment dates.
Waiver and change of control	The Company may not transfer the rights and obligations subject of the Agreement.
Applicable law and jurisdiction	The Agreement shall be governed by the laws of the country and the state in which the headquarters of the first-party subsidiary signatory to the Agreement is located.
Other unusual, onerous or noteworthy provisions	The parties are bound to maintain confidentiality, except in certain cases specified in the Agreement. The two parties shall retain all intellectual property rights.

12.4.3.5 Distribution Agreement concluded between the Company, Washington Performance Consulting (WPC) and Construx Software Builders (Construx)

Parties	Washington Performance Consulting (WPC) and Construx Software Builders (Construx) Construx Software Builders (Construx) The Company (as distributor)
Signature date	17/05/1442H (corresponding to 01/01/2021G)
Effective date	17/05/1442H (corresponding to 01/01/2021G)
Term and renewal mechanism	The term of the Agreement is five years. Upon expiration of the initial period, the parties may negotiate renewal of the Agreement under similar or different terms and conditions, at least six (6) months before the expiration of the initial period.
Object	The Company shall distribute the products of Construx Software Builders (Construx) inside the Kingdom of Saudi Arabia on an exclusive basis.
Price and arrangements	Prices for products are presented in Annex D to the Agreement.
Exclusivity	Regional exclusivity for the sale and marketing of Construx products.
Termination	Either party may terminate the Agreement by written notice provided to the other party, or in the event that 30 days elapses from said notice without remedying the relevant breach.
Waiver and change of control	The Company may not assign the Agreement in whole or in part without the prior consent of Washington Performance Consulting and Construx Software Builders (WPC).
Applicable law and jurisdiction	The Agreement shall be governed by the laws of the State of Washington, United States of America, with the exception of the Agreement on Contracts for the International Sale of Goods. Any dispute arising from the Agreement shall be decided by arbitration in Seattle, Washington. The language of the arbitration shall be English. The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as amended from time to time before a single impartial arbitrator appointed in accordance with the said Rules within 30 days of filing the arbitration claim with the said American Arbitration Association.
Other unusual, onerous or noteworthy provisions	Minimum performance requirements: In order for the Company to retain its status as an exclusive distributor of Construx Software Builders products, it is required to achieve the minimum required volume of sales provided for in Annex F of the Agreement amounting to USD 400,000 for the calendar year 2021G.

12.4.3.6 Key Partner Network Agreement concluded between the Company and Genesys Cloud Services Inc. (Genesys)

Parties	Genesys Cloud Services Inc. (Genesys) The Company (Participant)
Signature date	14/09/1442H (corresponding to 26/04/2021G)
Effective date	14/09/1442H (corresponding to 26/04/2021G)
Term and renewal mechanism	One year
Object	Genesys Cloud Services Inc. (Genesys) appoints a partner who is not exclusive to the Genesys Partner Network to the Partnership Categories within the respective regions (Saudi Arabia).
Price and arrangements	The Company shall pay all fees within thirty days from the date of invoice. The fees and discounts payable under the Agreement may change depending on Genesys' list, the discount schedule and the Program Guide as at the date of the respective purchase order.
Exclusivity	Non-exclusive
Termination	• **Termination at the request of one of the parties:** Either party shall have the right to terminate the main Agreement or any of the supplementary agreements without giving reason, by written notice of ninety (90) days to the other party. For clarification, termination of the main Agreement leads to the termination of all supplementary agreements concluded under it. However, termination of a supplementary agreement based on the choice of one of the parties does not automatically terminate the main Agreement. Purchase orders may not be terminated at the request of one of the parties without reason. • **Termination for Cause:** Either party shall have the right to terminate the Agreement, in whole or in part, immediately in any of the following cases: (1) If the other party breaches one of the material obligations subject of the Agreement and does not remedy such breach within thirty (30) days from the time of its notification, or (2) if the other party ceases to exercise its activity, becomes insolvent, enters into bankruptcy proceedings or is subject to other judicial proceedings.
Waiver and change of control	The Company may not assign the Agreement, in whole or in part, without the prior consent of Genesys.
Applicable law and jurisdiction	The Agreement shall be governed by the laws of England and Wales, and by the exclusive jurisdiction of the courts of England and Wales.
Other unusual, onerous or noteworthy provisions	Genesys reserves the right to subcontract specific quantities of cloud services, professional services, support and maintenance provided under the Agreement, provided that Genesys remains responsible for the performance of subcontractors.

12.4.3.7 Use of Software Agreement concluded between the Company and Intersystems BV

Parties	Intersystems BV (First Party) The Company (Second Party)
Signature date	19/11/1442H (corresponding to 29/06/2021G)
Effective date	19/11/1442H (corresponding to 29/06/2021G)
Term and renewal mechanism	• The term of the Agreement is three (3) years from the date of commencement of execution, renewable by written agreement between the two parties. • The duration of the software usage license and software usage support obligations is thirty (30) years starting from the implementation and acceptance of the license, automatically renewable unless the other party notifies of its intention not to renew. • The duration of licensed software implementation obligations shall continue until all obligations are performed. • The duration of the hardware service obligations shall continue until all obligations are performed.
Object	Intersystems BV undertakes to grant the Company a license to use the software, provide support for the use of the software, execute the licensed software, and provide hardware services.
Price and arrangements	Software licensing obligations: SAR 16,870,364. Software use obligations: SAR 9,235,939. Obligations for the execution of licensed software: SAR 17,895,587. Hardware service obligations: SAR 3,997,840.
Exclusivity	There is no exclusivity between the two parties.
Termination	• Obligations for the licensing and support of software usage: 1. Either party may terminate the Agreement in the event of a serious breach of the Agreement by a thirty (30) day prior written notice unless the breach is remedied. 2. Either party may terminate the Agreement immediately by prior written notice if the other party declares bankruptcy, assigns the Agreement to payables, or is unable to perform the Agreement. • Obligations for the execution of licensed software: 1. Either party may terminate the Agreement in the event of a serious breach by a thirty (30) day prior written notice unless the breach is remedied. 2. Either party may terminate the Agreement immediately if the other party declares bankruptcy or undergoes any similar procedures or assigns the Agreement to payables. • Hardware service obligations: 1. Either party may terminate the Agreement in the event of a serious breach by a thirty (30) days prior written notice unless the breach is remedied. 2. Either party may terminate the Agreement immediately if the other party declares bankruptcy or undergoes any similar procedures or assigns the Agreement to payables.
Waiver and change of control	Either party to the contract may terminate the Agreement if the other party assigns the Agreement to payables.
Applicable law and jurisdiction	The Agreement shall be governed by the laws of Britain and Wales. Any dispute arising therefrom shall be settled by the competent courts of Britain and Wales.

12.5 Financing Agreements

The Company entered into nine (9) financing agreements with financial institutions in order to obtain credit facilities amounting to SAR 959.58 million. Amounts withdrawn from these facilities are listed under the bank financing item in the Statement of Financial Position (for more information, please refer to the tables below). There are a number of personal guarantees issued by Nasser Abdullah Mohamed Albassam, Saleh Ibrahim Hamad Al Mazroua and/or The Ideal for Business and Investment Trade Company This section is a summary of the material provisions and not all the terms of such agreements. The approval of all the funders has been obtained for the Offering.

12.5.1 Credit Facility Agreement with Bank Aljazira

The Company entered into a credit facility agreement with Bank Aljazira on 14/09/1441H (corresponding to 07/05/2020G) to obtain facilities amounting to SAR 60,000,000. The following is a summary of the most important terms of this agreement:

Item description	Details	
Total facilities	SAR 60,000,000	
Expiration date	This agreement is under renewal.	
Maximum limit	(A) Specified limits for financing 80% of government projects acceptable to Bank Aljazira, for which dues have been transferred to Bank Aljazira, with a maximum total amount of sixty million Saudi Riyals (SAR 60,000,000).	
Facilities	**Facility**	1- A facility for issuance and financing of letters of credit through Tawarruq.
	Purpose	Purchasing and importing supplies for projects approved by Bank Aljazira.
	Availability period	The principal and the profits shall be paid by installment or installments due within a maximum period of 180 days including the term period (deferred credits) and/or by financing the payment certificates (whichever is earlier).
	Profit margin	SAIBOR + 2.75% per annum
	Fees	Account opening fees: SAMA Tariff + 1% per annum Document acceptance fee: 0.125% per month or part thereof
	Facility	2 - Letters of guarantee - the maximum limit for each letter of guarantee is one million Saudi Riyals (SAR 1,000,000).
	Purpose	To ensure and facilitate the execution of projects approved by Bank Aljazira and which the Company would not be able to execute without obtaining a facility, whose returns/dues have been transferred to Bank Aljazira.
	Profit margin	SAIBOR + 2.75% per annum
	Fees	Issuance fees: SAMA Tariff + 1% / 1.25% per annum
	Facility	3- A deferred sale limit that leads to Tawarruq (Dinar Program).
	Purpose	To finance a maximum of 80% of the net value of each approved payment certificate related to projects accepted by Bank Aljazira, whose returns/accruals have been transferred to Bank Aljazira.
	Availability period	Principal and profits shall be paid by installment or installments due within a maximum period of 6 months and/or upon receipt of project payment certificates checks (whichever is earlier).
	Profit margin	SAIBOR + 2.75% per annum
	Facility	4- A deferred sale limit that leads to Tawarruq (Dinar Program).
	Purpose	To finance a maximum of 20% of the net value of the preparation works for the projects to be executed, whose returns/dues have been transferred to Bank Aljazira.
	Availability period	The principal and profits shall be paid by installment or installments and according to the cash flow statement.
	Profit margin	SAIBOR + 3.5% per annum
	Facility	5- A deferred sale limit that leads to Tawarruq (Dinar Program).
	Purpose	For the purchase of materials to execute projects, whose returns/dues have been transferred to Bank Aljazira.
	Availability period	The principal and profits shall be paid by installment or installments due within a maximum period of 180 days.
	Profit margin	SAIBOR + 2.75% per annum
Maximum limit	**Facility**	(B) Letters of guarantee amounting to a maximum of three million Saudi Riyals (SAR 3,000,000).

Item description	Details	
Guarantees	Purpose	Entering into new projects acceptable to Bank Aljazira.
	Availability period	A maximum of 6 months.
	Fees	Account opening fees: SAMA Tariff + 1% per annum
	• These facilities are secured by a guarantee and performance bond given jointly and severally signed by Nasser Abdullah Albassam, Saleh Ibrahim Hamad Al Mazroua and/or The Ideal for Business and Investment Trade Company with an amount of SAR 66,000,000 on 22/03/2021G. • Assignment in favor of Bank Aljazira by 125% of the total amount utilized of facilities (A). • A promissory note with an amount of SAR 66,000,000 signed by Nasser Abdullah Albassam on behalf of the Company and secured by Nasser Abdullah Albassam, Saleh Ibrahim Hamad Al Mazroua and/or The Ideal for Business and Investment Trade Company on 07/05/2020G. • Bank Aljazira shall have the right to request any additional guarantees.	
Terms	• The Company undertakes to maintain a total debt to equity ratio within the range of 1:2.5 and a current ratio of not less than 1:1 until all its liabilities towards Bank Aljazira are settled. • The Company undertakes that the total of its withdrawals, including the distribution of any dividends to the partners, shall not exceed 50% of the annual net profits.	
Termination and expedited payment	Bank Aljazira shall have the right to change, cancel or restrict any or all of the facilities and their terms without prior notice and shall have the right to immediately demand the debit balances including expenses and/or the profit margin as a debt with a fixed amount, due and payable immediately.	
Applicable law	The agreement is subject to the laws in force in the Kingdom of Saudi Arabia and any dispute arising therefrom shall be referred to the Banking Disputes Resolution Committee of the Saudi Central Bank.	

12.5.2 Credit Facility Agreement with Emirates NBD Bank

The Company entered into a credit facility agreement with Emirates NBD on 25/06/1441H (corresponding to 19/02/2020G) to obtain facilities amounting to SAR 25,000,000. The following is a summary of the most important terms of this agreement:

Item description	Details	
Total facilities	SAR 25,000,000	
Expiration date	This agreement is under renewal.	
Purpose	Financing government and private projects of the Company.	
Facilities	Facility	1 (a) Islamic guarantee - Islamic letters of guarantee amounting to a maximum of three million Saudi Riyals (SAR 3,000,000).
	Availability period	One year
	Cash margin	SAMA Tariff + 0.5% per annum 5% cashback deposit
	Facility	2 (a) Import Letter of Credit (Murabaha Agency) (Bill of Exchange/Acceptance Credits/Deferred Payment Credits) with an amount of SAR 7,000,000 as a maximum.
	Availability period	180 days
	Profit margin	Bills of exchange: SAMA + 0.5% per annum Acceptance credits: SAMA Tariff + 0.75% per annum Refinancing: SAIBOR + 3% per annum
	Fees	Acceptance fees: SAMA Tariff + 0.75%
	Facility	1 (b) Financing contract dues (80% of approved invoices) with a maximum amount of SAR 7,000,000.
	Availability period	180 days
	Profit margin	SAIBOR + 3% per annum
	Facility	1 (c) Islamic guarantee: Letters of advance payment guarantee and performance bonds of a maximum amount of SAR 8,000,000.
	Availability period	3 years
	Cash margin	SAIBOR + 5% per annum
	Fees	Issuance fees: SAMA Tariff + 1% per annum A penalty fee of 0.5% for failure to meet the terms listed below.
Guarantees	• Corporate Guarantee from The Ideal for Business and Investment Trade Company amounting to SAR 25,000,000 dated 19/02/2020G. • A guarantee given jointly and severally by Nasser Abdullah Albassam and Saleh Ibrahim Hamad Al Mazroua on 19/02/2022G. • A promissory note with an amount of SAR 25,000,000 signed by Nasser Abdullah Albassam on behalf of the Company on 19/02/2020G.	

Item description	Details
Terms	• The Company undertakes to retain at least 50% of the annual profits. • The Company undertakes to maintain a debt to tangible net worth ratio of not more than 1:2 and a current ratio not less than 1:1. • The Company undertakes that the net material rights of the Shareholders shall not be less than SAR 49,000,000.
Termination and expedited payment	Emirates NBD shall have the right to settle all its obligations and liabilities and amend or cancel all granted facilities without giving any reason or justification by submitting a written notice of 30 days.
Applicable law	The agreement is subject to the laws in force in the Kingdom of Saudi Arabia and any dispute arising therefrom shall be referred to the Banking Disputes Resolution Committee of the Saudi Central Bank.

12.5.3 Credit Facility Agreement with the National Bank of Bahrain

The Company entered into a credit facility agreement with the National Bank of Bahrain on 12/06/1442H (corresponding to 25/01/2021G) to obtain facilities amounting to SAR 48,760,000. The following is a summary of the most important terms of this agreement:

Item description	Details	
Total facilities	SAR 48,760,000	
Expiration date	This agreement is under renewal.	
Facilities	Facility	Facilities to issue initial letters of guarantee, performance bonds and advance payment guarantees of a maximum amount of SAR 8,000,000.
	Purpose	Issuance of guarantees to government and semi-government entities.
	Availability period	12 – 36 months
	Profit margin	1.25% per annum
	Facility	Bills of exchange and acceptance letters of credit, refinancing of letters of credit through Murabaha or Tawarruq, and short-term financing through Murabaha or Tawarruq (for general multi-purpose projects) with an amount of SAR 8,000,000 as a maximum.
	Purpose	For working capital
	Availability period	180 days
	Profit margin	SAMA Tariff + 1.25% per annum
	Facility	A short-term Murabaha of a maximum amount of SAR 5,000,000.
	Purpose	Operation and maintenance of the services provided and technical support (for the Government Entity No. 4 project).
	Availability period	180 days
	Profit margin	SAIBOR + 3% per annum
	Facility	Guarantee of performance bond with an amount of SAR 2,445,000 as a maximum.
	Purpose	Performance bond for the Government Entity No. 4 project.
	Availability period	42 months
	Profit margin	1.25% per annum to be paid in advance (5% cashback margin)
	Facility	A facility to issue bills of exchange/acceptance credits/refinancing of letters of credit through Murabaha or Tawarruq/short-term refinancing through Murabaha or Tawarruq with a maximum amount of SAR 3,500,000.
	Purpose	For the working capital of the Government Entity No. 7 Project
	Availability period	180 days
	Profit margin	SAMA Tariff + 1.25% per annum and SAIBOR + 3% per annum (5% cashback margin on cash amounts and to be paid in advance)
	Facility	Performance bond for the Government Entity No. 7 project with a maximum amount of SAR 940,000.
	Purpose	Performance bond for the Government Entity No. 7 project.
	Availability period	42 months
	Profit margin	1.25% per annum (5% cashback margin)
	Facility	A facility to issue bills of exchange/acceptance credits/refinancing of letters of credit through Murabaha or Tawarruq/short-term refinancing through Murabaha or Tawarruq with a maximum amount of SAR 4,500,000.
	Purpose	For the working capital of the Government Entity No. 3 Project

Item description	Details	
	Availability period	180 days as maximum
	Profit margin	SAMA Tariff + 1.25% per annum and SAIBOR + 3% per annum (5% on cash amounts and to be paid in advance)
	Facility	Performance bond with an amount of SAR 1,375,000 as a maximum.
	Purpose	Performance bond for the Government Entity No. 3 project.
	Availability period	36 months
	Profit margin	1.25% per annum to be paid in advance (5% cashback margin on cash amounts and to be paid in advance)
	Facility	A facility of a maximum amount of SAR 11,000,000.
	Purpose	Financing the new Customer Experience Center building
	Availability period	Sixteen (16) equal installments starting 90 days after the end of the grace period (one year).
	Profit margin	SAIBOR + 3% per annum paid quarterly
	Facility	Murabaha/Tawarruq– a short-term facility of a maximum amount of SAR 12,000,000.
	Purpose	To support bulk SMS purchases.
	Availability period	180 days
	Profit margin	SAIBOR + 3% per annum
	Fees	A penalty fee of 0.25% for failure to meet the terms.
Guarantees	• A corporate guarantee from The Ideal for Business and Investment Trade Company amounting to SAR 48,760,000 dated 25/01/2021G. • A personal guarantee from Nasser Abdullah Albassam and Saleh Ibrahim Hamad Al Mazroua amounting to SAR 48,760,000 on 25/01/2021G. • A promissory note for an amount of SAR 48,760,000 issued on behalf of the Company on 25/01/2021G. • A pledge by the Company on Plot No. 116 of Project No. 2975 in Sarhiyah district, Diriyah city and any building to be established on the Plot as a guarantee of SAR 12,000,000 of the total amount. In case of non-payment by the Company, the National Bank of Bahrain shall have the right to sell the pledged plot. • A pledge by Nasser Abdullah Albassam on a plot of land in Wadi Laban district, in Riyadh and any building to be established on the Plot as a guarantee of SAR 12,000,000 of the total amount. In case of non-payment by the Company, the National Bank of Bahrain shall have the right to sell the pledged plot. • The National Bank of Bahrain shall have the right to request any additional guarantees.	
Terms	• The Company undertakes to maintain a current ratio of not less than 1:1, a debt service ratio of not less than 1.5:1 and a financial leverage ratio of not more than 2:1. • The Company undertakes not to distribute any profits if it violates one of the financial terms. • The Company undertakes to direct project revenues to its account at the National Bank of Bahrain.	
Termination and expedited payment	The National Bank of Bahrain shall have the right to change, cancel or withdraw any or all of the facilities without prior notice and at its absolute discretion. The National Bank of Bahrain shall be entitled to promptly claim debit balances including expenses and/or profit margin as a debt with a fixed amount, due and payable immediately.	
Applicable law	The agreement is subject to the laws in force in the Kingdom of Saudi Arabia and any dispute arising therefrom shall be referred to the Banking Disputes Resolution Committee of the Saudi Central Bank.	

12.5.4 Credit Facility Agreement with Samba Financial Group (Currently Known as the Saudi National Bank)

The Company entered into a credit facility agreement with Samba Financial Group (currently known as the Saudi National Bank) on 26/03/1442H (corresponding to 12/11/2020G), to obtain facilities amounting to SAR 40,000,000. The following is a summary of the most important terms of this agreement:

Item description	Details
Total facilities	Finance with a total maximum amount of SAR 40,000,000.
Expiration date	31 October 2021G (this agreement is under renewal).
Facilities	**Facility**: 1 - Letter of Guarantee - Initial letters of guarantee amounting to a maximum of SAR 5,000,000. **Purpose**: Government and semi-government projects **Availability period**: 365 days **Profit margin**: SAMA Tariff + 0.75% per annum (5% cashback margin) **Facility**: 2- Omnibase contract facility (a project facility acceptable to Samba) amounting to a maximum of SAR 35,000,000. **Purpose**: To finance contracts after reviewing them with due diligence
Guarantees	• A corporate guarantee from The Ideal for Business and Investment Trade Company amounting to SAR 40,000,000 dated 12/11/2020G. • A promissory note for an amount of SAR 40,000,000 signed by the Company on 13/11/2020G and guaranteed by Nasser Abdullah Albassam, Saleh Ibrahim Hamad Al Mazroua and/or The Ideal for Business and Investment Trade Company • Samba Bank shall have the right to request any additional guarantees.
Terms	• The Company undertakes to maintain a current ratio of not be less than 1:1 and a financial leverage ratio of not more than 2.50:1. • The Company undertakes not to distribute more than 50% of its profits.
Termination and expedited payment	Samba Bank shall have the right to change, cancel or withdraw any or all of the facilities, their terms and rates without prior notice and at its absolute discretion.
Applicable law	The agreement is subject to the laws in force in the Kingdom of Saudi Arabia and any dispute arising therefrom shall be referred to the Banking Disputes Resolution Committee of the Saudi Central Bank.

Type of facility	Profit margin	Availability period
Performance bond	SAMA Tariff + 1% per annum	5 years
Advance payment guarantee	SAMA Tariff + 1.25% per annum	3 years
Acceptance credit	SAMA Tariff + 1% per annum	210 days
Import letter of credit	Acceptance fee of 1.25% per annum	210 days
Bill of Exchange	SAMA Tariff + 1% per annum	210 days
Refinancing of letters of credit	SAIBOR + 2.5% per annum	210 days
Project Preparation Facility (PPF)	SAIBOR + 2.5% per annum	6 months

12.5.5 Credit Facility Agreement with Al Rajhi Bank

The Company entered into a credit facility agreement with Al Rajhi Bank on 26/07/1442H (corresponding to 10/03/2021G), to obtain facilities amounting to SAR 100,000,000. The following is a summary of the most important terms of this agreement:

Item description	Details	
Total facilities	SAR 100,000,000	
Expiration date	10/03/2022G	
Maximum limit	Finance with a maximum total amount of SAR 100,000,000	
Facilities	Facility	(A) Facility for general working capital requirements with a maximum of SAR 100,000,000.
	Availability period	31/03/2022G
	Profit margin	N/A
	Fees	N/A
	Facility	(B) A letter of guarantee of participation to finance projects offered by government and semi-government entities and other entities approved by Al Rajhi Bank, with a maximum of SAR 30,000,000.
	Availability period	60 months
	Profit margin	SAIBOR (12 calendar months) + 2.50%
	Fees	N/A
	Facility	(C) Expedited sale to finance projects offered by government and semi-government entities and other entities approved by Al Rajhi Bank with a maximum of SAR 70,000,000.
	Availability period	Documents shall be submitted under the letter of credit within 12 months from the date of opening the relevant credit application.
	Profit margin	SAIBOR (12 calendar months) + 2.5%
	Fees	0.5%
	Facility	(D) Export financing with a maximum of SAR 100,000,000 to finance projects offered by government and semi-government entities and other entities approved by Al Rajhi Bank.
	Availability period	60 months
	Profit margin	SAIBOR (12 calendar months) + 2.50%
	Fees	0.5%
Guarantees	These facilities are guaranteed by a commercial and personal guarantee by Saleh Ibrahim Hamad Al Mazroua and The Ideal for Business and Investment Trade Company dated 10/03/2021G. A promissory note for an amount of SAR 117,331,163 issued on behalf of the Company on 10/03/2021G.	
Terms	It is prohibited to make any change in the capital of the Client without the prior written approval of the Bank. The Client commits and undertakes to maintain a current ratio of not less than 1 throughout the financing period. The Client commits and undertakes to keep 50% of the annual profits and the retained earnings in the activity, provided that this appears in the next year's budget. The Client commits and undertakes to provide the Bank with a quarterly report on the progress of the project to be reviewed by the Bank. The Client commits to open an intermediary account at the Bank for each project.	
Termination and expedited payment	The Client acknowledges that the Bank may at any time (at its discretion and without giving any reasons) reduce the amount of any facilities, cancel or terminate these facilities or any of them.	
Applicable law	The agreement is subject to the laws in force in the Kingdom of Saudi Arabia and any dispute arising therefrom shall be referred to the Banking Disputes Resolution Committee of the Saudi Central Bank.	

12.5.6 Credit Facility Agreement with the Arab National Bank

The Company entered into a credit facility agreement with the Arab National Bank on 15/10/1442H (corresponding to 27/05/2021G) to obtain facilities amounting to SAR 25,000,000. The following is a summary of the most important terms of this agreement:

Item description	Details	
Total facilities	SAR 25,000,000.	
Expiration date	31/05/2022G	
Maximum limit	Finance with a maximum total amount of SAR 25,000,000	
Facilities	**Facility**	(A) A credit facility of a maximum of SAR 25,000,000.
	Availability period	31/05/2022G
	Profit margin	N/A
	Fees	N/A
	Facility	(B) A short-term Tawarruq to finance 60% of the receivables of government and semi-government projects transferred to the Arab National Bank, with a maximum of SAR 20,000,000.
	Availability period	9 months
	Profit margin	N/A
	Fees	N/A
	Facility	(C) A documentary letter of credit (bill of exchange/deferred payment) (Category 1/Category 2) and withdrawal therefrom of a maximum of SAR 5,000,000 to issue letters of guarantee for beneficiaries accepted by the Arab National Bank in order to purchase and provide the necessary materials, tools and spare parts (locally and internationally).
	Availability period	9 months
	Profit margin	SAIBOR (3 calendar months) + 2.5% per annum
	Fees	Account opening fees: SAMA Tariff + 0.5% per annum Deferral fees: 1.25% per annum
	Facility	Credit financing with a maximum of SAR 5,000,000 to finance exports that the Company obtains through documentary credits opened by the Arab National Bank.
	Availability period	N/A
	Profit margin	SAIBOR (three months) + 2.5% per annum
	Fees	N/A
	Facility	(D) Islamic letters of guarantee issued in favor of beneficiaries accepted by the Arab National Bank for the execution of government and semi-government projects with a maximum of SAR 5,000,000.
	Availability period	12 months for initial letters of guarantee and 48 months for final letters of guarantee and advance payment.
	Profit margin	N/A
	Fees	Issuance fees: Initial guarantee: SAMA Tariff + 0.5% per annum Final guarantee: SAMA Tariff + 0.75% per annum Advance payment guarantee: SAMA Tariff + 1% per annum
Guarantees	• A promissory note for an amount of SAR 25,000,000 dated 17/05/2021G. • A personal guarantee given jointly by Nasser Abdullah Albassam and Saleh Ibrahim Hamad Al Mazroua on 17/05/2021G. • Transfer of proceeds to the Arab National Bank for the projects for which the Arab National Bank issued letters of guarantee. • Any other guarantees that the Arab National Bank may require.	

Item description	Details
Terms	• The Bank shall be given a written notice two working days prior to the date of withdrawal of the financing. • If the project supervisor is an independent advisory office, the payment certificate shall contain the signature of the resident engineer (the project manager appointed by the advisory office, in addition to the stamp of the advisory office). • If the supervising authority is the owner of the project, the payment certificate shall be signed by at least two persons. • The Bank will not deduct/finance any payment certificate issued for more than three months, unless the client submits proof that the payment certificate has not yet been disbursed. • The number of payment certificates allocated/funded for one existing project shall not exceed five payment certificates. • Goods shall be fully insured against all risks for the benefit of the Bank, provided that this is recorded in a policy issued by an acceptable insurance company. • The maximum amount for initial guarantees is SAR 3,000,000, provided that a single initial guarantee shall not exceed SAR 4,000,000. • The issuance of final letters of guarantee issued with initial letters of guarantee from other banks shall be allowed, with a maximum limit of SAR 40,000.
Termination and expedited payment	The Bank shall have the full right to impose an early payment fee and, in the event of any case of eviction, the Bank shall have the right to cancel the facilities.
Applicable law	The agreement is subject to the laws in force in the Kingdom of Saudi Arabia and any dispute arising therefrom shall be referred to the Banking Disputes Resolution Committee of the Saudi Central Bank.

12.5.7 Credit Facility Agreement with the Saudi National Bank

The Company concluded an amendment annex to a credit facility agreement with the Saudi National Bank on 27/05/1442H (corresponding to 11/01/2021G) to obtain facilities amounting to SAR 25,000,000. The following is a summary of the most important terms of this agreement.

Item description	Details	
Total facilities	SAR 25,000,000	
Expiration date	31/08/2021G (this agreement is under renewal)	
Maximum limit	The maximum limit for the issuance of a single initial guarantee is SAR 500,000, and anything exceeding such amount shall be subject to the approval of the First Party. The maximum limit for the issuance of a single final guarantee is SAR 1,250,000, and anything exceeding such amount shall be subject to a credit approval.	
Facilities	**Facility**	(C) Letters of credit for exports with a maximum of SAR 15,000,000 for the purpose of purchasing business supplies (for example, supplies for drivers, electronic devices, network monitoring systems and network extenders) from suppliers in the local and international markets.
	Availability period	N/A
	Cashback margin	10%
	Fees	Issuance fees of 1% with a minimum of SAR 1,000
	Facility	(D) Letters of guarantee for the purpose of executing government and semi-government projects with a maximum of SAR 10,000,000.
	Availability period	N/A
	Profit margin	10% cashback margin
	Fees	Issuance fees of 1% with a minimum of SAR 2,000
	Facility	(E) A commercial facility with a maximum of SAR 5,000,000 as a sub-limit of the export letters of credit facility to finance 80% of the receivables.
	Availability period	N/A
	Profit margin	SAIBOR + 3% per annum
	Fees	N/A
Guarantees	• Personal guarantees issued by Nasser Abdullah Albassam and Saleh Ibrahim Hamad Al Mazroua on 11/01/2021G, each for an amount of SAR 27,500,000. • A personal guarantee issued by Nasser Abdullah Albassam and Saleh Ibrahim Hamad Al Mazroua on 11/01/2021G for an amount of SAR 27,500,000. • A promissory note amounting to SAR 27,000,000 dated 11/01/2021G and guaranteed by The Ideal for Business and Investment Trade Company, Nasser Abdullah Albassam and Saleh Ibrahim Hamad Al Mazroua.	

Item description	Details
Terms	• The Company undertakes to maintain a dividend payout ratio of not more than 50% of the annual net profit and subject to the written approval of the Saudi National Bank. • The Company undertakes to deduct 20% of each payment certificate received on the broker account to pay Murabaha and trade facilities when they fall due. • The Company undertakes to maintain a leverage ratio of not more than 1:2. • The Company undertakes to maintain equity of not less than SAR 107,000,000. • The Company undertakes to provide the First Party with the audited financial statements within 180 days from the end of the financial year. • The Company undertakes to provide the Saudi National Bank with the internal financial statements for each year within 60 days from the end of June.

12.5.8 Facility Contract with the Saudi British Bank (SABB)

The Company signed a facility offer letter for a facility contract with the Saudi British Bank (SABB) on 04/12/1442H (corresponding to 14/07/2021G) to obtain facilities amounting to SAR 104,515,000. The following is a summary of the most important terms of this agreement:

Item description	Details	
Total facilities	SAR 104,515,000	
Expiration date	31/08/2022G	
Maximum limit	SAR 104,515,000	
Facilities	Facility	(A) Short-Term Tawarruq with a maximum of SAR 33,000,000 regarding the operation and maintenance of the information center, network, information security and technical support for the academic and administrative application for the purpose of financing the invoices of Telecom Company No. 1, Telecom Company No. 2 and Telecom Company No. 3.
	Availability period	N/A
	Profit margin	SAIBOR + 2.75% per annum
	Fees	N/A
	Facility	(B) Letters of guarantee (bid bond) with a maximum of SAR 6,381,000 for the purpose of issuing guarantees for new contracts that the Company concludes, especially with government and private entities, for amounts less than SAR 50,000,000.
	Availability period	N/A
	Profit margin	N/A
	Fees	Issuance fees: SAMA Tariff + 0.75% with a minimum of SAR 500
	Facility	A letter of guarantee (letter of performance bond) for an amount of SAR 10,000,000 for the purpose of issuing guarantees for new contracts that the Company concludes, especially with government and private entities, for amounts less than SAR 50,000,000.
	Availability period	N/A
	Profit margin	N/A
	Fees	SAMA tariff issuance fees + 0.5%
	Facility	(C) Short-Term Tawarruq for the purpose of financing up to 75% of the receivables of the Ministry of Municipal and Rural Affairs' project, with a maximum of SAR 5,000,000.
	Availability period	N/A
	Profit margin	3% per annum above SAIBOR
	Fees	N/A
	Facility	A letter of guarantee (letter of performance bond) with an amount of SAR 3,341,000 for the purpose of issuing letters of guarantee in favor of the contracts that the Company concludes for the project of the Ministry of Municipal and Rural Affairs
	Availability period	N/A
	Profit margin	N/A
	Fees	Issuance fees: SAMA tariff + 1.25% per annum with a minimum of five hundred Saudi Riyals (SAR 500)
	Facility	(D) A revolving Tawarruq for the purpose of financing receivables of the operation and maintenance of the information center, network, information security, and technical support for the academic and administrative application (Government Entity No. 19) at a rate of up to 80% with a maximum of SAR 2,000,000
	Availability period	N/A
	Profit margin	SAIBOR + 2.75% per annum

Item description	Details	
	Fees	N/A
	Facility	A letter of guarantee (letter of performance bond) with a maximum of SAR 2,012,000 to issue a guarantee for the operation and maintenance of the information center, network, information security and technical support for the academic and administrative application (Government Entity No. 19)
	Availability period	N/A
	Profit margin	N/A
	Fees	SAMA Tariff + 0.50% per annum with a minimum of SAR 500
	Facility	(E) A facility with a maximum of SAR 15,500,000 to finance the health information system and infrastructure insurance project for Government Entity No. 13 covered by withdrawing 30% of the amount of each invoice.
	Availability period	N/A
	Profit margin	SAIBOR + 2.75% per annum
	Fees	N/A
	Facility	A letter of credit with a maximum of SAR 13,200,000 to import raw materials related to the health information system and infrastructure insurance project for the Security Forces Hospital.
	Availability period	N/A
	Profit margin	N/A
	Fees	Account opening commission: SAMA tariff + 0.5% per annum with a minimum of SAR 500, to be paid in advance Acceptance commission: 2% per annum with a minimum of SAR 500, to be paid in advance
	Facility	Revolving Murabaha with a maximum of SAR 13,200,000 to finance the client's financial liabilities related to a letter of credit issued by the Saudi British Bank (SABB) to a supplier regarding import billing.
	Availability period	N/A
	Profit margin	SAIBOR + 2.75% per annum
	Fees	N/A
	Facility	A letter of guarantee (letter of performance bond) to issue a guarantee for the health information system and infrastructure insurance project for Government Entity No. 13 with a maximum of SAR 2,980,425.
	Availability period	N/A
	Cashback margin	10% cashback margin
	Fees	Issuance fees: SAMA Tariff + 0.5% per annum with a minimum of SAR 500
	Facility	(F) A revolving letter of credit with a maximum of SAR 10,200,000 to import the materials needed for the Government Entity No. 13 project.
	Availability period	N/A
	Profit margin	N/A
	Fees	Account opening fees: SAMA tariff + 0.5% per annum with a minimum of SAR 500, to be paid in advance Acceptance fees: 2% per annum with a minimum of SAR 500, to be paid in advance
	Facility	Revolving Murabaha with a maximum of SAR 10,200,000 for the purpose of financing the client's financial liabilities related to a letter of credit issued by the Saudi British Bank (SABB) to a supplier regarding import billing.
	Availability period	N/A
	Profit margin	SAIBOR + 2.75% per annum
	Fees	N/A
	Facility	Letter of guarantee (letter of performance bond) with a maximum of SAR 900,000 to issue a guarantee for the Government Entity No. 13 project
	Availability period	N/A
	Profit margin	N/A
	Fees	Issuance fees: SAMA Tariff + 0.5% per annum with a minimum of SAR 500

Item description	Details
Guarantees	• A promissory note for an amount of SAR 104,515,000 signed by the Company and the guarantors • A commercial guarantee for an amount of 77,341,100 by The Ideal for Business and Investment Trade Company dated 14/07/2021G. • A personal guarantee given by Nasser Abdullah Albassam for an amount of SAR 13,586,950 dated 14/07/2021G. • A personal guarantee given by Saleh Ibrahim Hamad Al Mazroua for an amount of SAR 13,586,950 on 14/07/2021G. • Transfer of debt and a senior mortgage on the amounts due from the Government Entity No. 15 project. • Transfer of debt and a senior mortgage on the amounts due from the Government Entity No. 3 project. • Transfer of debt and a senior mortgage on the amounts due from the Government Entity No. 19 project. • Transfer of debt and a senior mortgage on the amounts due from the Government Entity No. 13 project.
Terms	• The Company undertakes not to dispose of the acquired assets using the proceeds of any facility without obtaining prior written consent from the Bank. • Initial guarantees are issued without any obligation on the part of the Bank to issue any subsequent guarantees and/or provide the necessary financing. • The penalty rate for delay is 40%.
Applicable law	The agreement is subject to the laws in force in the Kingdom of Saudi Arabia and any dispute arising therefrom shall be referred to the Banking Disputes Resolution Committee of the Saudi Central Bank.

12.5.9 Letter of Terms and Conditions for a Facility Contract with Riyad Bank

The Company signed a letter of terms and conditions for a facility contract with Riyad Bank on 10/02/1442H (corresponding to 27/09/2020G) to obtain facilities amounting to SAR 402,311,000. The following is a summary of the most important terms of this agreement:

Item description	Details	
Total facilities	SAR 402,311,000.	
Expiration date	27/10/2022G	
Maximum limit	SAR 402,311,000.	
Facilities	**Facility**	Liabilities related to operations with a maximum of SAR 45,000,000
	Availability period	N/A
	Cashback margin	5% cashback margin
	Fees	Tariff + 1.5% commission on initial and final letters of guarantee Tariff + 1.75% commission on advance payment guarantee letters
	Facility	Tawarruq financing with a maximum amount of SAR 468,000
	Availability period	N/A
	Profit margin	SAIBOR + 1% per annum
	Fees	N/A
	Facility	(a) Direct alternative credit with a maximum of SAR 35,000,000 to finance 65% of the transferred projects.
	Availability period	N/A
	Cashback margin	5% cashback margin
	Fees	Tariff commission + 0.5% Acceptance commission: 1.5% Administrative commission: One-time commission of 0.5%
	Facility	Tawarruq with a maximum of SAR 33,250,000 to finance 65% of the dues on which a transfer of debt was made in favor of Riyad Bank (a sub-limit of the limit allocated for direct alternative credit)
	Availability period	N/A
	Profit margin	SAIBOR + 3% per annum
	Fees	N/A
	Facility	(B) Tawarruq with a maximum of SAR 15,000,000 to finance 75% of the amounts due to the project provided that the amounts due in the project are waived.
	Availability period	N/A
	Profit margin	SAIBOR + 3% per annum
	Fees	Administrative commission: One-time commission of 0.5%.
	Facility	(C.) Tawarruq for Government Entity No. 1 call centers up to a maximum of SAR 14,750,000

Item description	Details	
	Availability period	N/A
	Profit margin	SAIBOR + 2.5% per annum
	Fees	N/A
	Facility	(d) Tawarruq for the operation of Government Entity No. 1 call centers up to a maximum of SAR 34,000,000.
	Availability period	N/A
	Profit margin	SAIBOR + 2.5% per annum
	Fees	One-time administrative fees: 0.5% per annum + VAT (before adding enforceable amounts)
	Facility	Letter of Guarantee (letter of performance bond) for the operation of the call centers of Government Entity No. 1 up to a maximum of SAR 12,500,000
	Availability period	N/A
	Profit margin	N/A
	Fees	Tariff commission + 1.25%
	Facility	Guarantee of an advance payment for the operation of Government Entity No. 1 call centers with a maximum amount of SAR 12,500,000
	Availability period	N/A
	Profit margin	N/A
	Fees	Tariff Commission + 1.75%
	Facility	Tawarruq with a maximum of SAR 32,000,000 to operate the call centers of Government Entity No. 1
	Availability period	N/A
	Profit margin	SAIBOR + 2.5% per annum
	Fees	-
	Facility	(e) Tawarruq with a maximum of SAR 44,000,000 for the operation of the call centers of Government Entity No. 1.
	Availability period	N/A
	Profit margin	SAIBOR + 3.5% per annum
	Fees	-
	Facility	Letter of guarantee (letter of performance bond) with a maximum of SAR 12,557,000 to operate the call centers of the Government Entity No. 1
	Availability period	N/A
	Profit margin	N/A
	Fees	Tariff commission + 1.5%
	Facility	(f) Direct alternative credit with a maximum of SAR 18,500,000 for the operation and maintenance of the fiber optic networks of Government Entity No. 9.
	Availability period	N/A
	Profit margin	N/A
	Fees	Tariff commission + 0.5% Acceptance commission: 1.5%
	Facility	Tawarruq with a maximum of SAR 16,650,000 for the operation and maintenance of fiber optic networks of Government Entity No. 9 (sub-limit of the limit allocated for direct alternative credit)
	Availability period	N/A
	Profit margin	SAIBOR + 4% per annum
	Fees	N/A
	Facility	Tawarruq with a maximum of SAR 7,000,000
	Availability period	N/A
	Profit margin	SAIBOR + 4% per annum
	Fees	N/A
	Facility	Tawarruq with a maximum of SAR 8,000,000
	Availability period	N/A
	Profit margin	SAIBOR + 4% per annum

Item description	Details	
	Fees	One-time administrative expenses: 0.5% per annum + VAT
	Facility	Letter of Guarantee (letter of performance bond) with a maximum of SAR 4,485,000
	Availability period	N/A
	Profit margin	N/A
	Fees	Tariff commission + 1.5%
	Facility	(G) A direct alternative credit with a maximum of SAR 73,000,000 to import, license and secure Microsoft licenses for Government Entity No. 1.
	Availability period	N/A
	Profit margin	N/A
	Fees	Issuance fees: Tariff and commission Acceptance commission: 0.5%
	Facility	Letter of Guarantee (letter of performance bond) with a maximum of SAR 5,200,000 to import, license and secure Microsoft licenses for Government Entity No. 1.
	Availability period	N/A
	Profit margin	N/A
	Fees	Tariff commission + 1.25%
	Facility	Tawarruq with a maximum of SAR 70,000,000 to import, license and secure Microsoft licenses for Government Entity No. 1 (sub-limit of the limit allocated for direct alternative credit)
	Availability period	N/A
	Profit margin	SAIBOR + 2.5% per annum
	Fees	N/A
	Facility	Letter of Guarantee (letter of performance bond) with a maximum of SAR 734,000 for the import and installation of the BMS system in Government Entity No. 9.
	Availability period	N/A
	Profit margin	N/A
	Fees	Issuance fees: Tariff + 1.5%
	Facility	(H) Tawarruq (sub-limit of direct alternative credit) with a maximum of SAR 3,691,000 for the operation and maintenance of the attendance system in Government Entity No. 20.
	Availability period	N/A
	Profit margin	SAIBOR + 4% per annum
	Fees	N/A
	Facility	Direct alternative credit with a maximum of SAR 3,817,000 for the operation and maintenance of the attendance system in Government Entity No. 20.
	Availability period	N/A
	Profit margin	N/A
	Fees	Acceptance fees: 1.5% Issuance fees: Tariff + 0.5% additional commission
	Facility	(I) Direct alternative credit with a maximum of SAR 12,000,000 for the operation and maintenance of the information center of Government Entity No. 12.
	Availability period	N/A
	Profit margin	N/A
	Fees	Issuance fees: Tariff + 0.5% Acceptance fees: 1.5% Administrative fees: 0.5% per annum + VAT (one-time)
	Facility	Tawarruq with a maximum of SAR 12,000,000 for the operation and maintenance of the information center of Government Entity No. 12 (sub-limit of the limit allocated for direct alternative credit).
	Availability period	N/A
	Profit margin	SAIBOR + 2.5% per annum
	Fees	N/A
	Facility	Letter of guarantee (letter of performance bond) with a maximum of SAR 3,800,000 for the operation and maintenance of the information center of Government Entity No. 12 (sub-limit of the limit allocated for direct alternative credit).

Item description	Details	
	Availability period	N/A
	Profit margin	N/A
	Fees	Issuance fees: Tariff + 1.25% Administrative fees: 0.5% per annum + VAT (one-time)
	Facility	Tawarruq with a maximum of SAR 8,000,000 for the operation and maintenance of a call center (one-time payment).
	Availability period	N/A
	Profit margin	SAIBOR + 2.5% per annum
	Fees	0.5% per annum + VAT (before adding enforceable amounts)
Guarantees	• Mortgage on 9,303 shares according to the investment accounts statement dated 27/09/2021G. • A joint personal guarantee issued by Nasser Abdullah Albassam, Saleh Ibrahim Hamad Al Mazroua and The Ideal for Business and Investment Trade Company on 27/09/2021G. • A promissory note amounting to SAR 416,000,000 dated 27/09/2021G and guaranteed by The Ideal for Business and Investment Trade Company, Nasser Abdullah Albassam and Saleh Ibrahim Hamad Al Mazroua.	
Terms	• Initial or final letters of guarantee shall not be regarded as an advance payment of tenders as an obligation on the part of the Bank to finance the operation or to provide new guarantees or working capital in case of winning the tender. • The original waiver in favor of Riyad Bank of financial dues in projects for which the final guarantees and the advance payment are issued, provided that the waiver is supported by the assignors. • Administrative expenses and commissions for the issuance or extension of letters of guarantee are non-refundable and are not entitled to refunds or part thereof in the event of their return for failure to be submitted by the Company to the assignor or the release or cancellation of any letters of guarantee during or before the date of their expiration or maturity.	

12.6 Insurance

The Company shall maintain insurance policies that cover the various types of risks that it may be exposed to. The following table shows the main details of the insurance policies maintained by the Company and its subsidiaries:

Table (87): Insurance Policy Details

Coverage Type	Insurance Company	Policy No.	Insured	Coverage Expiry Date	Coverage Amount (SAR)
Health insurance for all employees	AXA	RYD-Jan-2021-01-V7	The Company	N/A	SAR 500,000
Commercial general liability insurance	Alinma Tokio Marine Company	P/10212/5/14204/2021/00054	The Company	13/02/1446H (corresponding to 17/08/2024G)	SAR 500,000
Commercial general liability insurance	Alinma Tokio Marine Company	P/10212/5/14204/2020/00011	The Company	26/03/1445H (corresponding to 11/10/2023G)	SAR 2,000,000
Commercial general liability insurance	Salama Cooperative Insurance Company	A-SALM-1-C-17-013	The Company	Thirty-six (36) months as of the date of the agreement	SAR 500,000
General insurance	Malath Cooperative Insurance Company	P/210/6011/20/00023377	The Company	02/12/1444H (corresponding to 20/06/2023G)	SAR 2,000,000
General liability insurance	Alinma Tokio Marine Company	P/10212/5/14204/2021/00060	The Company	08/04/1446H (corresponding to 11/10/2024G)	SAR 500,000
Commercial general liability insurance	Alinma Tokio Marine Company	P/10212/5/14204/2021/00058	The Company	03/03/1446H (corresponding to 06/09/2024G)	SAR 500,000
General liability insurance	Insurance House Company	P/10212/5/14204/2020/00014	The Company	09/04/1445H (corresponding to 24/10/2023G)	SAR 2,000,000
Commercial general liability insurance	Alinma Tokio Marine Company	P/10212/5/14204/2021/00042	The Company	28/11/1445H (corresponding to 05/06/2024G)	SAR 500,000
Commercial general liability insurance	Alinma Tokio Marine Company	P/10212/5/14204/2021/00039	The Company	06/11/1444H (corresponding to 26/05/2023G)	SAR 500,000
General liability insurance	Al-Etihad Co-operative Insurance Company	590/2021	The Company	Twenty-four (24) months	SAR 500,000

Coverage Type	Insurance Company	Policy No.	Insured	Coverage Expiry Date	Coverage Amount (SAR)
Commercial general liability insurance	Alinma Tokio Marine Company	P/10212/5/14204/2021/00048	The Company	29/12/1445H (corresponding to 05/07/2024G)	SAR 500,000
All-risk property insurance	Alinma Tokio Marine Company	P/10212/12106/2021/0007	The Company	04/12/1443H (corresponding to 03/07/2022G)	SAR 104,943,754
Commercial general liability insurance	Alinma Tokio Marine Company	P/10212/5/14202/2021/00051	The Company	22/01/1446H (corresponding to 28/07/2024G)	SAR 500,000
Commercial general liability insurance	Al-Etihad Co-operative Insurance Company	1/1/1/35/23/21/142	The Company	17/08/1445H (corresponding to 27/02/2024G)	SAR 500,000

Source: The Company

12.7 Company's Properties

As of the date of this Prospectus, the Company owns 3 properties. It is worth noting that the buildings located in Al Khozama district (Al Sarhiyah area, Al Diriyah), including the Company's headquarters, will be expropriated for public benefit. As of 31 March 2022G, the Company has not received an official notice to vacate its offices. However, the Company may receive an eviction notice at any time. The Company has built new offices in Al Qirawan district, where it will move its headquarters upon receiving an official notice to vacate its offices.

The following table shows the details of the Company's real estate:

Table (88): Properties Owned by the Company

Title Deed No.	Title Deed Date	Location	Area (square meters)	Property Owner	Mortgaged
911611000962	12/06/1441H (corresponding to 06/02/2020G)	Sarhiyah District, Diriyah	810	The Company	Yes
611611000637	01/06/1438H (corresponding to 28/02/2017G)	Sarhiyah District, Diriyah	1,360	The Company	No
310108051730	19/04/1441H (corresponding to 16/12/2019G)	Al Qirawan District, Riyadh	13,325	The Company	No

Source: The Company

The Company also entered into a number of lease agreements, one for its branch in Makkah, and four for offices that the Company rents to Related Parties. The key details of the Company's lease agreements are as follows.

Table (89): Company's Lease Agreements.

Lessee	Lessor	Location	Annual Rent Value (SAR)	Lease Term and Renewal Mechanism (if applicable)	Purpose
The Company	Fahd Ali Omar Tarimi Properties	Makkah	18,400	364 days. If both Parties wish to renew the agreement, a new agreement shall be drafted and agreed upon by both Parties	Office
Cloud Distribution Company for Communications and IT (Cloud Distribution)	The Company	Riyadh	4,600	364 days. If both Parties wish to renew the agreement, a new agreement shall be drafted and agreed upon by both Parties	Warehouse
Cloud Distribution Company for Communications and IT (Cloud Distribution)	The Company	Riyadh	169,500	364 days. If both Parties wish to renew the agreement, a new agreement shall be drafted and agreed upon by both Parties	Office
Prime Technology Est.	The Company	Riyadh	7,980	364 days. If both Parties wish to renew the agreement, a new agreement shall be drafted and agreed upon by both Parties	Office
Information Technology Belt Company	The Company	Riyadh	420,000	364 days. If both Parties wish to renew the agreement, a new agreement shall be drafted and agreed upon by both Parties	Office
Ideal for Business and Commercial Investment Company	The Company	Riyadh	343,000	364 days. If both Parties wish to renew the agreement, a new agreement shall be drafted and agreed upon by both Parties	Office
Wahaj Energy Establishment	The Company	Riyadh	7,890	364 days. If both Parties wish to renew the agreement, a new agreement shall be drafted and agreed upon by both Parties	Office

Source: The Company

12.8 Related Party Transactions

The members of the Company's Board of Directors declare that all Related-Party transactions that the Company had previously concluded, including determination of the financial consideration for contracts, have been carried out in a systematic and legal manner and on appropriate and fair commercial principles used in transactions with third parties. the Board of Directors also acknowledge that all future transactions with Related Parties will be conducted on a commercial basis and all works and contracts with Related Parties shall be subject to a vote in meetings of the Board of Directors and, if required by law, the Company's General Assembly. Members of the Board of Directors may not vote on any decision related to transactions or contracts with the Company in which they have a direct or indirect interest, whether in the Board of Directors or the General Assembly.

Except as mentioned in this section of the Prospectus, the members of the Company's Board of Directors acknowledge that the Company is not involved in any transactions, agreements, commercial relations or real estate transactions with a Related Party, including the Financial Advisor and the Legal Advisor for the Offering. Members of the Board of Directors also acknowledge that they intend to abide by Article 71 and Article 72 of the Companies Law and Article 46 of the Corporate Governance Regulations issued by the CMA in connection with agreements entered into with Related Parties. All existing transactions with Related Parties in which members of the Board of Directors have an interest were approved in the Company's Ordinary General Assembly meeting held on 24/08/1443H (corresponding to 27/03/2022G) and 25/12/1443H (corresponding to 24/07/2022G).

The value of transactions concluded with Related Parties amounted to approximately SAR 45.5 million in 2019G, SAR 36.6 million in 2020G, SAR 12.17 million in 2021G, and SAR 6.20 million during the three-month period ended 31 March 2022G. The Company has entered into a number of transactions with various Related Parties. The following is a summary of such transactions:

12.8.1 Development and Modernization Agreement Concluded between the Company and the Sustainable Technology Company for Energy

Parties	The Company (First Party) Sustainable Technology Company for Energy (Second Party)
Related Party	Nasser Abdullah Mohamed Albassam, in his capacity as a member of the Company's Board of Directors
Signature date	04/04/1440H (corresponding to 11/12/2018G)
Effective date	04/04/1440H (corresponding to 11/12/2018G)
Term and renewal mechanism	The term of the Agreement is 24 months
Object	Development and modernization of building control systems at King Fahd Military Medical Complex, Dhahran
Price and arrangements	The pricing mechanism is not mentioned in the Agreement.
Termination	The Agreement shall be terminated if the Main Agreement (concluded between the Company and the Main Contractor/ Owner) is terminated before the Second Party performs any of its obligations under the Agreement. The Company shall have the right to terminate the Agreement by a written notice sent to the Second Party, provided that it pays to the Second Party any processing-related expenses.
Applicable law and jurisdiction	Competent courts: Commercial courts in Riyadh

12.8.2 Annex to an Agreement for the Supply and Installation of Safety Systems for Pilgrims concluded between the Company and Information Technology Belt Company

Parties	The Company (First Party) Information Technology Belt Company (Second Party)
Related Party	Nasser Abdullah Mohamed Albassam, in his capacity as a member of the Company's Board of Directors
Signature date	03/09/1442H (corresponding to 15/04/2021G)
Effective date	03/09/1442H (corresponding to 15/04/2021G)
Term and renewal mechanism	The term of the Agreement is unclear
Object	Supply and installation of safety systems for pilgrims for the Ministry of Interior.
Price and arrangements	The total value of the Agreement is SAR 1,100,000 (exclusive of VAT)

12.8.3 Framework Agreements with Related Parties

The Company entered into 5 framework agreements with Related Parties using similar models. The terms of the framework agreements entered into by the Company with Related Parties include the following:

- Suppliers shall supply the products/services subject of the Agreements pursuant to purchase orders issued to them by the Company.
- Purchase orders shall specify the quantity required for each product or service as per the Company's need.
- Suppliers shall prepare a quotation for the prices of products or services and the required quantities according to the prevailing market price, and shall submit the same to the Company.
- Suppliers shall supply products or services after obtaining the Company's approval for the quotation submitted by them, and pursuant to a purchase order issued by the Company.
- The executed and approved purchase orders issued by the Company to Suppliers shall be deemed an integral part of the framework agreements and complementary thereto.
- The Company shall pay the value of purchase orders to Suppliers within one hundred and eighty (180) days as of the date on which it receives an invoice from a Supplier containing a statement of the products or services, quantities and prices, in accordance with the agreed-upon purchase orders and quotations.
- The framework agreements shall be subject to the necessary approvals related to transactions with Related Parties as stipulated in the Companies Law, and any other regulations or instructions issued in this regard. In the event that such approvals are not obtained, the agreement shall be deemed null and void and the balance between the Supplier and the Company shall be settled within a period of one hundred and eighty (180) days starting as of the date of termination of the Agreement.
- A framework agreement shall not create an exclusive supply relationship between both parties thereto. The Company shall have the right to import the products or services subject of the framework agreement from other suppliers as the Company deems appropriate.

The following is a summary of the main terms of the framework agreements concluded with Related Parties.

Table (90): Summary of the Main Provisions of the Framework Agreements with Related Parties

Parties	Related Party	Agreement date	Term	Product or service categories
Perfect Presentation for Commercial Services And Cloud Distribution Company for Communications and IT (Cloud Distribution)	Nasser Abdullah Mohamed Albassam	22/07/1443H (corresponding to 23/02/2022G)	The term of the Agreement shall be one calendar year, starting as of the signature date. It shall automatically be renewed unless either party informs the other party of its desire to terminate the Agreement at least thirty (30) days before the date on which its term expires.	Import and export of computers, networks, spare parts, supplies and tools, as well as their installation and maintenance
Perfect Presentation for Commercial Services And Fawran Smart Logistics Company	Nasser Abdullah Mohamed Albassam	22/07/1443H (corresponding to 23/02/2022G)	The term of the Agreement shall be one calendar year, starting as of the signature date. It shall automatically be renewed unless either party informs the other party of its desire to terminate the Agreement at least thirty (30) days before the date on which its term expires.	Ground transportation of goods, transportation of refrigerated and frozen goods, general warehouses that include a variety of goods, local parcel transportation, local and international parcel transportation, providing delivery services via electronic platforms
Perfect Presentation for Commercial Services And Information Technology Belt Company	Nasser Abdullah Mohamed Albassam	22/07/1443H (corresponding to 23/02/2022G)	The term of the Agreement shall be one calendar year, starting as of the signature date. It shall automatically be renewed unless either party informs the other party of its desire to terminate the Agreement at least thirty (30) days before the date on which its term expires.	Extension of electrical wires, network extensions, installation and extension of computer and communication networks, installation and maintenance of security devices, wholesale of drones, supply of military vehicles, supply of electronics and communication devices, military command, guidance and control systems, operating systems, design and programming of custom software, virtual and augmented reality technologies

Parties	Related Party	Agreement date	Term	Product or service categories
Perfect Presentation for Commercial Services And Sustainable Technology Company for Energy	Nasser Abdullah Mohamed Albassam	22/07/1443H (corresponding to 23/02/2022G)	The term of the Agreement shall be one calendar year, starting as of the signature date. It shall automatically be renewed unless either party informs the other party of its desire to terminate the Agreement at least thirty (30) days before the date on which its term expires.	Construction, establishment and repair of electrical power stations and transformers, network extensions, installation of lighting systems, installation and maintenance of fire alarm devices and equipment, installation and maintenance of security devices, installation of lighting systems for roads and airstrips, installation, maintenance and repair of solar energy networks, installation and maintenance of early warning sirens and control centers and building finishes

Source: The Company

Prior to executing the framework agreements mentioned in Table 90 above, the Company has been transacting completed with these parties through purchase orders. The Company still deals with the related parties it deals with irregularly through purchase orders. The related parties that the company deals with on an irregular basis consist of:

- Perfect Presentation for Technology – Jordan
- Perfect Presentation for Trading - Egypt
- Smart Health Communications and Information Technology Company
- Ideal for Business and Commercial Investment Company
- Wahaj Energy Establishment
- Main Technical Contracting Est

All transactions with Related Parties stated in Table 90 above, and Related Parties with which the Company has been dealing irregularly, have been approved in the Company's Ordinary General Assembly meeting held on 24/08/1443H (corresponding to 27/03/2022G) and 25/12/1443H (corresponding to 24/07/2022G).

12.9 Trademarks and Intellectual Property Rights

12.9.1 Trademarks

The Company's trademarks are the cornerstone of all its business, as it relies entirely on the same in marketing and promoting its products. The Company operates under the trademarks registered in its name. All trademarks used by the Company to conduct its business are registered in the name of the Company. The following table shows the key details of the trademarks registered by the Company.

Table (91): Details of Registered Trademarks

Owner	Category	Country of Registration	Expiration date	Trademark No.	Logo
The Company	42	Kingdom of Saudi Arabia	18/12/1451H (corresponding to 21/04/2030G)	1441031701	2P شركة العرض المتقن Perfect Presentation
The Company	38	Kingdom of Saudi Arabia	05/08/1450H (corresponding to 21/12/2028G)	1440020202	يمامه Yamamah

Source: The Company

12.9.2 Other Intellectual Property Rights

The Company has registered several internet domains in its name. The following table shows the details of the internet domains registered in the name of the Company:

Table (92): Details of Internet Domain Names

No.	Internet Domain Name	Expiration date
1.	2p.com.sa	30/12/2022G
2.	2p.net.sa	30/12/2022G
3.	8sms.com.sa	30/12/2022G
4.	dcloud.com.sa	30/12/2022G
5.	fawran.com.sa	30/12/2022G
6.	ibi.com.sa	30/12/2022G
7.	link.net.sa	30/12/2022G
8.	pp.com.sa	30/12/2022G
9.	skydc.sa	30/12/2022G
10.	stce.com.sa	30/12/2022G
11.	2pmall.com	19/05/2022G
12.	2pservice.com	07/02/2023G
13.	wesal.net	20/11/2022G
14.	2p-ccbu.com	08/04/2023G
15.	tickets-services.com	02/12/2022G
16.	sms966.net	10/06/2022G
17.	sms966.com	10/06/2022G
18.	2pacademy.com	14/09/2022G
19.	2pwideip.com	07/07/2022G
20.	perfect-engage.com	12/08/2023G
21.	yamamah.com	09/09/2023G

Source: The Company

12.10 Company's Zakat and Tax Status

The Company is subject to the regulations of the Saudi Zakat, Tax and Customs Authority (ZATCA). The Company has submitted its Zakat returns and received Zakat certificates from the date of its incorporation until 31 December 2021G. It should be noted that the Company has obtained a certificate issued by the ZATCA on 19/09/1443H (corresponding to 20/04/2022G) indicating the Company's submission of returns for the period ended 31 December 2021G. Such certificate shall be valid until 10/10/1444H (corresponding to 30/04/2023G). As of the date of this Prospectus, the Company has received the final Zakat assessments for the period since the date of its incorporation in 2004G until 2015G. The Company has paid all its Zakat obligations for such period. As for the years between 2016G and 2021G, the Company has submitted Zakat returns and paid the Zakat payable, however the final Zakat assessment has not received from ZATCA.

The Company has submitted the Zakat file and paid the Zakat payable for 2020G, amounting to SAR 1,745,302. The Company has also submitted the Zakat file and paid the Zakat payable for 2021G, amounting to SAR 3,089,868.

There are no other Zakat differences or claims for any previous financial year. However, the Company has set aside a Zakat provision of SAR 850,000 as of 31 March 2022G for any Zakat differences arising from previous financial years.

12.11 Lawsuits and Claims

Except for the following, there are no actual or potential judicial disputes, lawsuits, complaints, or existing investigative procedures that may, collectively or individually, have a material impact on the Company. The Company is not aware of any existing or potential material judicial disputes or facts that could, collectively or individually, have a material impact on the Company.

12.11.1 Violation Imposed by the Communications and Information Technology Commission (CITC) on the Company

On 25/02/1443H (corresponding to 02/10/2021G), the Violations Committee held a meeting to consider the violation referred to by the Communications and Information Technology Commission involving the Company.

Basis of the violation:

1. The Company classifies its SMS service into two types: (1) "Advertising Blacklist" and (2) "Non-Advertising White List", which constitutes a violation of Article 4-9 of the Controls for Limiting Spam issued pursuant to CITC Resolution No. 395/1439, dated 03/11/1439H.
2. The Company concluded a contract with a service provider operating outside the Kingdom of Saudi Arabia to send messages to international phone numbers, which constitutes a violation of Clause 4-2 of the Terms and Conditions for Category Licenses Type (B) to provide SMS services.

Accordingly, CITC decided as follows: (1) Imposition of a fine on the Company of SAR 15,000 for the first violation, a fine of SAR 50,000 for the second violation, totaling SAR 65,000 two fines, and (2) publication of fine on the website of CITC. Such fines have been paid by the Company.

12.11.2 Actions Taken Against Government Clients of the Company

Claimant	Defendant	Dispute summary	Status	Expected financial impact (SAR)
The Company	Government Entity	The Company filed a claim against a government entity for non-payment of the amount due in exchange for software development services work carried out by the Company in accordance with the contract concluded between the two parties.	Currently being considered before the Board of Grievances (the Administrative Court), whereby the Claimant is awaiting the Defendant's response or the issuance of a judgment in the event that the Defendant does not submit a response.	7,314,229

12.12 Summary of the Company's Bylaws

12.12.1 Name of the Company

The name of the Company is "Perfect Presentation for Commercial Services"; a Saudi closed joint-stock company.

12.12.2 Objects of the Company

The Company engages in and implements the following objects:

General domain	Specific domain	Activity no.	Activity
Computer programming activities	Information and communication	620104	UI and UX design
		620106	Robot technologies
		620108	Augmented reality (AR) and virtual reality (VR) technologies
		620111	Application development
		620113	Artificial intelligence techniques
		620115	FinTech solutions
Information and communication	Computer consultancy and computer facility management activities	620211	Providing services managing and monitoring services for communications and information networks
	Computer programming activities	620102	Design and programming of custom software
		620101	Systems analysis
	Data processing, web hosting and related activities	631122	Providing SMS services
		631123	Providing call center services
		631125	Registration to provide cloud computing services
Data processing, web hosting and related activities	Information and communication	631113	Big data technologies and data science and analysis
		631121	Providing information and communication technology services through cloud computing

General domain	Specific domain	Activity no.	Activity
Other service activities	Repair of computers and computer peripheral equipment	951110	Repair and maintenance of personal computers and laptops (of all types and sizes)
		951120	Repair and maintenance of printers and scanners
		951130	Repair and maintenance of monitors, keyboards, mice and other similar accessories
		951140	Repair and maintenance of engines, systems and fixed and portable data storage devices
	Repair of communication equipment	951241	Repair and maintenance of military communications equipment

The Company undertakes its activities in accordance with the applicable laws after obtaining the necessary licenses from the competent authorities.

12.12.3 Participation and Ownership in Companies

The Company may participate in other companies and it may establish companies on its own (limited liability or closed joint-stock companies) provided that the capital shall not be less than five million Saudi Riyals. The Company may acquire stocks and shares in other existing companies or merge with them and shall have the right to participate with others in establishing joint-stock or limited liability companies, after satisfying the requirements of the applicable laws and regulations. The Company may further dispose of such stocks or shares, provided that disposition thereof shall not include brokerage in the said stocks or shares.

12.12.4 Headquarters of the Company

The headquarters of the Company is located in the city of Riyadh. It may establish branches, offices or agencies inside or outside the Kingdom of Saudi Arabia by a resolution of the Board of Directors as per the provisions of the laws and regulations in force in the Kingdom of Saudi Arabia.

12.12.5 Term of the Company

The term of the Company is ninety-nine (99) calendar years starting from the date of its registration in the Commercial Register as a joint-stock company. Such duration may be extended by a decision of the Extraordinary General Assembly at least one year before the expiration of such term.

12.12.6 Company's Capital

The Company's capital is set at one hundred and fifty million Saudi Riyals (SAR 150,000,000), divided into fifteen million (15,000,000) nominal shares of an equal value of ten Saudi Riyals (SAR 10) per share, all of which are ordinary cash shares.

12.12.7 Capital Subscription

The Shareholders have subscribed to all of the Shares, amounting to fifteen million (15,000,000) fully paid shares with a total value of one hundred and fifty million Saudi Riyals (SAR 150,000,000). The Partners acknowledge their joint liability with their own funds towards third parties that the entire capital of the Company has been paid, amounting to twenty million Saudi Riyals (SAR 20,000,000) before the conversion. The increase in the capital, amounting to one hundred and thirty million Saudi Riyals (SAR 130,000,000), was fully paid by capitalization of an amount of six million Saudi Riyals (SAR 6,000,000) from the statutory reserve, an additional contribution of amounting to six million, six hundred and seventy thousand, three hundred and eleven Saudi Riyals (SAR 6,670,311) to the capital, and an amount of one hundred and seventeen million, three hundred and twenty nine thousand, six hundred and eighty nine Saudi Riyals (SAR 117,329,689) from retained earnings, according to the Auditor's certificate.

12.12.8 Preference Shares

The Extraordinary General Assembly of the Company may, according to the principles set by the competent authority, issue preference shares or decide to purchase them or convert ordinary shares into preference shares or preference shares into ordinary shares. Preference shares do not give the right to vote in the Shareholder General Assemblies. These shares entitle their holders to obtain a greater percentage than the ordinary Shareholders of the Company's net profits after setting aside the statutory reserve.

12.12.9 Buy-back, Sale and Pledge of Shares by the Company

The Company may purchase, sell or pledge its Shares in accordance with the regulatory rules set by the competent authority.

12.12.10 Unpaid Value of Shares

Shareholders shall pay the value of the Shares on the dates set for such payment. If a Shareholder defaults in payment when it becomes due, the Board of Directors may, after giving notice to a Shareholder via email or informing him through a registered letter, sell the share at public auction or the stock exchange, as the case may be, in accordance with the regulations set by the competent authority. The Company shall recover from the proceeds of sale such amounts as are due to it and shall refund the balance to the Shareholder. If the sale proceeds fall short of amounts due, the Company may collect the remainder from the Shareholder's funds. The defaulting Shareholder may, up to the date of sale, pay the amount due from him/her plus all the expenses incurred by the Company in this regard. The Company shall cancel the Shares sold in accordance with the provisions of this Article and give the purchaser new Shares bearing the serial numbers of the canceled Shares and make a notation to this effect in the Shareholders' register, together with the name of the new holder. The Shareholder shall pay the value of the Shares on the dates set for such payment. If a Shareholder defaults in payment when it becomes due, the Board of Directors may, after giving notice to a Shareholder through a registered letter, sell the share at public auction or the stock exchange, as the case may be, in accordance with the regulations set by the competent authority.

12.12.11 Share Issuance

The Shares shall be classed as nominal. Shares may not be issued at less than their nominal value, but they may be issued at a premium value. In this case, the difference in value shall be prescribed in a separate item under Shareholders' equity and it may not be distributed as dividends to Shareholders. The share is indivisible vis-à-vis the Company. If a Share is jointly owned by several persons, they must elect one of them to exercise the rights attached to such Share on their behalf, but they shall be jointly liable for the obligations arising from the ownership of such Share.

12.12.12 Issuance of Debt and Financing Instruments

The Company may issue debt and financing instruments of equal value that are convertible into shares and indivisible in accordance with the provisions of the Companies Law and the Capital Market Law. The Company may, based on a decision of the Extraordinary General Assembly, issue debt or financing instruments that are convertible into shares, provided that the decision sets out the maximum number of shares that may be issued in exchange for such instruments, whether such instruments are issued at the same time, through a series of issuances or through one or more programs to issue debt or financing instruments. The Board shall issue, without the need for a new approval from the Assembly, new shares in exchange for those instruments that their holders request conversion of, immediately after the end of the conversion request period specified for the holders of those instruments. The Board shall undertake the necessary proceedings to amend the Company's Bylaws with respect to the number of issued shares and the capital.

12.12.13 Trading of Shares

Shares subscribed to by Shareholders may not be traded except upon publication of the financial statements for two financial years, provided each year is not less than twelve months from the date of the Company's conversion. The certificates of such Shares shall be marked with an indication of their class, the date of the Company's conversion and the restriction period for trading. As an exception to the foregoing, the Company may offer its Shares for subscription through a public offering during the Lock-up Period referred to in the previous paragraph based on the approval of the Capital Market Authority.

During the lock-up period and in accordance with the provisions governing the sale of rights, ownership of Shares may be transferred from one Shareholder to another, from the heirs of one of the Shareholders in case of their death to a third party, or to a third party in the event of enforcement against the property of an insolvent or bankrupt Shareholder, without prejudice to other Shareholders' right of first refusal.

The provisions of this Article shall apply to such Shares that are subscribed by the Shareholders in the event of a capital increase prior to expiration of the Lock-up Period.

12.12.14 Shareholders' Register

The Company's Shares shall be transferred by registration in the Shareholders' Register maintained or outsourced by the Company. This Register contains names of the Shareholders, their nationalities, their places of residence, and their professions, in addition to the serial numbers of the Shares and the amount paid thereof, while and annotation reflecting the same shall be made on the Shares. The transfer of title to a Share shall not be effective vis à vis the Company or any third party except from the date of registration in the said Register.

12.12.15 Capital Increase

1. The Extraordinary General Assembly may decide to increase the Company's capital, provided that the original capital has been paid in full, unless the unpaid portion of the share capital relates to debt or financing instruments converted to Shares and the period for converting such instruments to Shares has not yet expired.
2. In all cases, the Extraordinary General Assembly may allocate Shares issued as a result of a capital increase or a part thereof to the Company employees and/or its subsidiaries' employees. The Shareholders may not exercise their pre-emptive rights on Shares allocated to employees.
3. The Shareholders shall have pre-emptive rights to subscribe, at the time of issuing the Extraordinary General Assembly resolution approving the capital increase, in the newly issued Shares issued for cash contribution. The Shareholders shall be notified of their pre-emptive rights for such capital increase by publication in a daily newspaper or by notice to be sent to them via registered mail, which shall include conditions for subscription, its term, and start and end dates.
4. The Extraordinary General Assembly shall have the right to suspend the pre-emptive rights of Shareholders to subscribe to the capital increase in exchange for cash contributions, or to give priority to non-shareholders in cases it deems appropriate for the interest of the Company.
5. A Shareholder may sell or assign its pre-emptive rights during the period from the date of the General Assembly Resolution approving the capital increase until the subscription closing date, in accordance with the regulations set by the competent authority.
6. Subject to what is stated in Paragraph 4 above, new Shares shall be distributed to pre-emptive rights holders who have applied for subscription in proportion to the total pre-emptive rights resulting from the capital increase, provided that the number of Shares allocated to them shall not exceed the number of new Shares they have applied for. The remaining new Shares shall be allocated to the original Shareholders who have applied for more than their proportionate share, in proportion to the pre-emptive rights they hold of the total pre-emptive rights resulting from the capital increase, provided that the number of Shares allocated thereto shall not exceed the number of new Shares they have applied for. The remaining Shares shall be offered to third parties, unless otherwise provided for by the Extraordinary General Assembly or the Capital Market Law.

12.12.16 Capital Decrease

The Extraordinary General Assembly may decide to reduce the Company's capital if it exceeds the Company's needs or if the Company suffers losses. The capital may, in the latter case alone, be decreased to less than the limit stipulated in Article 54 of the Companies Law. Such resolution shall be issued only after receiving a special report prepared by the Auditor on the reasons for such reduction, the obligations to be fulfilled by the Company, and the impact of the reduction on such obligations.

If the reason for the capital reduction is due to the capital being in excess of the Company's needs, the Company's payables must be invited to express their objection to such a reduction within sixty (60) days from the date of publication of the resolution relating to the reduction in a daily newspaper published in the locality of the head office of the Company. Should any creditor object and present to the Company evidentiary documents within the period set above; then the Company shall pay such debt, if already due, or present an adequate guarantee of payment if the debt is payable at a future date.

12.12.17 Buy-back, Sale and Pledge of Shares by the Company (Treasury Shares)

1. The Company may purchase and sell its ordinary or preferred shares (treasury shares) in accordance with the Companies Law and the regulations issued thereunder by the competent authority, based on the approval of the Extraordinary General Assembly and the Board of Directors. If the purpose of the Company's purchase of its shares is to allocate them to its employees as part of an employee share scheme, the Extraordinary General Assembly may authorize the Board of Directors to define the terms of this scheme, including the allocation price for each share offered to employees in case of a consideration.
2. The Company is also entitled to pledge its ordinary or preferred shares to guarantee a debt in accordance with the Companies Law and the controls issued thereunder by the Capital Market Authority, based on the approval of the Ordinary General Assembly and the Board of Directors.

12.12.18 Formation of the Board of Directors

The Company shall be managed by a Board of Directors consisting of six (6) members elected by the Ordinary General Assembly of Shareholders for a term not exceeding (3) three years. As an exception to the above, the Conversion General Assembly shall appoint the first Board of Directors for a period of (5) five years.

12.12.19 Board Membership Expiration

Membership in the Board of Directors shall cease upon the expiration of its term or upon expiration of a member's eligibility for membership in accordance with any law or regulations in force in the Kingdom of Saudi Arabia. However, the Ordinary General Assembly may, at any time, dismiss all or some of the Board members, without prejudice to the dismissed member's right towards the Company to claim compensation if such dismissal occurred for an unacceptable reason or at an inappropriate time. A member of the Board of Directors may resign, provided that such resignation is made at an appropriate time, otherwise, such member will be liable towards the Company for damages resulting from such resignation.

12.12.20 Board Vacancy

In the event a position of a member of the Board of Directors becomes vacant, the Board of Directors may appoint a temporary member in the vacant position, provided that such temporary member has sufficient experience and qualifications to fill the vacancy. The Ministry shall be informed within (5) five working days from the date of appointment. Such appointment shall be presented to the Ordinary General Assembly at its first meeting. The new member shall complete the unexpired term of his predecessor. Where the conditions required for holding the Board of Directors meeting are not satisfied because the number of members falls below the minimum prescribed in the Companies Law or these Bylaws, the remaining members must call the General Assembly to convene within sixty (60) days to elect the required number of Directors.

12.12.21 Powers of the Board of Directors

Without prejudice to the competencies reserved for the General Assembly, the Board of Directors shall be vested with the full and widest powers to manage the Company in order to achieve its objects. The powers of the Board of Directors include, but are not limited to:

1. Representing the Company and acting on its behalf before third parties, whether private or public entities, including representation before judicial authorities and bodies; attending at ministries, government entities and financial institutions; appointing and dismissing agents, lawyers and arbitrators before all courts inside and outside the Kingdom of Saudi Arabia, including but not limited to, the Ministry of Labor, labor and laborers offices, the Ministry of Interior and Municipal Affairs, the General Directorate of Passports, the General Directorate of Civil Defense, customs committees, police stations, traffic departments, Civil Defense, the Civil Rights Department of the Ministry of Interior, labor and recruitment offices, chambers of commerce and industry, the Ministry of Commerce, the Ministry of Investment, the Ministry of Health, notaries public, the General Organization for Social Insurance, municipalities, customs departments, secretariats in all governorates, the Ministry of Finance, the Zakat, Income and Customs Authority, Zakat and tax committees, the Food and Drug Authority, all ministries and other governmental bodies, all companies and institutions, the Saudi Industrial Development Fund, commercial banks, financial houses, different investment entities, other lenders, all government financing funds and institutions with their various names and specializations in the Kingdom of Saudi Arabia and abroad.
2. Acknowledging, concluding and signing all contracts and agreements, including, but not limited to, lease, purchase, sale and transfer of ownership contracts, tenders and other documents and transactions on behalf of the Company that fall within the scope of the Company's normal business; authorizing any of the Board members, CEO or third parties to sign, if necessary, before the notary public. The Board shall also have, within the scope of the Company's normal business, the power to sign contracts for the sale and purchase of land plots and properties required for achievement of the Company's objectives, transfer ownership and sign the same before the notary public; pay and receive payments; provide exemptions, categorize and divide; receive title deeds and documents; divide and sort documents and enter them into the comprehensive notary public system and submit requests for replacements, clarifications or corrections of lost documents.
3. Managing and supervising the Company's financial affairs, including opening, operating and closing bank and investment accounts inside and outside the Kingdom of Saudi Arabia; investing in securities; buying and selling shares and bonds in the Saudi market and foreign markets; investing in investment funds; issuing any orders related to the operation of the Company's bank accounts, including deposit, withdrawal or other necessary orders for the same; obtaining and using all kinds of loans and financing from commercial banks, industrial government funds and other lenders and financiers; signing as a guarantor in the name of the Company, signing bonds and promissory notes; requesting signature of credit facilities contracts, requesting the issuance of guarantees; opening credits on behalf of the Company; signing and cashing checks; signing guarantees in the name of the Company to guarantee third parties; signing Islamic Murabaha agreements and investment contracts of all kinds; assigning rights and benefits; signing agreements and works of treasury products; requesting and signing electronic banking agreements and other transactions, requesting electronic banking and other services and their PINs; executing all banking operations inside and outside the Kingdom of Saudi Arabia; receiving transfers, checks and bills of exchange; receiving and

delivering all payments to any person or entity; signing bank guarantees and requesting their issuance or cancellation; borrowing money from third parties, including banks, banking institutions, funds and government financing institutions; providing guarantees and warrants; handling and endorsing all kinds of bonds; handling all types of guarantees, their acceptance and issuance; and executing and releasing mortgages.

4. Appointing agents and employees of the Company, dismissing them, defining their wages and privileges and other employment terms and conditions; requesting employment visas, exit and re-entry and final exit visas for the Company's employees and sponsored persons; transferring and waiving their sponsorship; submitting abscondment reports, amending professions and appointing department heads.
5. Taking all necessary actions to ensure management of the Company with the highest possible efficiency and profitability.
6. Entering into partnership projects; establishing subsidiaries; participating in and contributing to any of the companies; signing their articles of association, amendments and annexes; selling and mortgaging all or part of shares, stocks, property rights and interests in any of the subsidiaries; establishing and opening branches of the Company, whether inside or outside the Kingdom of Saudi Arabia and appointing managers thereof, while having the right to sign the issuance of all documents required for the same; signing all partners' resolutions and amendment annexes related to the conversion of the companies in which the Company participates, including limited liability and joint-stock companies, mergers of the Company with another company, partners' resolutions and amendment annexes for the purchase, sale, transfer and assignment of shares or stocks in other companies; representing the Company in attending, signing, voting and accepting positions and tasks in the ordinary and constituent general assemblies of public or closed joint-stock companies, to which the Company contributes, along with having the right to buy, sell, transfer and assign shares therein; signing liquidation decisions, contracts and certificates; buying and selling land plots and buildings, and all other contracts and agreements.
7. Purchasing or acquiring stocks or shares in other companies inside or outside the Kingdom of Saudi Arabia; making any amendment and signing the necessary decisions for such amendments on the articles of association of companies in which the Company participates, along with all their amendments and annexes and partners' resolutions to amend any clause of its articles of association, including decisions to amend the legal form of companies in which the Company participates, including limited liability and joint-stock companies, amending their capital and names, attending meetings of the boards of directors and partners' assemblies of such companies to vote on their resolutions, as well as appointing the managers of such companies.
8. Appointing attorneys and lawyers for the Company and granting them the necessary powers to defend, plead, and claim the rights of the Company.

The Board of Directors may delegate on its behalf, within the limits of its competencies, any Board member or members or third parties the right to undertake a certain action or actions or revoke such delegation in part or in whole.

12.12.22 Remuneration of Board Members

The remuneration of the Board of Directors, if any, shall be determined by the Ordinary General Assembly. Such remuneration may be a specified amount, attendance allowance for meetings, in-kind benefits or a certain percentage of net profits. Two or more of these benefits may be combined, in accordance with the official resolutions and instructions issued in this regard and within the limits stipulated in the Companies Law and its regulations. The report of the Board of Directors to the Ordinary General Assembly shall contain a comprehensive statement of all amounts Board members received during the financial year in terms of remuneration, expense allowances and other benefits. It shall also include a statement of the amounts members of the Board received in their capacity as employees or administrators, or in return for any technical, administrative or consultancy services. It shall also include a statement of the number of Board meetings and the number of meetings attended by each member from the date of the last meeting of the General Assembly.

12.12.23 Powers of the Chairman, Vice-Chairman, Managing Director and Secretary

The Board of Directors shall appoint from amongst its members a Chairman and a Vice Chairman and may appoint a Managing Director and/or a CEO. It is not permissible to combine the position of Chairman of the Board of Directors with any other executive position in the Company.

The Chairman of the Board shall have the power to invite the Board of Directors to convene and shall preside over the Board's meetings. The Chairman shall have the authority to represent the Company in its relationships with others, before the judiciary, government entities, the notary public, courts, committees for settling disputes of all kinds, arbitration bodies inside or outside the Kingdom of Saudi Arabia, including, but not limited to, labor committees, the Office for the Resolution of Commercial Paper Disputes, the Banking Disputes Settlement Committee and all committees formed at the Saudi

Central Bank (SAMA), the Zakat, Tax and Customs Authority (ZATCA), Zakat and tax committees and any other government committees or entities, civil rights committees, police stations, chambers of commerce and industry, the Food and Drug Authority, other governmental and private bodies and companies and institutions of all kinds. The Chairman shall have the authority to issue powers of attorney, appoint and remove attorneys and lawyers, attend, claim, plead, defend, litigate, hear, respond, bring witnesses, provide evidence, challenge evidence, send and receive notices, confess, deny and waiver; receive, handle and accept conciliation; handle revocation, reply, release, amend, receive, deliver, challenge for forgery and deny handwritings, stamps and signatures; request an oath, reject oaths and abstain from taking an oath and request the application of Article 230 of the Legal Pleadings Law; request a travel ban or removal of the same; request detention, implementation, arbitration, appointment of experts and arbitrators, challenge experts' and arbitrators' reports, as well as rejecting and replacing the same; contest judgments and execution, acceptance, denial, objection and appeal of the same; petition for reconsideration; request for rehabilitation; receive judgments, request pre-emption, recusal of a judge, inclusion, intervention and completion of requisites to attend hearings of all claims before all ministries, government departments, government bodies and institutions, departments and units affiliated with them of various degrees and specializations, including but not limited to, entities, civil rights bodies, police stations, traffic departments, civil defense, secretariats, municipalities, labor offices, post service, passports and recruitment offices, the Ministry of Commerce, the Ministry of Investment, the Zakat, Tax, Customs Authority, the General Organization for Social Insurance, Courts of Appeal, notaries public, committees of all kinds, degrees and names, the Board of Grievances, as well as all other departments, institutions, companies and individuals. The Chairman is entitled to sign all kinds of contracts, documents and deeds; sign loan and financing agreements with government financing funds and institutions, banks and treasuries; sign all kinds of contracts, documents and deeds; sign loan and financing agreements with government financing funds and institutions, banks and financial houses, as well as guarantees and bonds for its subsidiaries and mortgages and their release. He has the right to handle the collection of the Company's dues and settle its obligations; participate in other companies and sign before notaries public their articles of association and amendment resolutions, including resolutions to amend the legal form of the companies in which the Company participates, including limited liability and joint-stock companies; amend their capital and names; represent the Company in its right of purchase and acceptance of the same; make payments; mortgage and release mortgages; sell, transfer, receive and deliver payments; merge and sort property and deeds; conclude all contracts and transactions within the object of the Company; buy and lease properties necessary for the Company's activity; sale of all the Company's assets, including, but not limited to, properties, equipment, investment funds and shares and liquidation of the same; collecting dues from third parties and fulfilling its obligations. In addition, he is entitled to acknowledge debts, discharge the Company's trade receivables of their obligations in accordance with its interests and his acknowledgment shall be binding on the Company. Similarly, the Chairman is entitled to make settlements; create commercial papers, sign and receive them; conduct all banking transactions, including opening, closing and operating bank accounts and investment accounts; handle withdrawals, deposits and transfers, including joint accounts, whether with other companies or individuals; request credit facilities of all kinds, loans of any amounts on any terms from commercial banks and government funds and signature of the same; sign guarantees and bonds for the benefit of beneficiaries; request the issuance of guarantees; opening credits on behalf of the Company; buy and sell shares; sign guarantees in the name of the Company to guarantee third parties; Islamic Murabaha agreements; investment contracts of all kinds; waive rights and benefits; sign agreements, works and treasury products; sign and cash checks; sign online transaction agreements; request e-services and PINs; appoint and dismiss lawyers, attorneys and arbitrators in relation to the foregoing; authorize and delegate powers to third parties within the limits of his terms of reference; undertake a specific procedure or action or carry out an act or acts; and he is also entitled to cancel the authorization or power of attorney in part or in whole.

The Board of Directors shall have the right to appoint a managing director and/or a CEO of the Company and shall define their powers, authorities, tasks and remunerations in the decision to appoint them.

The Board of Directors shall appoints a secretary for the Board, whether from its members or from others and sets out his/her duties, remuneration and term of appointment. The Secretary of the Board is responsible for recording the minutes of Board of Directors' meetings, recording the resolutions made at such meetings in a special register, maintaining and updating such register and performing any tasks assigned to him/her by the Board.

The term of the Chairman of the Board, the Vice Chairman of the Board, the Managing Director and the Secretary, if they are members of the Board of Directors, shall not exceed the term of their membership in the Board. They may be re-elected and the Board may at any time dismiss all or any of them without prejudice to the right of such dismissed persons to compensation if such dismissal was for an illegitimate reason or at improper time.

The remuneration that each of them shall receive, in addition to the remuneration defined for the members of the Board, as approved by the Ordinary General Assembly, shall fall within the limits of what is stipulated in the Company's Bylaws and the Companies Law or any other complementary laws, resolutions or instructions thereto.

12.12.24 Board Meetings

The Board of Directors shall hold a meeting at least four times a year upon the invitation of its Chairman. The invitation shall be made in writing and accompanied by the agenda. The Chairman of the Board shall invite the Board to hold a meeting whenever requested by two of its members. The invitation shall be sent to each member by registered mail, by hand, fax or email, at least one week prior to the date set for the meeting, provided that all members sign the minutes of each meeting.

12.12.25 Quorum

A Board meeting shall only be valid if attended by at least (4) members. A member of the Board may delegate other members to attend Board meetings on their behalf in accordance with the following controls:

1. A member of the Board of Directors may not be a delegate for more than one member of the Board of Directors at the same meeting.
2. Such delegation shall be made in writing.
3. Such delegate may not vote on resolutions which the principal is prevented from voting on.

Board meetings may be held by video-conference or any other electronic means of communication which allow all members present to hear all other attendees.

Resolutions of the Board of Directors shall be adopted by the majority vote of the Board members present or represented by proxy who are eligible to vote on the relevant matter. In the event of a tie vote, the Chairman shall have the casting vote.

The Board of Directors may adopt resolutions by presenting them to all members separately, unless one of the members requests in writing to a physical Board meeting to take place for the deliberation of the relevant resolutions. Any such resolutions are adopted if approved by an absolute majority of the members of the Board and are presented to the Board of Directors at its first subsequent meeting.

12.12.26 Deliberations of the Board

The deliberations and decisions of the Board of Directors shall be recorded in minutes signed by the Chairman, the present members of the Board and the Board Secretary. Such minutes shall be recorded in a special register signed by the Chairman of the Board of Directors and the Board Secretary. Electronic applications may be used to approve the minutes of the Board and its Committees.

12.12.27 Conflicts of Interest

A member of the Board of Directors may not have any direct or indirect interest in the business or contracts carried out on behalf of the Company except with the approval of the Ordinary General Assembly, in accordance with the regulations set by the competent authority. Members of the Board of Directors shall notify the Board of any direct or indirect interest they may have in the business and contracts carried out on behalf of the Company, and this notification will be recorded in the minutes of the Board of Directors meeting. Such members may not vote on any decision issued in this regard, whether in the Board of Directors or the Shareholders' Assemblies. The Chairman of the Board of Directors shall notify the Ordinary General Assembly, when it convenes, of the business and contracts in which a member of the Board has a direct or indirect interest. This notification shall be accompanied by a special report from the Company's external Auditor.

12.12.28 Attendance of Assemblies

Each Subscriber, regardless of the number of his/her Shares, shall be entitled to attend the Conversion Assembly, and each Shareholder shall have the right to attend the Shareholders' General Assemblies. In doing so, he/she may appoint another person who is not a member of the Board of Directors or a Company employee to attend the General Assembly on his/her behalf as a proxy.

12.12.29 Conversion Assembly

The Shareholders shall call all Subscribers for a Conversion Assembly, to be held within forty-five (45) days from the date of issuance of the Ministry's resolution authorizing the conversion of the Company. The meeting shall be valid only if attended by a number of Subscribers representing at least half of the capital. If such a quorum is not met, an invitation shall be made for a second meeting, to be held at least fifteen days after the date of such invitation. The second meeting shall be valid regardless of the number of Subscribers represented therein.

12.12.30 Terms of Reference of the Conversion Assembly

The Conversion Assembly is responsible for the matters referred to in Article 63 of Companies Law.

12.12.31 Terms of Reference of the Ordinary General Assembly

Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall have competence in all matters relating to the Company, and shall be convened at least once a year, within six (6) months following the end of the Company's financial year. Other Ordinary General Assemblies may be convened as necessary.

12.12.32 Terms of Reference of the Extraordinary General Assembly

The Extraordinary General Assembly shall be competent to amend the Company's Bylaws, except for the amendments which are deemed void pursuant to the provisions of the law. Further, it may issue resolutions on matters originally within the terms of reference of the Ordinary General Assembly under the same terms and conditions as those prescribed for the Ordinary General Assembly.

12.12.33 Manner of Convening Assemblies

General or Special Assemblies of Shareholders shall be convened at the invitation of the Board of Directors. The Board of Directors shall invite a meeting of the Ordinary General Assembly if requested to do so by the Auditor, the Audit Committee, or by a number of Shareholders representing at least five percent (5%) of the capital. The Auditor may invite the General Assembly to convene if the Board does not invite the Assembly to convene within thirty (30) days from the date of the Auditor's request.

Invitations for General Assembly meetings shall be published in a daily newspaper distributed in the locality of the Company's headquarters, at least twenty-one (21) days before the scheduled date of the meeting. Nevertheless, it suffices to send the invitation to all Shareholders by registered mail within the time limit set above. A copy of the invitation and agenda shall be sent to the Ministry within the period specified for publication.

12.12.34 Record of Attendance

Shareholders wishing to attend the General or Special Assemblies shall register their names at the Company's headquarters before the scheduled time of such Assembly.

12.12.35 Quorum of the Ordinary General Assembly

A meeting of the Ordinary General Assembly shall not be valid unless attended by Shareholders representing at least half the capital. If such quorum cannot be attained, a second meeting shall be held one hour after the expiry of the scheduled time for the first meeting, provided that the call for convening the first meeting shall include an indication of the possibility of holding such a meeting. If the first invitation does not include the possibility of holding a second meeting, an invitation shall be sent for a second meeting to be held within 30 days following the previous meeting, and shall be published in the manner provided for in Article 34 of these Bylaws. In all cases, the second meeting shall be valid, regardless of the number of shares represented therein.

12.12.36 Quorum of the Extraordinary General Assembly

A meeting of the Extraordinary General Assembly shall be valid only if attended by Shareholders representing at least half of the capital. If such quorum cannot be attained, a second meeting shall be held one hour after the expiry of the scheduled time for the first meeting, provided that the invitation for convening the first meeting shall include an indication of the possibility of holding such a meeting. If the first invitation does not include the possibility of holding a second meeting, an invitation shall be sent for a second meeting, which shall be held in the same conditions provided for in Article 34 of these Bylaws. In all cases, the second meeting shall be valid if attended by a number of Shareholders representing at least a quarter of the capital.

If the necessary quorum cannot be attained at the second meeting, a notice shall be sent for a third meeting to be held in the same manner provided for in Article 34 of these Bylaws. The third meeting shall be valid regardless of the number of Shares represented therein, after the approval of the competent authority.

12.12.37 Voting Rights

Each Subscriber shall have a vote for every Share he/she represents at the Conversion Assembly. Each shareholder shall have one vote for every Share he/she represents at General Assemblies. Cumulative voting shall be used for the election of members of the Board of Directors.

12.12.38 Resolutions

Resolutions of the Conversion and Ordinary General Assemblies shall be adopted by an affirmative vote of the absolute majority of the shares represented in the respective meetings. Resolutions of the Extraordinary General Assembly shall be adopted by an affirmative vote of two-thirds of the shares represented at the meeting, unless such resolution relates to the increase or reduction of the capital, extension of the term of the Company, dissolution of the Company before the expiry of the period specified in its Bylaws or merger of the Company with another company, in which cases a resolution shall not be valid unless adopted by the affirmative vote of at least three-quarters of the shares represented at the meeting.

12.12.39 Deliberations at Assemblies

Each Shareholder shall have the right to discuss the items listed on the agenda of a General Assembly, and to address questions to members of the Board of Directors and Auditor in respect thereof. The Board of Directors or the Auditor shall answer Shareholders' questions to an extent that does not jeopardize the Company's interests. If a Shareholder deems the answer to their question unsatisfactory, they may refer such issue to the General Assembly whose decision shall be conclusive in this respect.

12.12.40 Proceedings of General Assemblies

The General Assembly meetings shall be presided over by the Chairman of the Board of Directors or, in his absence, the Deputy Chairman or, in the absence of both the Chairman and the Deputy Chairman, any other member of the Board of Directors delegated by the Board for such task.

Minutes shall be kept for every General Assembly meeting, and shall include the names of Shareholders present or represented, the number of Shares held by each of them, whether as principle or by proxy, the number of votes allotted thereto, the resolutions adopted, the number of consenting and dissenting votes, and a comprehensive summary of the deliberations conducted at the meeting. Minutes shall be recorded on a regular basis after each meeting in a special register, which shall be signed by the chairman of the General Assembly, its secretary, and the vote counter.

12.12.41 Formation of the Audit Committee

An Audit Committee shall be formed by a resolution of the Ordinary General Assembly and shall consist of at least three (3) but no more than five (5) members, provided that such members are not Executive Directors, whether from the Shareholders or otherwise, and shall include a member competent in financial and accounting matters. Such resolution shall also specify the Audit Committee's responsibilities and procedures, as well as the remuneration of its members. If the position of a Committee member becomes vacant during the Committee's work cycle, the Board shall have the right to appoint an interim member, provided that such appointment is presented to the next General Assembly meeting for approval and the new member shall complete the term of their predecessor.

12.12.42 Quorum of the Audit Committee Meeting

Meetings of the Audit Committee shall be valid if attended by a majority of its members, and its resolutions shall be adopted by a majority of the votes present. In the event of a tie vote, the chairman of the Audit Committee shall have the casting vote.

12.12.43 Terms of Reference of the Audit Committee

The Audit Committee is competent to monitor the work of the Company and shall have access to the Company's records and documents and may request clarifications or statements from members of the Board of Directors or Executive Management. It may also request the Board of Directors to invite the Company's General Assembly if its work is hindered by the Board of Directors obstructs or if the Company suffers serious damage or loss.

12.12.44 Audit Committee Reports

The Audit Committee shall review the Company's financial statements, and Auditor's reports and notes, and shall provide its opinion thereon, if any. The Committee shall also prepare a report of its opinion on the efficiency of the Company's internal control system and any other activities falling within its powers. The Board of Directors shall place a sufficient number of copies of such report at the Company's headquarters at least twenty-one (21) days prior to the date for convening the General Assembly in order to provide any Shareholder with a copy thereof. The Auditor's report shall be read out at the General Assembly meeting.

12.12.45 Appointment of an Auditor

The Company shall have one or more auditors from among those licensed to work in the Kingdom of Saudi Arabia appointed annually by the General Assembly, which shall specify their compensation and term. The General Assembly may also, at any time remove the Auditor(s), without prejudice to their right to compensation if such removal occurs at an improper time or without acceptable justification.

12.12.46 Powers of the Auditor

The Auditor shall have access, at all times, to the books, records and other documents of the Company, and may request information and clarification as it deems necessary to verify Company's assets, liabilities and other matters within the scope of its work. The Chairman of the Board of Directors shall enable the Auditor to perform its duty. If the Auditor encounters difficulty in this regard, it shall record this in a report to the Board of Directors. If the Board of Directors does not facilitate the work of the Auditor, the Auditor shall request the Board of Directors to invite the Ordinary General Assembly to consider the matter.

12.12.47 Financial Year

The Company's financial year shall begin on the first of January and end at the end of December of each year.

12.12.48 Financial Documents

1. The Board of Directors shall prepare the Company's financial statements at the end of each financial year together with a report of its business and financial position for the preceding financial year. This report shall include the proposed method for distribution of dividends. The Board shall place these documents at the disposition of the Auditor at least forty-five (45) days before the scheduled date of the General Assembly.
2. The Chairman of the Board of Directors of the Company, the Managing Director (or Chief Executive Officer) and the Chief Financial Officer shall sign the documents referred to in Paragraph 1 of this Article, copies of which shall be deposited at the Company's headquarters at the disposition of the Shareholders at least twenty-one (21) days prior to the date for the General Assembly meeting.
3. The Chairman of the Board of Directors shall provide Shareholders with the financial statements of the Company, the report of the Board of Directors' report and the Auditor's report, unless published in a daily newspaper distributed in the locality of the Company's headquarters. The Chairman must also send a copy of these documents to the Ministry, at least fifteen (15) days before the date of the General Assembly meeting.

12.12.49 Dividend Distribution

The Company's annual net profits shall be distributed as follows:

1. 10% of the net profits shall be set aside to form a statutory reserve. Such setting aside may be discontinued by the Ordinary General Assembly when the said statutory reserve amounts to 30% of the Company's paid-up capital.
2. The Ordinary General Assembly may, upon recommendation of the Board of Directors, set aside a percentage of the annual net profits to form a voluntary reserve to be allocated to one or more specific purposes.
3. The Ordinary General Assembly may decide to form other reserves to the extent they serve the Company's interests, or to ensure the distribution of fixed dividends - so far as possible - to the Shareholders. The Ordinary General Assembly may also deduct amounts from the net profits to create social institutions for the Company's employees or to support existing institutions of such kind.
4. Thereafter, the Ordinary General Assembly may distribute the remainder to Shareholders of the Company, provided that the percentage of such profits shall not be less than 1% of the Company's share capital.

The Company may distribute interim dividends to its Shareholders on a semi-annual or quarterly basis by a resolution of the Board of Directors based on an authorization by the Company's General Assembly, if the Company's financial position so allows and it has sufficient liquidity, in accordance with the controls and procedures set by the competent authority.

12.12.50 Entitlement to Dividends

Shareholders shall be entitled to their share of dividends pursuant to the General Assembly resolution adopted in this regard. Such resolution shall specify the entitlement date and distribution date. Shareholders registered in the Shareholders' Register shall be entitled to their share of dividends at the end of the entitlement date.

12.12.51 Company's Losses

1. If the losses of a joint-stock company amount to half of the paid-up capital at any time during the financial year, any officer of the Company or the Auditor shall notify the Chairman of the Board of Directors immediately upon becoming aware of such losses, who in turn shall immediately notify members of the Board of Directors. The Board of Directors shall, within fifteen (15) days of becoming aware of this, send an invitation for the Extraordinary General Assembly to meet within forty-five (45) days from the date of becoming aware of the losses, to either resolve to increase or decrease the Company's capital in accordance with the provisions of the Companies Law to the extent that the losses decrease to less than half of the paid-up capital, or to dissolve the Company before the expiry of its term as specified in the Companies Law.
2. The Company shall be deemed to be dissolved by the virtue of the Companies Law if the General Assembly does not meet within the period specified in Paragraph 1 of this Article, or convenes but is unable to adopt a resolution on this matter, or approves an increase the Company's capital in accordance with the conditions prescribed in this Article and the increase is not fully subscribed for within ninety (90) days from the date of the capital increase resolution.

12.12.52 Dividend Distribution for Preferred Shares

1. If no profits are distributed during a financial year, distribution of profits for the following years may only be permitted after the payment of the percentage specified in accordance with Article 114 of the Companies Law for holders of preferred shares for such year.
2. If the Company fails to pay the percentage of profits provided for in Article 114 of the Companies Law for a period of three (3) consecutive years, the Special Assembly of the owners of such shares, convened in accordance with the provisions of Article 89 of the Companies Law, may decide either to attend the Company's General Assembly meetings and participate in voting, or to appoint their representatives to the Board of Directors in proportion to the value of their shares in the capital, until the Company is able to pay all priority dividends allocated to the owners of such shares for previous years.

12.12.53 Liability

Each Shareholder shall have the right to file a liability action vested in the Company, against members of the Board of Directors if they have committed a fault which has caused some particular damage to such Shareholder, provided that the Company's right to file such action shall still be valid. The Shareholder shall notify the Company of the intention to file such claim.

12.12.54 Dissolution of the Company

The Company, upon its dissolution, shall enter a liquidation phase during which it shall retain its legal personality to the extent necessary for liquidation. The resolution for voluntary liquidation may only be adopted by the Extraordinary General Assembly. Such resolution shall include the appointment of the liquidator, determine his powers, fees, restrictions in powers and the period required for liquidation, provided that the period for voluntary liquidation shall not exceed five (5) years and may not be extended without a judicial order. The authority of the Board of Directors of the Company shall cease upon its dissolution, provided, however, that they remain responsible for the management of the Company and shall be considered by others to be the liquidators until a liquidator is appointed. Shareholders' assemblies shall continue to exist during the liquidation period and shall exercise their powers to the extent it does not conflict with the powers of the liquidator.

12.13 Description of Shareholders' Rights

12.13.1 Voting Rights

Each Subscriber shall have a vote for every Share he/she represents at the Conversion Assembly. Each shareholder shall have one vote for every Share he/she represents at General Assemblies. Cumulative voting shall be used for the election of members of the Board of Directors.

12.13.2 Rights to Dividends

Shareholders shall be entitled to their share of dividends pursuant to the General Assembly resolution adopted in this regard. Such resolution shall specify the entitlement date and distribution date. Shareholders registered in the Shareholders' Register shall be entitled to their share of dividends at the end of the entitlement date.

12.13.3 Repurchase Rights

The Company may purchase, sell or pledge its Shares in accordance with the regulatory rules set by the competent authority.

12.13.4 Rights to Surplus Assets upon Liquidation or Dissolution

Based on the provisions of Article 163 of the Companies Laws, Shares shall have equal rights to net profits and liquidation surplus, unless the Company's Bylaws provide otherwise.

12.13.5 Necessary Approvals for the Amendment of Voting Rights

In order to amend the voting rights and mechanism at the Company's General Assemblies, the Company's Bylaws are required to be amended. The Extraordinary General Assembly shall have the competence to amend the Bylaws in accordance with the provisions of Article 33 of the Bylaws. The Extraordinary General Assembly shall only be convened if attended by Shareholders representing at least 50%. If such quorum cannot be attained at the first meeting called for, the Extraordinary General Assembly shall convene a second meeting, which shall be valid in all cases, provided that no less than a quarter of the capital is represented at such meeting. If the necessary quorum cannot be attained at the second meeting, an invitation shall be sent for a third meeting to be held in the same manner as provided for in Article 34 of the Company's Bylaws. The third meeting shall be valid regardless of the number of Shares represented therein, after the

approval of the competent authority. Resolutions of the Extraordinary General Assembly on the increase or reduction of the capital, extension of the term of the Company, dissolution of the Company before the expiry of the period specified in its Bylaws or merger of the Company with another company shall be adopted by an affirmative vote of two-thirds of the shares represented at the meeting.

13. Underwriting

The Company, the Selling Shareholders and the Underwriter entered into an Underwriting Agreement on 06/04/1444H (corresponding to 31/10/2022G) (the "**Underwriting Agreement**"). Pursuant to such Agreement, the Underwriter undertakes to fully underwrite the Offer Shares amounting to 4,500,000 shares, subject to certain conditions stipulated in the Underwriting Agreement. The name and address of the Underwriter are as follows:

13.1 Underwriter

Saudi Fransi Capital King Fahd Road 8092 Riyadh 3735-12313 P.O. Box 23454, Riyadh 11426 Kingdom of Saudi Arabia Tel: 00966112826666 Fax: 00966112826823 Website: www.sfc.sa Email: 2P.IPO@fransicapital.com.sa	السعودي الفرنسي كابيتال Saudi Fransi Capital

The main clauses included in the Underwriting Agreement are as follows:

13.2 Summary of Underwriting Arrangements

Under the terms and conditions of the Underwriting Agreement:

a. The Selling Shareholders undertake to the Underwriter that, on the first business day after the allocation of the Offer Shares following the end of the Offer Period, they shall:

   1. Sell and allocate the Offer Shares to Individual Subscribers or Participating Parties whose subscription applications have been accepted by the Receiving Entities.
   2. Sell and allocate to the Underwriter the Offer Shares which are not subscribed by Individual Subscribers or Participating Parties pursuant to the Offering.

b. The Underwriter undertakes to the Company and the Selling Shareholders to purchase any Offer Shares that are not subscribed by Individual Subscribers or Participating Parties, as stated below:

Table (93): Underwritten Shares

Percentage of Offer Shares Underwritten	Number of Offer Shares to be Underwritten	Underwriter
100%	4,500,000	Saudi Fransi Capital

The Company and the Selling Shareholders undertake to abide by all provisions of the Underwriting Agreement.

13.3 Underwriting Costs

The Selling Shareholders shall pay the Underwriter the underwriting fees based on the total value of the Offering. In addition, the Selling Shareholders have agreed to pay the expenses and costs in connection with the Offering. The Company shall not bear any expenses related to the Offering.

14. Expenses

The Offering expenses are estimated at approximately SAR (27,000,000) including the fees of the Financial Advisor, the Bookrunner, the Underwriter and the Lead Manager, the fees of the Receiving Entities, the Company's Legal Advisor, the Underwriter's legal advisor, the Financial Due Diligence Advisor and the Market Consultant, as well as expenses related to marketing, arrangement, printing and distribution, in addition to other fees related to the Offering. The Selling Shareholders shall bear such expenses in full, which shall be deducted from the Offering proceeds. The Company shall not bear any expenses related to the Offering.

15. Post-Listing Undertakings

Following Admission, the Company undertakes to:

a. Notify the CMA with the date on which the first General Assembly meeting will be held following Admission, so that a representative thereof may attend.

b. Submit transactions and contracts in which any member of the Board of Directors has a direct or indirect interest for approval by the General Assembly (in accordance with the Companies Law and the Corporate Governance Regulations), provided that the interested Board member shall be prohibited from voting on the relevant resolution issued in this regard, whether in the Board of Directors or the General Assembly (for more information on existing agreements concluded with Related Parties, please refer to Section 12.8 "**Related Party Transactions**").

c. Comply with all the provisions of the Listing Rules in relation to the Company's continuing obligations immediately upon Admission.

d. Comply with all mandatory provisions of the Rules on the Offer of Securities and Continuing Obligations, the Listing Rules and the Corporate Governance Regulations immediately upon Admission.

e. Complete Form 8 related to compliance with the Corporate Governance Regulations. In the event the Company does not comply with any of the requirements of the Corporate Governance Regulations, it shall explain the reasons for such non-compliance.

f. Accordingly, the Board of Directors, following Admission, undertake to:

   1. Record all Board of Directors resolutions and deliberations by means of written minutes of meetings, which shall be signed by the Board Chairman and Secretary.

   2. Disclose the details of any Related Party transactions in accordance with the requirements of the Companies Law and the Corporate Governance Regulations.

16. Waivers

The Company has not applied to the CMA for any waivers from any legal requirements.

17. Subscription Terms and Conditions

The Company has submitted an application to the CMA for the registration and offer of the Shares, and an application for listing of the Shares on the Exchange in accordance with the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules. All Subscribers must carefully read the subscription terms and conditions before completing the Subscription Application Form. Signing the Subscription Application Form and delivering it to any of the Receiving Entities or the Lead Manager shall constitute acceptance and approval of the subscription terms and conditions.

17.1 Subscription to the Offer Shares

The Offering will consist of 4,500,000 fully paid ordinary shares with a nominal value of ten Saudi Riyals (SAR 10) per share, representing 30% of the Company's capital. They shall be offered at a price of SAR (185) per share with a total value of SAR (832,500,000). It should be noted that the offering of shares to Individual Subscribers and subsequent admission thereof shall be contingent upon the successful subscription of the Participating Entities to all of the Offer Shares. The Offering shall be canceled if it is not fully subscribed for during the Offering period. The CMA has also the right to suspend the Offering if, at any time after its approval of this Prospectus and before registration and admission to listing of the Shares on the Exchange, a material adverse change occurs in respect of the Company's operations.

The Offering shall be limited to the following two groups of investors:

Tranche A - Participating Parties

This tranche includes the parties entitled to participate in the Book Building process as per the Instructions for Book Building Process and Allocation Methods in Initial Public Offerings (IPOs) issued by the CMA (for more information, please refer to Section 1 "**Terms and Definitions**"). The number of shares to be provisionally allocated to the Participating Parties is 4,500,000 shares representing 100% of the total number of Offer Shares. The final allocation will take place after the end of the Individual Subscribers' (as defined in Tranche B below) subscription period. In case of sufficient demand and in the case that Individual Subscribers subscribe to all of the Offer Shares allocated thereto, the Financial Advisor shall have the right to reduce the number of Offer Shares allocated to Participating Parties to a minimum of 4,050,000 shares, representing (90%) of the total Offer Shares. The number and percentage of the Offer Shares allocated to the Participating Parties shall be determined by the Financial Advisor in consultation with the Company, using the discretionary allocation mechanism.

Tranche B - Individual Subscribers

This Tranche comprises natural Saudi persons, including any Saudi female divorcee or widow with minor children from a non-Saudi husband, who can subscribe in her name or in the names of her minor children for her benefit, provided that she proves that she is divorced or widowed and the mother of her minor children, as well as any non-Saudi natural person residing in the Kingdom of Saudi Arabia or citizens of GCC states who have a bank account with the Receiving Entities and are entitled to open an investment account. Any subscription of a person in the name of their divorcee shall be deemed null and void and if it is proven that a transaction of this nature has occurred, the law shall be applied against the applicant. If a duplicate subscription is made, the second subscription will be deemed null and void and only the first subscription will be considered. A maximum of 450,000 Offer Shares shall be allocated to Individual Subscribers, equivalent to 10% of the total Offer Shares. If Individual Subscribers do not subscribe to the full number of Offer Shares allocated thereto, the Financial Advisor has the right to reduce the number of shares allocated to Individual Subscribers in accordance with the number of shares subscribed for by them.

17.2 Offering Period

The Offering Period will commence on Tuesday 07/04/1444H (corresponding to 01/11/2022G) and will remain open for a period of One (1) Business Day.

17.3 Book-Building for Participating Parties

a. The price range shall be determined during the Book Building period and shall be made available to all Participating Parties by the Financial Advisor, in consultation with the Company. It is possible that certain Participating Parties shall not be allocated any shares as deemed appropriate by the Company and the Financial Advisor.

b. All Participating Parties shall submit an Application Form for participation in the Book-Building process. Participating Parties may change or cancel their applications at any time during the Book-Building period, provided that such change is made by submitting an amended Application Form or appended application

(where applicable) before the end of the Book-Building period. Each Participating Party shall subscribe for a minimum of 50,000 shares and a maximum of 749,999 shares. With respect to public investment funds only, the number of shares shall not exceed the maximum limit specified for each participating public investment fund. This shall be determined in accordance with the Book-Building Instructions. The number of required shares shall be subject to allocation. The Bookrunner will inform the Participating Parties of the Offer Price and the number of Offer Shares provisionally allocated to them. Subscriptions by the Participating Parties shall commence during the Offering Period, which also includes the Individual Subscribers, by submission of the Participating Parties Subscription Application Form, in accordance with the terms and instructions for subscription detailed in the Subscription Application Forms.

c. After the completion of the Book-Building for Participating Parties, the Financial Advisor shall announce the coverage percentage for the Participating Parties.

d. The Financial Advisor and the Company will have the power to determine the Offer Price based on supply and demand, provided that it does not exceed the price specified in the Underwriting Agreement. The Subscription price shall be determined in accordance with the tick size applied by Tadawul.

17.4 Subscription by Individual Subscribers

Each Individual Subscriber shall subscribe to a minimum of 10 shares and a maximum of 250,000 shares. Changes to or withdrawal of the subscription application shall not be permitted once the Subscription Application Form has been submitted.

Subscription application forms shall be made available during the Offer Period at the branches and/or websites of the Receiving Entities that provide such service. Individual Subscription Application Forms shall be completed in accordance with the below instructions. Individual Subscribers may subscribe through the internet, telephone banking, smart device applications or ATMs of the Receiving Entities that provide any or all such services to their clients, provided that:

a. The Individual Subscriber has a bank account at a Receiving Entity that offers such service.

b. There has been no change in the personal information or data of the Individual Subscriber since he/she last participated in an initial public offering.

c. Individual Subscribers who are not Saudi nationals or citizens of GCC countries must have an account with a Capital Market Institution that provides such services.

A signed Subscription Application Form its submission to the Receiving Entities represents a legally binding agreement between the Selling Shareholders and the Individual Subscriber submitting the application.

Individual Subscribers can obtain a copy of this Prospectus and the Subscription Application Forms from the websites of the following Receiving Entities (the Prospectus is also available on the websites of the CMA, the Financial Advisor and the Company):

Receiving Entities	
Saudi Fransi Bank King Saud Road P.O. Box 56006, Riyadh 11426 Kingdom of Saudi Arabia Tel: 00966112890000 Fax: 00966114034631 Website: www.alfransi.com.sa E-mail: communications@alfransi.com.sa	البنك السعودي الفرنسي Banque Saudi Fransi
Riyad Bank East Ring Road P.O Box 22622, Riyadh 11614 Kingdom of Saudi Arabia Tel:00966114013030 Fax:00966114030016 Website: www.riyadbank.com E-mail: customercare@riyadbank.com	بنك الرياض Riyad Bank

Receiving Entities	
Arab National Bank King Faisal Road P.O Box 9802 Riyadh 11423 Kingdom of Saudi Arabia Tel:00966114029000 Fax:0096114047535 Website: www.anb.com.sa E-mail: info@anb.com.sa	

The Receiving Entities will commence receiving Individual Subscription Application Forms at their branches throughout the Kingdom of Saudi Arabia that provide such service or through their websites, on Tuesday, 07/04/1444H (corresponding to 01/11/2022G). Upon signing and submitting the Individual Subscription Application Form, the Receiving Entity shall stamp and submit a copy of the completed Individual Subscription Application Form to the Individual Subscriber. If the information provided in the Subscription Application Form is incomplete or incorrect, or if it is not stamped by the Receiving Entity, the Subscription Application shall be deemed void. An Individual Subscriber may not claim any compensation for any damage resulting from such cancellation.

Each Individual Subscriber is required to specify the number of Offer Shares that he wishes to subscribe to in the Subscription Application Form, and the total subscription amount will be equal to the number of Offer Shares applied for multiplied by the Offer Price of SAR (185) per share.

Subscriptions by individual Subscribers for less than 10 Offer Shares or fractional Shares will not be accepted. Increments are to be in multiples of such minimum number, noting that the maximum number of Offer Shares to be applied for is 250,000 Offer Shares.

Each Individual Subscriber agrees to purchase the shares specified in the Individual Subscription Application Form that they submit at an amount equal to the number of the Offer Shares applied for multiplied by the Offer Price of SAR (185) per share.

An Individual Subscription Application Form should be submitted during the Offering Period for Individual Subscribers, and shall be accompanied by the following documents, as applicable (the Receiving Entities shall match the copies with the originals, and then return the originals to Individual Subscribers):

a. Original and copy of the national civil identification card or residency permit (in case of Individual Subscribers, including GCC citizens and foreign residents).
b. Original and copy of the family register (when subscribing on behalf of family members).
c. Original and copy of a power of attorney (when subscribing on behalf others).
d. Original and copy of a certificate of guardianship (when subscribing on behalf of orphans).
e. Original and copy of the divorce certificate (when subscribing on behalf of the children of a divorced Saudi woman).
f. Original and copy of the death certificate (when subscribing on behalf of the children of a widowed Saudi woman).
g. Original and copy of the birth certificate (when subscribing on behalf of the children of a divorced or widowed Saudi woman).

In the event that the Individual Subscription Application Form is submitted on behalf of an Individual Subscriber (applicable to parents and children only), the person signing on behalf of the Individual Subscriber shall state his/her name in the Subscription Application Form, accompanied by a valid original and copy of the power of attorney. The power of attorney must be notarized by a notary public for Individual Subscribers residing inside the Kingdom of Saudi Arabia and for Individual Subscribers residing outside the Kingdom of Saudi Arabia, the power of attorney shall be attested through the Saudi embassy or consulate in the relevant country. The concerned official of the Receiving Agent shall match the copy with the original version and return the original version to the Individual Subscriber.

One Subscription Application Form should be completed for each primary Individual Subscriber applying for himself and members appearing on his family identification card if the family members apply for the same number of Offer Shares as the primary Individual Subscriber. In this case:

a. All Offer Shares allocated to the primary Individual Subscriber and dependent Individual Subscribers will be registered in the name of the primary Individual Subscriber.
b. The primary Individual Subscriber will receive any refund in respect of amounts not allocated and paid for by himself or dependent Individual Subscribers.

c. The primary Individual Subscriber shall receive all dividends distributed in respect of the Shares allocated to himself and to dependent Individual Subscribers (in the event the Shares are not sold or transferred).

Separate Subscription Application Forms must be used if:

a. The Offer Shares to be allocated are to be registered in a name other than the name of the primary Individual Subscriber.

b. Dependent Individual Subscribers intend to apply for a different number of Offer Shares than the primary Individual Subscriber.

c. A wife wishes to subscribe in her name and add the allocated Offer Shares to her account (she must complete out a separate Subscription Application Form from the Individual Subscription Application Form that is completed by the primary Individual Subscriber). In the latter case, any Subscription Application Form submitted by husbands on behalf of their spouses will be canceled and the independent application of the wives will be processed by the Receiving Entity.

A Saudi female divorcee or widow who has minor children from a non-Saudi husband shall have the right to subscribe in their names for her benefit, provided that she submits proof of motherhood. A subscription for Offer Shares made by a person in the name of his divorced wife shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. In the event that a primary Individual Subscriber subscribes for himself and his family members who are registered in the family register, and a family member submits a separate subscription application, only the request of the family member who has submitted a separate application from the request of the primary Individual Subscriber shall be canceled.

During the Offer Period, only valid residency permits will be an acceptable form of identification for non-Saudi dependents. Passports or birth certificates will not be accepted. Non-Saudi dependents can only be included as dependents with their mother and cannot subscribe as primary Individual Subscribers. The maximum age for non-Saudi dependents who are included with their mothers is 18. Any documents issued by a foreign government shall be attested by the Saudi embassy or consulate in the relevant country.

Each Individual Subscriber agrees to subscribe for the shares specified in his/her Subscription Application Form for an amount equal to the number of the Offer Shares applied for multiplied by the Offer Price amounting to SAR (185) per share. Each Individual Subscriber shall acquire the number of the Offer Shares allocated to them upon meeting the following requirements:

a. Delivery by the Individual Subscriber of the Individual Subscription Application Form to any of the Receiving Entities.

b. Payment in full by the Individual Subscriber to the Receiving Entity of the total value of the Offer Shares subscribed for.

The total value of the Offer Shares subscribed for must be paid in full to the Receiving Entities by authorizing a debit of the Individual Subscriber's account held with the Receiving Entity to whom the Subscription Application Form is being submitted.

If any Individual Subscription Application Form is not in compliance with the terms and conditions of the subscription, the Company shall have the right to reject, in full or in part, such application. The Individual Subscriber shall accept any number of Offer Shares allocated to him/her, unless the allocated Shares exceeds the number of Offer Shares he/she has applied for.

17.5 Allocation and Refunds

The Lead Manager shall open and manage an escrow account for the purpose of depositing and keeping the subscription monies collected from the Participating Parties and Receiving Entities on behalf of Individual Subscribers. Such subscription amounts shall be transferred to the Selling Shareholders only when the Listing becomes effective, after deduction of IPO expenses. Details of such escrow account shall be specified in the Subscription Application Forms. In addition, each Receiving Entity shall deposit the amounts it collects from Individual Subscribers in an escrow account, which shall be indicated in the Individual Subscription Application Form.

The Lead Manager or the Receiving Entities (as applicable) shall notify the Subscribers of the final number of the Offer Shares allocated to each of them, along with the amounts to be refunded.

Excess subscription monies (if any) shall be refunded to Subscribers without any deductions or commissions, and shall be deposited in the Subscriber's account specified in the Subscription Application Form. Refunds shall not be made in cash or to third-party accounts.

The final allocation shall be announced and the refunds shall be processed no later than Tuesday, 14/04/1444H (corresponding to 08/11/2022G). Individual Subscribers should communicate with the Lead Manager or the branch of the Receiving Entity where they submitted their Subscription Application Forms (as applicable) for any further information.

17.5.1 Allocation of Offer Shares to Participating Parties

After the completion of the allocation of the Offer Shares to Individual Subscribers, the number and percentage of the Offer Shares allocated to the Participating Parties shall be determined by the Financial Advisor in consultation with the Company using the discretionary allocation mechanism, provided that the number of the Offer Shares initially allocated to the Participating Parties is not less than 4,500,000 ordinary shares, representing 100% of the Offer Shares and the number of the Offer Shares finally allocated to the Participating Parties is not less than 4,050,000 ordinary shares, representing 90% of the Offer Shares. The initial allocation of the Offer Shares will be made as the Financial Advisor deems appropriate, in coordination with the Company, using the discretionary allocation mechanism. As a result, it is possible that some of the Participating Parties shall not be allocated any Offer Shares. After completion of the Individual Subscription process, final allocation of the Offer Shares to the Participating Parties will be made by the Financial Adivsor. The number of Offer Shares that will be provisionally allocated to the Participating Parties is 4,500,000 shares, representing 100% of the total number of Offer Shares. It should be noted that in case of sufficient demand by Individual Subscribers, the Financial Advisor shall have the right to reduce the number of Offer Shares allocated to Participating Parties to four million and fifty thousand 4,050,000 shares, representing 90% of the total Offer Shares after completion of the Individual Subscribers subscription process.

Transfer of the ownership of Offer Shares shall only be carried out after payment by the Participating Parties is made for the value of such Shares and as of the date of their registration in the Shareholders' Register and the commencement of their trading, in accordance with the relevant laws and instructions regulating the trading of Saudi shares. If, for any reason, the Company's Shares are not traded or their listing is canceled prior to them being traded, then the subscription monies of the Participating Parties shall be refunded to them and the ownership of the shares shall return to the Selling Shareholders.

17.5.2 Allocation of Offer Shares to Individual Subscribers

The number and percentage of Offer Shares allocated to Individual Subscribers shall be determined by the Financial Advisorin consultation with the Company. A maximum of 450,000 ordinary shares, equivalent to 10% of the total Offer Shares, will be allocated to Individual Subscribers. The minimum allocation for each Individual Subscriber is 10 Shares and the maximum allocation for each Individual Subscriber is 250,000 Shares. The balance of the Offer Shares (if any) will be allocated as deemed appropriate by the Financial Advisor in consultation with the Company. If the number of Individual Subscribers exceeds 45,000 Individual Subscribers, the Company will not guarantee the minimum allocation. The allocation will be made as deemed appropriate by the Financial Advisor in consultation with the Company. Excess subscription monies (if any) will be refunded to Individual Subscribers without any deductions or fees by the Receiving Entities.

The final allocation shall be announced and the refunds shall be processed no later than Tuesday, 14/04/1444H (corresponding to 08/11/2022G).

Excess subscription monies, if any, will be refunded to Subscribers without any deductions or fees and will be deposited in the Subscriber's account with the relevant Receiving Entity. Subscriber should contact the branch of the Receiving Entity where they submitted their Subscription Application Forms for any further information.

17.6 Circumstances Where Trading and Listing may be Suspended or Canceled

17.6.1 Power to Suspend Trading or Cancel Listing

a. The CMA may suspend the trading of shares or cancel the listing at any time as it deems appropriate, in any of the following cases:

1. The CMA deems it necessary for the protection of investors or the maintenance of an orderly market.
2. If the Issuer fails, in a manner which the CMA considers material, to comply with the Capital Market Law, its Implementing Regulations or the Listing Rules.
3. If the Issuer fails to pay on time any fees due to the CMA or the Exchange or any fines due to the CMA.
4. If it considers that the Issuer or its business, the level of its operations or its assets are no longer suitable for the continued listing of its securities on the Exchange.
5. When a reverse takeover announcement does not contain sufficient information regarding the proposed transaction. If the Issuer announces sufficient information regarding the target and the CMA is satisfied, following the Issuer's announcement, that there will be sufficient information available for the public about the proposed transaction of the reverse takeover, the CMA may decide not to suspend trading at this stage.
6. When information about the proposed transaction of reverse takeover is leaked and the Issuer is unable to accurately assess its financial position and the Exchange cannot be informed accordingly.
7. When an application for financial restructuring of the Issuer, in case of its accumulated losses reaching 50% or more of its capital, is registered with the court under the Bankruptcy Law.
8. When the request for a liquidation procedure or the administrative liquidation of the Issuer is registered with the court under the Bankruptcy Law.
9. Upon the issuance of a final court ruling ending the financial restructuring and initiating the liquidation procedure or the administrative liquidation procedure of the Issuer under the Bankruptcy Law.
10. Upon the issuance of a final court judgment initiating the liquidation procedure or the administrative liquidation procedure of the Issuer under the Bankruptcy Law.

b. Lifting of the trading suspension under Paragraph (a) above is subject to the following considerations:

1. The Issuer adequately addressing the conditions that led to the suspension and lack of need for the continuation of the suspension to protect investors.
2. Lifting the suspension is unlikely to affect the normal activity of the Exchange.
3. The Company's compliance with any other conditions that the CMA may require.
4. If the suspension was due to the Issuer's accumulated losses reaching 50% or more of its capital with the court under the Bankruptcy Law, the suspension shall be removed upon the issuance of a final judgment initiating the financial restructuring for the Issuer under the Bankruptcy Law, unless it was suspended from its activities by the relevant competent authority.
5. If the suspension was due to the liquidation procedure or the administrative liquidation procedure of the Issuer with the court under the Bankruptcy Law, the suspension shall be removed upon the issuance of the final court judgment rejecting the commencement of the liquidation procedure or the administrative liquidation procedure under the Bankruptcy Law, unless it was suspended from its activities by the relevant competent authority.

c. The Exchange shall suspend trading of the Issuer's securities in any of the following cases:

1. When the company fails to comply with the deadlines set for disclosing its periodic financial information in accordance with the requirements of the Rules on the Offering of Securities and Continuing Obligations until such information is disclosed.
2. When the Auditor's report on the Company's financial statements includes an opposing opinion or an abstention from expressing an opinion.
3. If the liquidity requirements specified in Parts 2 and 8 of the Listing Rules are not met after the expiry of the period set by the Exchange for the Company to rectify its position, unless the CMA agrees otherwise.
4. Upon the issuance of a resolution by an Extraordinary General Assembly of the Issuer to reduce its capital for the two trading days following the issuance of such resolution.

d. The Exchange may at any time propose to the CMA to suspend trading of any listed securities or cancel its listing where, in its opinion, it is likely that any of the circumstances mentioned in the previous Paragraph a are to occur.

e. The Issuer whose securities are subject to a trading suspension should continue to abide by the Capital Market Law, its Implementing Regulations and the Listing Rules.

f. If the listing suspension continues for a period of 6 months with no appropriate procedure made by the Issuer to correct such suspension, the CMA may cancel the listing of the Issuer's securities.

g. Upon the Company's completion of a reverse takeover, the Issuer's shares are de-listed. If the Issuer wishes to re-list its shares, it shall submit a new application for registration and admission to listing in accordance with Listing Rules and shall fulfill the relevant requirements stipulated in the Rules on the Offering of Securities and Continuing Obligations.

h. These clauses shall not prejudice the suspension of trading or cancellation of listing resulting from the Company's losses pursuant to the relevant Implementing Regulations of the Capital Market Law and Listing Rules.

i. The Exchange removes the suspension referred to in sub-paragraphs 1 and 2 above after one trading session has passed following the absence of the reason for suspension. In case that the Company's shares are allowed to be traded outside the platform, the Exchange shall remove the suspension within a period not exceeding five (5) trading sessions following the absence of the reason for the suspension.

17.6.2 Voluntary Cancellation of Listing

a. After its shares have been listed on the Exchange, an issuer may not cancel the listing of its securities without the prior approval of the CMA. In order to obtain CMA approval, the issuer must submit a cancellation application to the CMA along with a simultaneous notice to the Exchange. The application shall include the following information:

   1. Specific reasons for the request for cancellation.
   2. A copy of the disclosure referred to in Paragraph d below.
   3. A copy of the relevant documentation and a copy of all related communication to shareholders if the cancellation is the result of a takeover or other corporate action by the issuer.
   4. Names and contact details of the Financial Advisor and Legal Advisor appointed in accordance with the Rules on the Offering of Securities and Continuing Obligations.

b. The CMA may, at its discretion, approve or reject the cancellation request.

c. The issuer must obtain the approval of the Extraordinary General Assembly on the cancellation of the listing after obtaining the approval of the CMA.

d. Where cancellation is made at the issuer's request, the issuer must disclose it to the public as soon as possible. The disclosure must include the reason for the cancellation, the nature of the event resulting in the cancellation and the extent to which it affects the issuer's activities.

17.6.3 Temporary Trading Suspension

a. An issuer may request from the Exchange a temporary trading suspension of its securities upon the occurrence of an event that occurs during trading hours which requires immediate disclosure under the Capital Market Law, its Implementing Regulations or the Listing Rules, where the issuer cannot maintain the confidentiality of this information until the end of the trading period. The Exchange suspends trading of the securities of that issuer immediately upon receiving such request.

b. When trading is temporarily suspended at the request of the Issuer, the Issuer must disclose to the public, as soon as possible, the reason for the suspension, the expected duration of the suspension, the nature of the event that caused it and the extent to which it affects the issuer's activities.

c. The CMA may impose a temporary trading suspension without a request from the issuer where it becomes aware of information or circumstances that may affect the issuer's activities and it considers would be likely to interrupt the operation of the Exchange or prejudice the protection of investors. If its securities are subject to temporary trading suspension, the issuer must continue to abide by the Capital Market Law, its Implementing Regulations and the Listing Rules.

d. The Exchange may propose to the CMA to exercise its powers in accordance with Paragraph (c) above, if it becomes aware of information or circumstances that may affect the Company's activities which would be likely to interrupt the operation of the Exchange or the protection of investors.

e. The temporary suspension of trading shall be removed upon the expiry of the period specified in the disclosure referred to in Paragraph (b) above, unless the CMA or the Exchange decide otherwise.

17.6.4 Removal of Suspension

Removal of trading suspension imposed in accordance with Paragraph a of Section 17.6.1 "**Power to Suspend Trading or Cancel Listing**" shall be subject to the following considerations:

a. The Issuer adequately addressing the conditions that led to the suspension and lack of need for the continuation of the suspension to protect investors.

b. Lifting the suspension is unlikely to affect the normal activity of the Exchange.

c. The Issuer's compliance with any other conditions that the CMA may require.

d. Upon the issuance of a final court judgment initiating the financial restructuring for the Issuer under the Bankruptcy Law, unless it was suspended from its activities by the relevant competent authority, if the suspension is made in accordance with Paragraph 13(a) of Article 36 of the Listing Rules.

e. Upon the issuance of the final court judgment for rejecting the initiation commencement of the liquidation procedure or the administrative liquidation procedure under the Bankruptcy Law, unless it was suspended from undertaking its activities by the relevant competent authority, if the suspension is made in accordance with Paragraph 14(a) of Article 36 of the Listing Rules.

If the listing suspension continues for a period of six months with no appropriate measure made by the Issuer to correct such suspension, the CMA may cancel the listing of the Issuer's securities.

17.6.5 Re-Registering and Listing after Cancellation of Listing

After cancellation of listing of an issuer's securities, the issuer must submit new applications in accordance with the procedures set out in the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules if it wishes to re-list such securities.

17.7 Approvals and Decisions Related to the Offer Shares

The following are the decisions and approvals pursuant to which the Offer Shares will be offered:

a. The Company's Board of Directors' resolution approving the public Offering of the Company's shares issued on 20/07/1443H (corresponding to 21/02/2022G).

b. The CMA's approval of the application for the registration and offer of securities issued on 16/02/1444H (corresponding to 12/09/2022G).

c. The conditional approval of the Saudi Tadawul Group (Saudi Tadawul) to list the shares on 11/01/1444H (corresponding to 09/08/2022G).

17.8 Lock-up Period

The Substantial Shareholders shown in Table 2 "**Substantial Shareholders and their Ownership in the Company Pre- and Post-Offering**" shall be subject to a Lock-up period of six (6) months as of the date on which the Company's Shares commence trading on the Exchange. during which they may not dispose of their Shares. After the Lock-up Period, Substantial Shareholders may dispose of their Shares without the need to obtain prior approval from the CMA.

17.9 Acknowledgments by Subscribers

By completing and submitting the Subscription Application Form, each Subscriber:

a. Agrees to subscribe to the number of Shares specified in the Subscription Application Form.

b. Warrants that he/she has carefully read and examined this Prospectus and understood all its content.

c. Accepts to the Company's Bylaws and all Offering the instructions and terms mentioned in this Prospectus and the Subscription Application Form, and subscribes to the Offer Shares accordingly.

d. Declares that neither he/she nor any of his/her family members included in the Subscription Application have previously applied for subscription in the Company's Shares and that the Company shall have the right to reject any or all duplicate applications.

e. Accepts the number of the Offer Shares allocated to him/her (to the maximum of the amount subscribed for) as per the Subscription Application.

f. Warrants not to cancel or amend the Subscription Application Form after submitting it to the Lead Manager or the Receiving Entity.

g. Retains his/her right to sue the Company for damages caused directly by incorrect or incomplete information contained in this Prospectus, or by omitting major information that should have been part of this Prospectus and could affect his/her decision to purchase the Shares.

17.10 Share Register and Trading Arrangements

Tadawul maintains a Shareholders' Register containing their names, nationalities, addresses, occupations, Shares held by them and the amounts paid for such Shares.

17.11 Saudi Tadawul Group (Saudi Tadawul)

In 1990G, full electronic trading in the Kingdom of Saudi Arabia equities was introduced. Tadawul was founded in 2001G as the successor to the Electronic Securities Information System. The Council of Ministers, at the session held on Monday, 29 Safar 1428H, corresponding to 19 March 2007G, approved the establishment of the Exchange. This resolution was enforced in implementation of Article 20 of the Capital Market Law, which provides for the establishment of Tadawul as a joint-stock company. Tadawul's headquarters are located in Riyadh, the Kingdom of Saudi Arabia. The Exchange is the official source for all information related to the market. The Saudi Stock Exchange (Tadawul) is the only entity authorized to operate as a stock exchange in the Kingdom of Saudi Arabia whereby it lists and trades securities. In addition, Tadawul has joined the International Organization of Securities Commissions as an affiliate member and the World Federation of Exchanges as a member.

Trading in shares occurs on the "Tadawul" system through a fully integrated trading system covering the entire trading process from execution of the trade transaction through settlement thereof. Trading occurs on each Business Day of the week between 10:00 a.m. and 3:00 p.m. from Sunday to Thursday, during which orders are executed. However, outside of these times, orders may be entered, amended or canceled from 9:30 a.m. to 10:00 a.m. Such times may be changed during the blessed month of Ramadan, as announced on the official website of Tadawul. Transactions take place through the automatic matching of orders. Each valid order is executed according to the price level. In general, market orders (orders placed at the best price) are executed first, followed by limit orders (orders placed at a price limit), provided that, if several orders are generated at the same price, they are executed according to the time of entry. Tadawul distributes a comprehensive range of information through various channels, including in particular the "Tadawul" website, which provides trading data in real time, including media and news data as well as other websites concerned with capital markets. Exchange transactions are settled on a T+2 basis, meaning that shares ownership transfer takes two working days after the trade transaction is executed.

Further, the Securities Depository Center Company (Edaa) is a Saudi closed joint-stock company established in 2016G wholly owned by the Saudi Tadawul Group (Saudi Tadawul), and is responsible for depositing, registering, transferring, settling and clearing securities, as well as recording any ownership restrictions on the deposited securities. In addition, deposits and manages the records of the issuers of securities, and organizes issuers' general assemblies, including the remote voting services (e-Voting), reporting, notifications and information as well as the provision of other related services.

Listed companies are required to disclose all material decisions and information that are important for the investors via Tadawul. Surveillance and monitoring are the responsibility of Tadawul as the operator of the market to ensure fair trading and an orderly market.

17.12 Trading of the Company's shares

Trading of the Shares is expected to commence on Tadawul after finalization of the allocation process and the announcement of the start date of trading by Tadawul. The dates and times mentioned in this Prospectus are provisional and are mentioned exclusively for the purpose of inference. Such dates and times may be changed or extended by the approval of the CMA. Following Admission, Saudi natural persons, non-Saudi natural persons holding valid residency permits in the Kingdom of Saudi Arabia, GCC natural persons, companies, banks and investment funds, will be permitted to trade in the Offer Shares once they are traded on the Exchange. Moreover, Qualified Foreign Investors will be permitted to trade in the Shares in accordance with the Rules Regulating the Investment of Foreign Financial Institutions. Foreign Investors residing outside the Kingdom of Saudi Arabia and institutions registered outside the Kingdom of Saudi Arabia will also have the right to invest indirectly to acquire economic benefits in the Shares by entering into swap agreements (SWAPs) with one of the Capital Market Institutions licensed by the CMA to acquire, hold and trade in the Shares listed on the Exchange on behalf of such non-GCC Foreign Investors. It should be noted that Capital Market Institutions shall be deemed the legal owners of the Shares under the swap agreements.

Furthermore, Shares can only be traded after allocated Offer Shares have been credited to Subscribers' accounts at Tadawul, the Company has been registered in the Main Market and its Shares listed on the Exchange. Pre-trading in Shares is strictly prohibited and Subscribers entering into any pre-trading activities will be acting at their own risk. The Company and the Selling Shareholders shall have no legal responsibility in connection with pre-trading activities.

17.13 General Provisions

The Subscription Application Form and all related terms, conditions and undertakings shall be binding upon and inure to the benefit of their parties and their respective successors, permitted assigns, executors, administrators and heirs. Neither the Subscription Application Form nor any of the rights, interests or obligations arising therefrom may be waived or delegated by the parties to the subscription without the prior written consent of the other party.

These instructions, the conditions and the receipt of any Subscription Application Forms or related contracts shall be governed, construed and enforced in accordance with the laws of the Kingdom of Saudi Arabia.

This Prospectus has been issued in both Arabic and English, and only the Arabic version is approved by the CMA. In the event of any discrepancy between the Arabic and English texts, the Arabic text of this Prospectus shall prevail.

The distribution of this Prospectus or the sale of the Offer Shares to any person in any country other than the Kingdom of Saudi Arabia is expressly prohibited, except for Foreign Financial Institutions, provided that the laws and regulations regulating the same are observed. All recipients of this Prospectus must inform themselves of any statutory restrictions related to the Offering and sale of the Offer Shares and must comply with all such restrictions.

18. Documents Available for Inspection

The following documents will be available for inspection at the Company's headquarters in Riyadh, the Kingdom of Saudi Arabia, between 8:00 am and 4:00 pm, on Tuesday 15/03/1444H (corresponding to 11/10/2022G) for a period of not less than 20 days before the end of the Offering Period:

- The Board of Directors approval of the registration of the Company's Shares and offering them for public subscription.
- The approval of the Extraordinary General Assembly regarding the registration of the Company's Shares and offering them for public subscription.
- The Company's Bylaws and the amendments thereto.
- The Company's Commercial Registration issued by the Ministry of Commerce.
- The audited financial statements of the Company for the financial years ended 31 December 2019G, 2020G and 2021G, and the three-month period ended 31 March 2022G.
- Market Study prepared by the Market Consultant.
- The Underwriting Agreement.
- All other reports, letters and other documents, value and data statements prepared by any expert, including any part thereof, which is included or referred to in this Prospectus.
- Letters of consent from each of the Financial Advisor, Lead Manager, Bookrunner, Financial Due Diligence Advisor, Legal Advisor, Underwriter and Auditor for the inclusion of their names, logos and statements (as mentioned in this Prospectus).
- Contracts and agreements disclosed under Paragraph 2(i) of Section 13 of Annex 9, or a memorandum containing the details for any unwritten agreements.

19. Financial Statements and Auditor's Report

This section contains:

1. The audited financial statements for the financial year ended 31 December 2019G, along with the accompanying notes, which were prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
2. The audited financial statements for the financial year ended 31 December 2020G, along with the accompanying notes, which were prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
3. The audited financial statements for the financial year ended 31 December 2021G, along with the accompanying notes, which were prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
4. The reviewed financial statements for the three-month period ended 31 March 2022G, along with the accompanying notes, which were prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia.
5. The reviewed financial statements for the six-month period ended 30 June 2022G, along with the accompanying notes, which were prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia.
6. The reviewed financial statements for the nine-month period ended 30 September 2022G, along with the accompanying notes, which were prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia.
7. The report of the Company's Auditor prepared in accordance with Annex 15.

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

bakertilly

BAKER TILLY MKM & CO.
CERTIFIED PUBLIC ACCOUNTANTS
P.O.Box 300467 , Riyadh 11372
Kingdom of Saudi Arabia
T: +966 11 835 1600
F: +966 11 835 1601

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

Mixed professional partnership | Head Office – Riyadh | Kingdom of Saudi Arabia | License 323/11/479 | 9/9/1433H | CR 1010428101.
Email: saudi@bakertillyjfc.com | Website: www.bakertillymkm.com
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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)

	Note	September 30, 2022	December 31, 2021
		(Unaudited)	(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		**124,848,807**	118,176,229
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		**662,958,625**	383,175,472
TOTAL ASSETS		**787,807,432**	501,351,701
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		**219,202,775**	159,716,990
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		**31,434,589**	28,172,043
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		**537,170,068**	313,462,668
Total Liabilities		**568,604,657**	341,634,711
TOTAL EQUITY AND LIABILITIES		**787,807,432**	501,351,701

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)

	Note	Share Capital	Additional Share Capital	Statutory Reserve	Retained Earnings	Total
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		20,000,000	6,670,311	6,000,000	115,638,386	148,308,697
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		**150,000,000**	**-**	**-**	**69,202,775**	**219,202,775**

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)

	September 30, 2022	September 30, 2021
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	**(165,363,788)**	(30,130,770)
Employees' defined benefits paid	**(6,334,361)**	(1,173,407)
Zakat paid	**(3,089,868)**	(1,884,616)
Net cash used in operating activities	**(174,788,017)**	(33,188,793)
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	**(9,397,726)**	(16,244,157)
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	**161,865,567**	65,804,538
Net change in cash and cash equivalents	**(22,320,176)**	16,371,588
Cash and cash equivalents at beginning of the period	**69,459,058**	10,548,191
Cash and cash equivalents at end of the period	**47,138,882**	26,919,779
Transaction for non-cash items:		
Increase in share capital	**130,000,000**	-

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, 2022G

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.

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.

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, 2022G

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)
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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
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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).

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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
	4,439,877	2,146,534

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
	69,505,206	58,337,143

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).

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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 recognition				
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
	207,365,359	160,840,489	**639,109,179**	427,422,357

	(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
	207,365,359	160,840,489	**639,109,179**	427,422,357

	(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
	207,365,359	160,840,489	**639,109,179**	427,422,357

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
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10. Contingent liabilities

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

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

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)	
	September 30, 2022	December 31, 2021
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
	649,996,645	375,972,993

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

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:

September 30, 2022	(Saudi riyals)			
	Less than 1 year	More than 1 year and less than 5 years	More than 5 years	Total
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 balances	**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**

December 31, 2021	(Saudi riyals)			
	Less than 1 year	More than one year and less than 5 years	More than 5 years	Total
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
	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 STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022G

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)

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, 2022G

bakertilly

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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

بيكر تيلي م ك م وشركاه
محاسبون قانونيون
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PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022G

	Note	June 30, 2022G	December 31, 2021G
		SAR	SAR
		(Unaudited)	(Audited)
ASSETS			
Non-Current Assets			
Property, plant, and equipment		**120,493,444**	116,674,725
Investments at fair value through OCI		**1,802,921**	1,501,504
Total Non-Current Assets		**122,296,365**	118,176,229
Current Assets			
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
Total Current Assets		**577,581,322**	383,175,472
TOTAL ASSETS		**699,877,687**	501,351,701
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		**45,814,177**	127,046,679
Total Equity		**195,814,177**	159,716,990
Liabilities			
Non-Current Liabilities			
Employees' defined benefits obligations		**24,059,085**	20,915,940
Non-current portion of long-term loans		**5,666,832**	7,256,103
Total Non-Current Liabilities		**29,725,917**	28,172,043
Current Liabilities			
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
Total Current Liabilities		**474,337,593**	313,462,668
Total Liabilities		**504,063,510**	341,634,711
TOTAL EQUITY AND LIABILITIES		**699,877,687**	501,351,701

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, 2022G

	Note	Three-months period ended June 30		Six-months period ended June 30	
		2022G	2021G	2022G	2021G
		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)
Gross profit		**41,340,223**	16,391,094	**73,035,795**	38,692,432
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)
Operating income		**33,030,148**	8,763,542	**56,425,038**	24,063,701
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
Profit before zakat		**32,823,042**	8,311,405	**55,748,509**	23,255,593
Zakat		**(2,102,739)**	(1,422,775)	**(2,952,739)**	(1,872,775)
Profit for the period		**30,720,303**	6,888,630	**52,795,770**	21,382,818
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent periods:					
Revaluation of investment at fair value through OCI		**31,630**	366,538	**301,417**	506,083
Total other comprehensive income for the period		**31,630**	366,538	**301,417**	506,083
Total comprehensive income for the period		**30,751,933**	7,255,168	**53,097,187**	21,888,901
Earning per share attributable to the Shareholders:	11				
Profit for the period		**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, 2022G

	Note	Share Capital	Additional Share Capital	Statutory Reserve	Retained Earnings	Total
		SAR	SAR	SAR	SAR	SAR
Balance as at January 1, 2021G		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)
Balance as at June 30, 2021G		20,000,000	6,670,311	6,000,000	97,959,452	130,629,763
Balance as at January 1, 2022G		**20,000,000**	**6,670,311**	**6,000,000**	**127,046,679**	**159,716,990**
Profit for the period		-	-	-	**52,795,770**	**52,795,770**
Other comprehensive income for the period		-	-	-	**301,417**	**301,417**
Total comprehensive income for the period		-	-	-	**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)**
Balance as at June 30, 2022G		**150,000,000**	-	-	**45,814,177**	**195,814,177**

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, 2022G

	June 30, 2022G	June 30, 2021G
	SR	SR
Cash flows from operating activities		
Profit before zakat	**55,748,509**	23,255,593
Adjustments for:		
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
Changes in operating assets and liabilities:		
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
Cash used in operations	**(77,762,488)**	(40,739,185)
Employees' defined benefits paid	**(3,378,342)**	(1,173,407)
Zakat paid	**(3,089,868)**	(1,884,616)
Net cash used in operating activities	**(84,230,698)**	(43,797,208)
Cash flows from investing activities		
Purchases of property, plant, and equipment	**(5,880,054)**	(12,135,408)
Proceeds from sale of property, plant and equipment	**-**	562
Net cash used in investing activities	**(5,880,054)**	(12,134,846)
Cash flows from financing activities		
Net change in borrowings	**85,719,786**	50,778,145
Dividends paid	**-**	(2,376,562)
Net cash from financing activities	**85,719,786**	48,401,583
Net change in cash and cash equivalents	**(4,390,966)**	(7,530,471)
Cash and cash equivalents at beginning of the period	**69,459,058**	10,548,191
Cash and cash equivalents at end of the period	**65,068,092**	3,017,720
Transaction for non-cash items:		
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
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED STATEMENTS(UNAUDITED)
FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2022G

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 2021G, 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:

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

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

2. 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, 2021G. 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.

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, 2022G

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, 2021G.

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, 2022G

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 June 30:

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

The balances due from related parties consists of the following:

	June 30, 2022G	December 31, 2021G
	SAR	SAR
Information Technology Belt Company	**2,139,068**	1,570,858
Ideal for Business and Commercial Investment Company	**1,915,189**	-
Prime Technical Contracting Establishment	**417,199**	-
Wahg Energy Establishment	**-**	26,672
Fawran Smart Logistics	**-**	9,341
	4,471,456	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 STATEMENTS(UNAUDITED)
FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2022G

5. Related Parties' Transactions and Balances (Continued)

The balances due to related parties consists of the following:

	June 30, 2022G	December 31, 2021G
	SAR	SAR
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
	2,281,886	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

	June 30, 2022G	June 30, 2021G
	SAR	SAR
Related party		
Key managements remunerations and benefits	**1,760,298**	1,288,669

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, 2022G) to distribute cash dividends to shareholders for the first quarter of 2022G 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.

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, 2022G

6. Trade receivables

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

As at June 30, 2022G, 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, 2021G: 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:

	June 30, 2022G	June 30, 2021G
	SR	SR
January 1	**2,151,635**	647,205
Additions	**1,429,715**	839,884
	3,581,350	1,487,089

7. Share Capital and Additional Share Capital

A. Share Capital

The Company share capital amounting to SR 150,000,000 as at June 30, 2022G (December 31, 2021G: SR 20,000,000). On February 21, 2022G, 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, 2021G: 2,000,000 shares).

B. Additional Share Capital

The additional share capital amounting to SR 6,670,311 as at December 31, 2021G 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 2022G.

8. Unearned Revenues

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

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, 2022G

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:

	Three-months period ended June 30		Six-months period ended June 30	
	2022G	2021G	2022G	2021G
	SAR	SAR	SAR	SAR
Timing of revenue recognition				
Service transferred overtime	**425,589,613**	263,702,793	**425,845,611**	264,648,175
Products transferred at a point in time	**(187,338,922)**	(121,443,487)	**5,898,209**	1,933,693
	238,250,691	142,259,306	**431,743,820**	266,581,868

	Three-months period ended June 30		Six-months period ended June 30	
	2022G	2021G	2022G	2021G
	SAR	SAR	SAR	SAR
Types of customers:				
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
	238,250,691	142,259,306	**431,743,820**	266,581,868

	Three-months period ended June 30		Six-months period ended June 30	
	2022G	2021G	2022G	2021G
	SAR	SAR	SAR	SAR
Products or services				
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
	238,250,691	142,259,306	**431,743,820**	266,581,868

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, 2022G

10. Contingent liabilities

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

	June 30, 2022G	December 31, 2021G
	SAR	SAR
Letters of guarantees	**239,207,317**	206,067,884
	239,207,317	206,067,884

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, 2022G.

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, 2022G.

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 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:

	June 30, 2022G	December 31, 2021G
	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
	561,628,047	376,312,411

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, 2022G

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:

June 30, 2022G	Saudi riyals			
	Less than 1 year	More than 1 year and less than 5 years	More than 5 years	Total
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**
	411,867,233	**29,725,917**	-	**441,593,150**

December 31, 2021G	Saudi riyals			
	Less than 1 year	More than one year and less than 5 years	More than 5 years	Total
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
	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 STATEMENTS(UNAUDITED)
FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2022G

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

The company's board of directors decided, at a meeting held on August 30, 2022G, 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).

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-MONTH PERIOD ENDED MARCH 31, 2022G

bakertilly

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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 March 31, 2022, and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the three-month 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 Accountants

Majid Muneer Alnemer
License No. 381

Riyadh, on Dhu Al-Qi'dah 17, 1443H
Corresponding to June 16, 2022

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PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022G

	Note	March 31, 2022G	December 31, 2021G
		SR	SR
		(Unaudited)	(Audited)
ASSETS			
Non-Current Assets			
Property, plant, and equipment		**118,583,917**	116,674,725
Investments at fair value through OCI		**1,771,291**	1,501,504
Total Non-Current Assets		**120,355,208**	118,176,229
Current Assets			
Inventories		**1,622,730**	891,775
Due from related parties	5	**8,231,466**	1,606,871
Contracts assets		**186,892,927**	192,098,326
Trade receivables	6	**237,449,716**	97,829,429
Prepaid expenses and other debit balances		**26,369,040**	21,290,013
Cash and cash equivalents		**22,804,155**	69,459,058
Total Current Assets		**483,370,034**	383,175,472
TOTAL ASSETS		**603,725,242**	501,351,701
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		**32,062,244**	127,046,679
Total Equity		**182,062,244**	159,716,990
Liabilities			
Non-Current Liabilities			
Employees' defined benefits obligations		**23,755,160**	20,915,940
Non-current portion of long-term loans		**9,289,601**	7,256,103
Total Non-Current Liabilities		**33,044,761**	28,172,043
Current Liabilities			
Trade payables		**49,987,235**	67,425,738
Due to related parties	5	**11,977,446**	5,957,688
Short-term loans		**183,018,991**	84,033,300
Current portions of long-term loans		**-**	2,697,331
Unearned revenues	8	**63,213,024**	58,337,143
Accrued expenses and other credit balances		**76,098,152**	91,538,079
Zakat payable		**4,323,389**	3,473,389
Total Current Liabilities		**388,618,237**	313,462,668
Total Liabilities		**421,662,998**	341,634,711
TOTAL EQUITY AND LIABILITIES		**603,725,242**	501,351,701

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-MONTH PERIOD ENDED MARCH 31, 2022G

	Note	March 31, 2022G	March 31, 2021G
		SR	SR
Revenue	9	**193,493,129**	124,322,562
Cost of revenue		**(161,797,557)**	(102,021,224)
Gross profit		**31,695,572**	22,301,338
Selling and distribution expenses		**(1,435,717)**	(2,936,965)
General and administrative expenses		**(5,654,389)**	(4,064,214)
Impairment loss on trade receivables	6	**(1,210,576)**	-
Operating income		**23,394,890**	15,300,159
Finance cost		**(728,643)**	(511,068)
Other income, net		**259,220**	155,097
Profit before zakat		**22,925,467**	14,944,188
Zakat		**(850,000)**	(450,000)
Profit for the period		**22,075,467**	14,494,188
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Revaluation of investment at fair value through OCI		**269,787**	139,545
Total other comprehensive income for the period		**269,787**	139,545
Total comprehensive income for the period		**22,345,254**	14,633,733
Earning per share attributable to the Shareholders:	11		
Profit for the period		**1.47**	0.97
Comprehensive income for the period		**1.49**	0.98

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 CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022G

	Note	Share Capital	Additional Share Capital	Statutory Reserve	Retained Earnings	Total
		SR	SR	SR	SR	SR
Balance as at January 1, 2021G		20,000,000	6,670,311	6,000,000	78,447,113	111,117,424
Profit for the period		-	-	-	14,494,188	14,494,188
Other comprehensive income for the period		-	-	-	139,545	139,545
Total comprehensive income for the period		-	-	-	14,633,733	14,633,733
Dividends		-	-	-	(536,104)	(536,104)
Balance as at March 31, 2021G		**20,000,000**	**6,670,311**	**6,000,000**	**92,544,742**	**125,215,053**
Balance as at January 1, 2022G		**20,000,000**	**6,670,311**	**6,000,000**	**127,046,679**	**159,716,990**
Profit for the period		-	-	-	22,075,467	22,075,467
Other comprehensive income for the period		-	-	-	269,787	269,787
Total comprehensive income for the period		-	-	-	22,345,254	22,345,254
Increase in share capital (note 7)		**130,000,000**	**(6,670,311)**	**(6,000,000)**	**(117,329,689)**	**-**
Balance as at March 31, 2022G		**150,000,000**	**-**	**-**	**32,062,244**	**182,062,244**

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 CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022G

	March 31, 2022G	March 31, 2021G
	SR	SR
Cash flows from operating activities		
Profit before zakat	**22,925,467**	14,944,188
Adjustments for:		
Depreciation of property, plant and equipment	**1,011,485**	633,766
Impairment loss on trade receivables	**1,210,576**	-
Current service on employees' defined benefit obligations	**4,141,349**	3,231,460
Company's share in net losses of a subsidiary	**-**	19,089
Changes in operating assets and liabilities:		
Inventory	**(730,955)**	407,018
Due from / to related parties	**(604,837)**	620,971
Contracts assets	**5,205,399**	(18,016,665)
Trade receivables	**(140,830,863)**	(34,366,425)
Prepaid expenses and other debit balances	**(5,079,027)**	(12,451,995)
Trade payables	**(17,438,503)**	11,361,130
Unearned revenues	**4,875,881**	9,853,561
Accrued expenses and other credit balances	**(15,439,927)**	3,389,284
Cash used in operations	**(140,753,955)**	(20,374,618)
Employees' defined benefits paid	**(1,302,129)**	(47,602)
Zakat paid	**-**	(191,262)
Net cash used in operating activities	**(142,056,084)**	(20,613,482)
Cash flows from investing activities		
Purchases of property, plant, and equipment	**(2,920,677)**	(3,990,755)
Proceeds from sale of property, plant and equipment	**-**	562
Net cash used in investing activities	**(2,920,677)**	(3,990,193)
Cash flows from financing activities		
Net change in borrowings	**98,321,858**	26,975,619
Dividends paid	**-**	(536,104)
Net cash from financing activities	**98,321,858**	26,439,515
Net change in cash and cash equivalents	**(46,654,903)**	1,835,840
Cash and cash equivalents at beginning of the period	**69,459,058**	10,548,191
Cash and cash equivalents at end of the period	**22,804,155**	12,384,031
Transaction for non-cash items:		
Increase in share capital	**130,000,000**	-

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 FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022G

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 2021G, 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:

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

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

2. 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, 2021G. 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.

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022G

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, 2021G.

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022G

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 March 31:

Type	2022G SR	2021G SR
Purchases from related parties	**30,000**	267,372
Financing, net	**6,000,000**	500,000
Expenses paid on behalf of related parties	**171,237**	79,401

The balances due from related parties consists of the following:

	March 31, 2022G SR	December 31, 2021G SR
Information Technology Belt Company	**7,600,858**	1,570,858
Prime Technical Contracting Establishment	**594,595**	-
Wahg Energy Establishment	**26,672**	26,672
Fawran Smart Logistics	**9,341**	9,341
	8,231,466	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-MONTH PERIOD ENDED MARCH 31, 2022G

5. Related Parties' Transactions and Balances (Continued)

The balances due to related parties consists of the following:

	March 31, 2022G SR	December 31, 2021G SR
Ideal for Business and Commercial Investment Company	**4,112,518**	4,083,610
Nasser Abdullah bin Muhammad Al-Bassam	**3,000,000**	-
Saleh bin Ibrahim bin Hamad Al Mazrou	**2,990,850**	-
Sustainable Energy Company	**1,861,938**	1,861,938
Cloud Distribution for Communications and Information Technology Company	**12,140**	12,140
	11,977,446	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

	March 31, 2022G SR	March 31, 2021G SR
Related party		
Key managements remunerations and benefits	**433,521**	644,334

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

6. Trade receivables

	March 31, 2022G SR	December 31, 2021G SR
Trade receivables	**240,811,927**	99,981,064
Less: allowance for expected credit losses	**(3,362,211)**	(2,151,635)
	237,449,716	97,829,429

As at March 31, 2022G, the company's trade receivables are mainly concentrated from government agencies with an amount of SR 209,918,676 representing 87% of total trade receivables (December 31, 2021G: 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:

	March 31, 2022G SR	March 31, 2021G SR
January 1,	**2,151,635**	647,205
Additions	**1,210,576**	-
	3,362,211	647,205

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022G

7. Share Capital and Additional Share Capital

A. Share Capital

The Company share capital amounting to SR 150,000,000 as at March 31, 2022G (December 31, 2021G: SR 20,000,000). On February 21, 2022G, 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 130,000,000 Saudi riyals 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, 2021G: 2,000,000 shares).

B. Additional Share Capital

The additional share capital amounting to SR 6,670,311 as at December 31, 2021G 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 2022G.

8. Unearned Revenues

	March 31, 2022G SR	December 31, 2021G SR
Contracts liabilities - Projects	**44,294,189**	39,905,544
Unearned revenue - Text messages (Yamamah)	**18,918,835**	18,431,599
	63,213,024	58,337,143

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:

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022G

9. Segment Information (Continued)

Disaggregation of revenue (Continued)

Timing of revenue recognition	March 31, 2022G SR	March 31, 2021G SR
Products transferred at a point in time	**255,998**	945,382
Service transferred overtime	**193,237,131**	123,377,180
	193,493,129	124,322,562

Type of customers	March 31, 2022G SR	March 31, 2021G SR
Government and government-controlled entities	**171,708,263**	110,031,078
Private sector	**21,784,866**	14,291,484
	193,493,129	124,322,562

Products or services	March 31, 2022G SR	March 31, 2021G SR
Operation and maintenance services	**66,784,169**	32,884,526
Call Center services	**85,920,863**	59,702,391
Software License and development services (SWD)	**40,788,097**	31,735,645
	193,493,129	124,322,562

10. Contingent liabilities

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

	March 31, 2022G SR	December 31, 2021G SR
Letters of guarantees	**207,799,266**	206,067,884
	207,799,266	206,067,884

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 March 31, 2022G.

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 March 31, 2022G.

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)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022G

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:

	March 31, 2022G SR	December 31, 2021G SR
Cash and cash equivalents	**22,804,155**	69,459,058
Due from related parties	**8,231,466**	1,606,871
Contracts assets	**186,892,927**	192,098,326
Trade receivables	**237,449,716**	97,829,429
Investments at FVOCI	**1,771,291**	1,501,504
Other receivables	**7,958,918**	2,759,378
	465,108,473	365,254,566

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:

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022G

12. Risk Management of Financial Instruments (Continued)

Liquidity risk (Continued)

March 31, 2022G	Saudi riyals			
	Less than 1 year	More than 1 year and less than 5 years	More than 5 years	Total
Employees' defined benefits obligations	-	23,755,160	-	23,755,160
Trade payables	49,987,235	-	-	49,987,235
Due to related parties	11,977,446	-	-	11,977,446
Unearned revenues	63,213,024	-	-	63,213,024
Accrued expenses and other credit balances	76,098,152	-	-	76,098,152
Loans	183,018,991	9,289,601	-	192,308,592
Zakat payable	4,323,389	-	-	4,323,389
	388,618,237	33,044,761	-	421,662,998

December 31, 2021G	Saudi riyals			
	Less than 1 year	More than one year and less than 5 years	More than 5 years	Total
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
Unearned revenues	58,337,143	-	-	58,337,143
Accrued expenses and other credit balances	91,538,079	-	-	91,538,079
Loans	86,730,631	7,256,103	-	93,986,734
Zakat payable	3,473,389	-	-	3,473,389
	313,462,668	28,172,043	-	341,634,711

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.

PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022G

12. Risk Management of Financial Instruments (Continued)

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 March 31, 2022G 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 Dhu al-Qi'dah 17, 1443H (corresponding to June 16, 2022G).

Perfect Presentation for Commercial Services Company
(A Saudi Closed Joint Stock Company)
Financial Statements and Independent Auditor's Report
For the year ended 31 December 2021G

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Independent Auditor's Report

To the Shareholders,
Perfect Presentation for Commercial Services Company
(A Saudi Closed Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Perfect Presentation for Commercial Services Company, a Saudi Closed Joint Stock Company (the "Company"), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia ("ISA"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter
The financial statements of the Company for the year ended 31 December 2019 were audited by another auditor, who expressed an unmodified opinion on those financial statements on 23 Dhul Qa'dah 1441H corresponding to 14 July 2020G.

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

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

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

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Independent Auditor's Report (Continued)

To the Shareholders,

Perfect Presentation for Commercial Services Company

Report on the audit of the financial statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

BAKER TILLY MKM & CO.
Certified Public Accountants

Majed Muneer Alnemer
(Certified Public Accountant - License No. 381)
Riyadh on 29 Rajab 1443H
Corresponding to 2 March 2022G

Perfect Presentation for Commercial Services Company
(A Saudi Closed Joint Stock Company)
Statement of Financial Position
As at 31 December 2021G

	Note	31 December 2021G SR	31 December 2020G SR (Restated)	31 December 2019G SR (Restated)
ASSETS				
Non-current assets				
Property, plant, and equipment	6	**116,674,725**	98,059,454	63,871,310
Investments at fair value through OCI	7	**1,501,504**	1,014,027	-
Investment in a subsidiary	8	**-**	19,089	-
Total Non-current assets		**118,176,229**	99,092,570	63,871,310
Current assets				
Inventories	9	**891,775**	5,413,278	1,082,037
Due from related parties	10	**1,606,871**	3,960,182	6,922,625
Contracts assets	11	**192,098,326**	61,707,235	36,488,547
Trade receivables	12	**97,829,429**	121,352,566	70,088,388
Prepaid expenses and other debit balances	13	**21,290,013**	14,547,383	20,321,491
Cash and cash equivalents	14	**69,459,058**	10,548,191	3,350,350
Total current assets		**383,175,472**	217,528,835	138,253,438
TOTAL ASSETS		**501,351,701**	316,621,405	202,124,748
EQUITY AND LIABILITIES				
Equity				
Share capital	15.A	**20,000,000**	20,000,000	20,000,000
Additional Share Capital	15.B	**6,670,311**	6,670,311	6,670,311
Statutory reserve	16	**6,000,000**	6,000,000	2,690,215
Retained earnings		**127,046,679**	78,447,113	41,178,681
Total equity		**159,716,990**	111,117,424	70,539,207
Liabilities				
Non-current liabilities				
Employees' defined benefits obligations	17	**20,915,940**	13,817,159	7,389,495
Non-current portion of long-term loans	18.A	**7,256,103**	9,953,435	-
Total noncurrent liabilities		**28,172,043**	23,770,594	7,389,495
Current liabilities				
Trade payables		**67,425,738**	27,384,830	12,591,237
Due to related parties	10	**5,957,688**	14,661,728	233,881
Short-term loans	18.B	**84,033,300**	67,040,118	60,685,448
Current portions of long-term loans	18.A	**2,697,331**	847,608	-
Unearned revenue	19	**58,337,143**	29,458,912	22,612,348
Accrued expenses and other credit balances	20	**91,538,079**	40,594,889	26,612,756
Zakat payable	21	**3,473,389**	1,745,302	1,460,376
Total current liabilities		**313,462,668**	181,733,387	124,196,046
Total liabilities		**341,634,711**	205,503,981	131,585,541
TOTAL EQUITY AND LIABILITIES		**501,351,701**	316,621,405	202,124,748

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

Perfect Presentation for Commercial Services Company
(A Saudi Closed Joint Stock Company)
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2021G

	Note	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
			(Restated)	(Restated)
Revenue	23	**655,478,211**	482,475,049	298,102,025
Cost of revenue	24	**(539,472,411)**	(391,454,363)	(243,368,511)
Gross profit		**116,005,800**	91,020,686	54,733,514
Selling and distribution expenses	25	**(7,803,550)**	(5,091,372)	(4,145,362)
General and administrative expenses	26	**(20,454,050)**	(20,002,711)	(15,812,016)
Impairment loss in trade receivables	12	**(1,504,430)**	(2,803,636)	(10,032,290)
Operating income		**86,243,770**	63,122,967	24,743,846
Finance cost	27	**(3,774,493)**	(2,288,312)	(2,105,867)
Other income, net	28	**1,739,008**	5,329,988	1,827,727
Company's Share in the net losses of a subsidiary	8	**-**	(47,911)	-
Disposal of an investment in a subsidiary	8	**(19,089)**	-	-
Dividends from an investments at fair value		**39,073**	-	-
Profit before zakat		**84,228,269**	66,116,732	24,465,706
Zakat	21	**(3,612,703)**	(1,745,302)	(1,460,376)
Profit for the year		**80,615,566**	64,371,430	23,005,330
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent years:				
Remeasurements of employees' defined benefit obligations	17	**(126,915)**	(2,290,590)	(451,456)
Revaluation of investment at fair value through OCI	7	**487,477**	497,377	-
Total other comprehensive income / loss for the year		**360,562**	(1,793,213)	(451,456)
Total comprehensive income for the year		**80,976,128**	62,578,217	22,553,874
Earning per share attributable to the Shareholders / Partners:	29			
Basic and diluted		**40,3**	32,2	11,5

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

Perfect Presentation for Commercial Services Company
(A Saudi Closed Joint Stock Company)
Statement of Changes in Equity
For the Year Ended 31 December 2021G

	Note	Share capital	Additional share capital	Statutory reserve	Retained earnings	Total equity
		SR	SR	SR	SR	SR
Balance as at 1 January 2020G (Restated)		20,000,000	6,670,311	2,690,215	41,178,681	70,539,207
Profit for the year (Restated)		-	-	-	64,371,430	64,371,430
Other comprehensive loss for the year		-	-	-	(1,793,213)	(1,793,213)
Total comprehensive income for the year (Restated)		-	-	-	62,578,217	62,578,217
Dividends	22	-	-	-	(22,000,000)	(22,000,000)
Transfer to statutory reserve	16	-	-	3,309,785	(3,309,785)	-
Balance as at 31 December 2020G (Restated)		20,000,000	6,670,311	6,000,000	78,447,113	111,117,424
Balance as at 1 January 2021G		**20,000,000**	**6,670,311**	**6,000,000**	**78,447,113**	**111,117,424**
Profit for the year		**-**	**-**	**-**	**80,615,566**	**80,615,566**
Other comprehensive income for the year		**-**	**-**	**-**	**360,562**	**360,562**
Total comprehensive income for the year		**-**			**80,976,128**	**80,976,128**
Dividends	**22**	**-**	**-**	**-**	**(32,376,562)**	**(32,376,562)**
Balance as at 31 December 2021G		**20,000,000**	**6,670,311**	**6,000,000**	**127,046,679**	**159,716,990**

The accompanying notes form an integral part of these financial statements

Perfect Presentation for Commercial Services Company
(A Saudi Closed Joint Stock Company)
Statement of Cash Flows
For the Year Ended 31 December 2021G

	31 December 2021G SR	31 December 2020G SR (Restated)	31 December 2019G SR (Restated)
Cash flows from operating activities			
Profit before zakat	**84,228,269**	66,116,732	24,465,706
Adjustments for:			
Depreciation of property, plant and equipment	**2,890,697**	2,417,463	2,248,866
Impairment loss on trade receivable	**1,504,430**	2,803,636	10,032,290
Losses on disposal of property, plant and equipment	**296,355**	26,000	-
Employees' defined benefit obligation cost	**11,671,738**	6,265,286	1,960,803
Finance cost	**283,141**	186,957	256,060
Company's share in the net losses of a subsidiary	**-**	47,911	-
Changes in operation assets and liabilities:			
Inventories	**4,521,503**	(4,331,241)	(453,607)
Due from/to related parties	**(6,350,729)**	17,390,290	3,737,583
Contracts assets	**(130,391,091)**	(25,218,688)	(19,803,097)
Trade receivables	**22,018,707**	(54,067,814)	(13,767,526)
Prepaid expenses and other debit balances	**(6,742,630)**	5,774,108	(7,669,028)
Trade payables	**40,040,908**	14,793,593	(21,855,050)
Unearned revenue	**28,878,231**	6,846,564	22,612,348
Accrued expenses and other credit balances	**50,943,190**	13,982,133	10,260,883
Cash flows from operating activities	**103,792,719**	53,032,930	12,026,231
Employees' defined benefits obligation	**(4,983,013)**	(2,315,169)	(838,496)
Zakat paid	**(1,884,616)**	(1,460,376)	(911,792)
Net cash flows from operating activities	**96,925,090**	49,257,385	10,275,943
Cash flows from investing activities			
Purchases of property, plant, and equipment	**(21,802,323)**	(36,714,572)	(45,460,724)
Proceeds from disposal of property, plant, and equipment	**-**	82,965	-
Additions of investments at fair value through OCI	**-**	(516,650)	-
Disposal (Additions) of investment in a subsidiary	**19,089**	(67,000)	-
Net cash flows used in investing activities	**(21,783,234)**	(37,215,257)	(45,460,724)
Cash flows from financing activities			
Net change in borrowings and banks facilities	**16,145,573**	17,155,713	39,615,203
Dividends paid	**(32,376,562)**	(22,000,000)	(8,000,000)
Net cash (used in) from financing activities	**(16,230,989)**	(4,844,287)	31,615,203
Net change in cash and cash equivalents	**58,910,867**	7,197,841	(3,569,578)
Cash and cash equivalents at beginning of the year	**10,548,191**	3,350,350	6,919,928
Cash and cash equivalents at end of the year	**69,459,058**	10,548,191	3,350,350

The accompanying form an integral part of these financial statements.

Perfect Presentation for Commercial Services Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements
For the Year Ended 31 December 2021G

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 25 Shawwal 1425H (corresponding to 8 December 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, 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, 1443 AH and announced it according to Resolution No. 772, dated Jumada Al-Ula 16, 1443 AH. The articles of association of the company stipulate that the company's first fiscal year begins on January 1 and ends on December 31 of each year. The financial statements were prepared for a full year from January 1, 2021G to December 31, 2021G, to better reflect the company's operations on a consistent and comparable basis, and there was no impact on the preparation of the financial statements as a result of the transformation process.

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

CR number	Location	Register date
1010290349	Riyadh	7 Rajab 1431H (corresponding to 20 June 2010G)
4031218300	Makkah	13 Safar 1440H (corresponding to 22 October 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 a service and control 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 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 communications equipment, installation of central computers, repair and maintenance of personal computers And portable of all kinds and sizes, repair and maintenance of printers and scanners Optical, 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 communications 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 answer systems, or other similar methods. To receive orders, provide information on products and deal with customer assistance requests or customer complaints.

Perfect Presentation for Commercial Services Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements
For the Year Ended 31 December 2021G

2. Basis of Preparation

The financial statements of the Company for the year ended 31 December 2021G have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the Kingdom of Saudi Arabia and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). Details of the Company's significant accounting policies are disclosed in note (4).

These financial statements have been prepared on the historical cost basis except for the employees' defined benefit obligations which are measured using the projected unit credit method and the actuarial assessments at the end of the reporting period. Historical cost generally represents the fair value of the specific price paid in exchange for goods and services.

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

3. Significant Accounting judgements, estimates and assumptions

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

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

Financial instruments risk management	Note 32
Sensitivity analysis disclosures	Note 17 and 32

Judgements

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

Estimates and assumptions

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

Impairment of non-financial assets

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

Perfect Presentation for Commercial Services Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements
For the Year Ended 31 December 2021G

3. Significant Accounting judgements, estimates, and assumptions (Continued)

Estimated costs at completion

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

Revenue recognition

The Company's management uses significant estimates and assumptions to determine the amount and timing of revenue recognition under the requirements of IFRS 15 "Revenue from Contracts with Customers".

Fair value measurement of financial instruments

When the fair values of financial assets cannot be measured based on quoted prices or active trading of some instruments at the date the statement of financial position. The fair value is estimated using various valuation techniques which include the use of pricing models where the information is taken from observing the market. Where this is not feasible, a degree of estimate and judgment is required in establishing fair values.

Long-term assumptions for employees' benefits

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

Useful lives of real estate, plant, and equipment

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

Perfect Presentation for Commercial Services Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements (Continued)
For the Year Ended 31 December 2021G

3. Significant Accounting judgements, estimates, and assumptions (Continued)

Expected credit losses Provision

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

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

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

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

4. Summary of Significant Accounting Policies

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

Classification the assets and liabilities to current and non-current

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Perfect Presentation for Commercial Services Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements
For the Year Ended 31 December 2021G

4. Summary of Significant Accounting Policies (Continued)

Foreign currency translation

Foreign currency transactions and balances

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

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

Property, plant, and equipment

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

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

Category	Percentage
Buildings	5 – 10%
Vehicles	20%
Furniture and fixtures	14 – 28%
Computers	14 – 28%
Constructions and fitting	10% – 25%
Improvements and decoration	25% or the lease term, whichever is less

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

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

Perfect Presentation for Commercial Services Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements
For the Year Ended 31 December 2021G

4. Summary of Significant Accounting Policies (Continued)

Projects under construction

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

Borrowing Costs

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

Inventories

Inventory represents in SMS packages and electronic devices, stated at the lower cost or net realizable value. Cost is determined on a weighted average cost basis.

Financial Assets

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial assets at amortised cost

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

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

Equity instruments designated at fair value through OCI

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Perfect Presentation for Commercial Services Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements
For the Year Ended 31 December 2021G

4. Summary of Significant Accounting Policies (Continued)

Financial Assets (Continued)

Derecognition of financial assets

A financial asset is primarily derecognised when:

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

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

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

Impairment of financial assets

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

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

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

Trade receivables

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

Cash and cash equivalents

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

For the purpose of preparing the statement of cash flow, cash and cash equivalents include bank balances as explained above after deducting overdraft accounts with banks, if any, as they are considered an integral part of the company's cash management.

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4. Summary of Significant Accounting Policies (Continued)

Statutory Reserve

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

Employees' defined benefits obligations

Defined Benefit Programs

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

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

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

Short-term employee obligations:

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

Trade payables and the accrued balances

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

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4. Summary of Significant Accounting Policies (Continued)

Provisions

General

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

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

Financial Liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Loans and borrowings

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

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires.

Offsetting of Financial Instruments

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

Revenue from Contracts with Customers

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

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in IFRS 15 " Revenue from contracts with the customers" on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of recognizing it as revenue, the Company

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4. Summary of Significant Accounting Policies (Continued)

Rights of return (Continued)

recognizes a refund liability. A right of return asset (and the corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of goods purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The Company applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

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

Contract liabilities

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

Assets and liabilities arising from rights of return

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products. A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

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4. Summary of Significant Accounting Policies (Continued)

Expected Loss on contracts

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

The company as a lessee

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

The company as a lessor

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

Revenue recognition

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

The company recognizes revenue from contracts with customers based on five-step model as set out in IFRS 15. The five steps are: identify the contract(s) with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price, and recognize revenue when the performance obligation is satisfied.

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

A. Revenue from operation and maintenance services.

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

B. Revenues from providing call center services

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

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4. Summary of Significant Accounting Policies (Continued)

B. Revenues from providing call center services (Continued)

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

C. Revenue from licensing and development services (SWD)

Technological development and related applications have changed over the past three decades; During this period, applications have become more complex and shifted from mere tools to perform a single purpose to interconnected and integrated systems for businesses that reach far beyond the information center. And the audience of users has shifted from only technicians and specialists to all people in general. Today, people and companies use internet applications as an integral part of their daily lives, and applications have become part of the infrastructure just like electricity. When approaching the topic from this angle, it has become clear that organizations must manage and protect what has become one of their most important assets, namely applications. Revenue from providing computer software licensing services is recognized in the accounting period in which the service is provided at a specific point in time.

D. Revenue from providing text messaging services and subscriptions

Bulk SMS: The bulk text messaging service is one of the latest and best means used in the field of marketing and also for the purpose of sending notifications of all kinds to a target group or segment. Or sending notices or providing services to a specific segment within the institution for the purpose of notifying them of the dates of meetings, conferences, or events. Revenue from providing text messaging services and subscriptions is recognized in the accounting period in which the service is provided over time.

E. Revenue from providing Internet services

Information and communication technology services through a wide variety of products designed specifically to meet the needs of companies, as we provide services from the Internet, connectivity, hosting and the establishment of information centres and networks to e-commerce and electronic payment services for information technology solutions. The accounting in which the service is provided at a specific point in time.

Dividend

The company recognizes a liability to make distribution to shareholders when the distribution is authorized and is out of the company's disposal. According to the companies' Regulations in the Kingdom of Saudi Arabia, a distribution is authorized when it is approved by the shareholders.

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4. Summary of Significant Accounting Policies (Continued)

Direct costs

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

Expenses

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

Zakat

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

Value-added tax

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

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

Withholding Tax

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

5. Application of New and Revised IFRSs

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

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2021G, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Interest Rate Benchmark Reform
- COVID-19-Related Rent Concessions beyond 30 June 2021G (Amendment to IFRS 16)

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

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

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5. Application of New and Revised IFRSs (Continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.	Effective date deferred indefinitely
Amendments to IAS 1 Presentation of Financial Statements regarding the classification of liabilities.	January 1, 2023G
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practices 2 Exercising Jurisprudence on Materiality - Disclosure of Accounting Policies	January 1, 2023G
IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.	January 1, 2023G
Amendments IFRS 3 Business Combination updating a reference to the Conceptual Framework	January 1, 2022G
Amendments to IAS 16 Property, Plant and Equipment prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	January 1, 2022G
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets regarding the costs to include when assessing whether a contract is onerous	January 1, 2022G
Annual Improvements to IFRS 2018G-2020G Revised Cycle of IFRS 1, 9 and 16 and IAS 41.	January 1, 2022G
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	January 1, 2023G
Amendments to IAS 12 Income Tax - Deferred tax relating to assets and liabilities arising from a single transaction	January 1, 2023G

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

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6. Property, Plant and Equipment

	Land	Buildings	Vehicles	Furniture and Fixtures	Computers	Construction and Fitting	Improvements and Decorations	Project under Construction	Total
	SR	SR	SR	SR	SR	SR	SR	SR	SR
Cost									
1 January 2020G	3,587,500	16,360,499	1,327,900	2,641,741	7,714,099	748,799	1,873,677	45,045,000	79,299,215
Additions	3,441,000	4,084,000	165,360	1,223,751	2,670,989	-	-	25,129,472	36,714,572
Disposal	-	-	(975,400)	-	(2,190)	-	-	-	(977,590)
31 December 2020G	7,028,500	20,444,499	517,860	3,865,492	10,382,898	748,799	1,873,677	70,174,472	115,036,197
Additions	**-**	**-**	**551,450**	**1,858,603**	**1,691,401**	**149,600**	**-**	**17,551,269**	**21,802,323**
Disposals	**-**	**-**	**-**	**(805,134)**	**(2,157,779)**	**-**	**-**	**-**	**(2,962,913)**
Transfers	**45,045,000**	**38,586,411**	**-**	**489,960**	**114,570**	**3,489,800**	**-**	**(87,725,741)**	**-**
31 December 2021G	**52,073,500**	**59,030,910**	**1,069,310**	**5,408,921**	**10,031,090**	**4,388,199**	**1,873,677**	**-**	**133,875,607**
Accumulated depreciation									
1 January 2020G	-	4,443,967	980,757	1,636,675	5,933,127	673,919	1,759,460	-	15,427,905
Charge for the year	-	1,063,380	201,380	416,274	723,699	-	12,730	-	2,417,463
Disposal	-	-	(866,435)	-	(2,190)	-	-	-	(868,625)
31 December 2020G	-	5,507,347	315,702	2,052,949	6,654,636	673,919	1,772,190	-	16,976,743
Charge for the year	**-**	**1,334,255**	**71,240**	**532,303**	**872,467**	**79,277**	**1,155**	**-**	**2,890,697**
Disposals	**-**	**-**	**-**	**(724,621)**	**(1,941,937)**	**-**	**-**	**-**	**(2,666,558)**
31 December 2021G	**-**	**6,841,602**	**386,942**	**1,860,631**	**5,585,166**	**753,196**	**1,773,345**	**-**	**17,200,882**
Net book value:									
31 December 2021G	**52,073,500**	**52,189,308**	**682,368**	**3,548,290**	**4,445,924**	**3,635,003**	**100,332**	**-**	**116,674,725**
31 December 2020G	7,028,500	14,937,152	202,158	1,812,543	3,728,262	74,880	101,487	70,174,472	98,059,454

Projects under construction as at 31 December 2020G and 2019G represents the costs incurred for works of constructing and preparation for Al Qayrawan building.

- This caption includes land and buildings mortgaged as a guarantee of long-term loans amounting to SR 7,350,000.
- This item includes lands and buildings located in Al-Khuzama District, with a net book value of 13,750,118 Saudi riyals as of December 31, 2021G, which is subject to Royal Decree No. 61879, which stipulates the expropriation and temporary seizure of these properties. Refer to Note No. (33).

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6. Property, Plant and Equipment (Continued)

	Land	Buildings	Vehicles	Furniture and Fixtures	Computers	Construction and Fitting	Improvements and Decorations	Project under Construction	Total
	SR	SR	SR	SR	SR	SR	SR	SR	SR
Cost									
1 January 2019G	3,587,500	16,346,643	1,327,900	2,281,014	7,676,458	748,799	1,870,177	-	33,838,491
Additions	-	13,856	-	360,727	37,641	-	3,500	45,045,000	45,460,724
31 December 2019G	3,587,500	16,360,499	1,327,900	2,641,741	7,714,099	748,799	1,873,677	45,045,000	79,299,215
Additions	3,441,000	4,084,000	165,360	1,223,751	2,670,989	-	-	25,129,472	36,714,572
Disposals	-	-	(975,400)	-	(2,190)	-	-	-	(977,590)
31 December 2020G	7,028,500	20,444,499	517,860	3,865,492	10,382,898	748,799	1,873,677	70,174,472	115,036,197
Accumulated depreciation									
1 January 2019G	-	3,477,371	722,720	1,328,780	5,304,731	592,590	1,752,847	-	13,179,039
Charge for the year	-	966,596	258,037	307,895	628,396	81,329	6,613	-	2,248,866
31 December 2019G	-	4,443,967	980,757	1,636,675	5,933,127	673,919	1,759,460	-	15,427,905
Charge for the year	-	1,063,380	201,380	416,274	723,699	-	12,730	-	2,417,463
Disposals	-	-	(866,435)	-	(2,190)	-	-	-	(868,625)
31 December 2020G	-	5,507,347	315,702	2,052,949	6,654,636	673,919	1,772,190	-	16,976,743
Net book value:									
31 December 2020G	7,028,500	14,937,152	202,158	1,812,543	3,728,262	74,880	101,487	70,174,472	98,059,454
31 December 2019G	3,587,500	11,916,532	347,143	1,005,066	1,780,972	74,880	114,217	45,045,000	63,871,310

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6. Property, Plant, and Equipment (Continued)

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

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
Cost of revenue (Note 24)	**72,398**	200,431	197,727
General and administrative expenses (Note 26)	**2,818,299**	2,217,032	2,051,139
	2,890,697	2,417,463	2,248,866

7. Investments at Fair Value Through OCI

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
1 January	**1,014,027**	-	-
Addition during the year		516,650	-
Changes in fair value during the year	**487,477**	497,377	-
31 December	**1,501,504**	1,014,027	-

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

Name of subsidiary	Percentage of ownership %			Country of incorporation
	31 December 2021G	31 December 2020G	31 December 2019G	
Smart Health for Communications and Information Technology Company	-	67%	-	Kingdom of Saudi Arabia

8. Investment in a Subsidiary

The movement of investment in a subsidiary for the year ended 31 December as follows:

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
1 January	**19,089**	-	-
Addition during the year	**-**	67,000	-
Share in the net losses of a subsidiary	**-**	(47,911)	-
Disposal during the year *	**(19,089)**		
31 December	**-**	19,089	-

The Smart Health for Communications and Information Technology Company is a limited liability company registered in Riyadh under Commercial register number 1010651587 dated 17 Moharram 1442H (corresponding to 5 September 2020G).

During the prior year, this investment was accounted for using the equity method instead of consolidation, as the company benefited from exemptions from international standards, by not preparing consolidated financial statements where the Parent Company, The Ideal for Business and Investment Trade Company, prepares consolidated financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by SOCPA, and Regulations for Companies and the Company's Articles of Association that are related to the preparation and presentation of financial statements.

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8. Investment in a Subsidiary (Continued)

During the year, the company disposed of all its shares in the subsidiary company (with its rights and obligations). The legal procedures have been completed with the transfer of these shares and the amendment of the articles of incorporation in this regard.

9. Inventories

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
Bulk messages	**843,284**	1,330,198	1,082,037
Fingerprint devices	**48,491**	4,083,080	-
	891,775	5,413,278	1,082,037

10. Related Parties' Transaction 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
The Ideal for Business and Investment Trade Company	Partner
Information Technology Belt Company	Affiliate
Perfect Presentation for Commercial Services Company- Egypt	Affiliate
Fawran Smart Logistics	Affiliate
Wahg Energy Est.	Related to shareholder / Partner
Perfect Presentation for Technology Company- Jordan	Affiliate
Cloud Distribution for Communications and Information Technology Company	Affiliate
Smart Health for Communications and Information Technology Company	Affiliate
Sustainable Energy Company	Affiliate
Nasser Abdullah bin Muhammad Al-Bassam	shareholder / Partner
Saleh bin Ibrahim bin Hamad Al Mazrou	shareholder / Partner
Prime Technical Contracting Est	Related to shareholder

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10. Related Parties' Transaction and Balances (Continued)

The following is a summary of the transactions carried out with related parties for the year ended 31 December:

	31 December 2021G SAR	31 December 2020G SR	31 December 2019G SR
Purchases from related parties	**5,517,862**	19,432,608	29,849,925
Financing, net	**6,000,000**	7,534,353	9,098,839
Expenses paid on behalf of related parties	**(660,202)**	(9,661,225)	6,613,876

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

	31 December 2021G SAR	31 December 2020G SR	31 December 2019G SR
Information Technology Belt Company	**1,570,858**	738,485	624,525
Wahg Energy Est.	**26,672**	-	-
Fawran Smart Logistics	**9,341**	-	-
Perfect Presentation for Technology Company- Jordan	-	1,322,164	1,143,908
Cloud Distribution for Communications and Information Technology Company	-	912,690	2,674,538
Perfect Presentation for Commercial Services Company- Egypt	-	882,335	882,335
Sustainable Energy Company	-	-	1,359,983
Nasser Abdullah bin Muhammad Al-Bassam	-	-	90,229
Saleh bin Ibrahim bin Hamad Al Mazrou	-	-	73,107
The Ideal for Business and Investment Trade Company	-	-	74,000
Smart Health for Communications and Information Technology Company	-	104,508	-
	1,606,871	3,960,182	6,922,625

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

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10. Related Parties' Transaction and Balances (Continued)

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

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
The Ideal for Business and Investment Trade Company	**4,083,610**	5,803,830	-
Sustainable Energy Company	**1,861,938**	2,100,443	-
Cloud Distribution for Communications and Information Technology Company	**12,140**	-	-
Prime Technical Contracting Est	**-**	6,757,455	233,881
	5,957,688	14,661,728	233,881

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

Key Management Personal Remunerations

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
Related party			
Key Management Personal Remunerations	**7,666,609**	8,063,277	6,927,612

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

11. Contracts Assets

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
Accrued balances from clients under contracts	**192,098,326**	61,707,235	36,488,547

12. Trade Receivables

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
Trade receivables	**99,981,064**	121,999,771	74,671,558
Less: allowance for expected credit losses	**(2,151,635)**	(647,205)	(4,583,170)
	97,829,429	121,352,566	70,088,388

As on December 31, 2021G, the company's trade receivables are mainly concentrated from government agencies with an amount of 79,802,419 Saudi riyals, representing 80% of the total trade receivables (December 31, 2020G: 101,054,984 Saudi riyals and representing 80% of the total trade receivables and December 31, 2019G: 66,305,414 Saudi riyals, representing 89% of the total trade receivables).

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12. Trade Receivables (Continued)

The movement in the allowance for expected credit losses for the trade receivables for the years ended on 31 December is as follows:

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
1 January	**647,205**	4,583,170	-
Additions	**1,504,430**	2,803,636	10,032,290
Write-offs	**-**	(6,739,601)	(5,449,120)
31 December	**2,151,635**	647,205	4,583,170

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

	Total SR	Not due and not impaired SR	Balances that are past due but not impaired				
			31-60 days SR	61-90 days SR	91-180 days SR	181-360 days SR	More than 360 days SR
31 December 2021G	**99,981,064**	**16,252,488**	**9,903,009**	**29,247,062**	**18,797,570**	**13,824,455**	**11,956,480**
31 December 2020G (Restated)	121,999,771	40,551,412	34,918,243	17,151,050	15,686,256	9,999,744	3,693,066
31 December 2019G (Restated)	74,671,558	28,558,065	12,557,925	9,842,920	9,160,688	7,902,260	6,649,700

The provision for the Company's trade receivables is measured at an amount equal to the expected credit losses over the life of the receivable. The expected credit losses from trade receivables are estimated using a matrix based on past experiences in past due debtors and an analysis of the current financial position of the debtor, adjusted for debtor factors and general economic conditions of the sector in which they operate and an assessment of current and expected conditions at the date of the financial statements.

13. Prepaid Expenses and Other Debit Balances

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
Bank margins	**9,542,337**	7,729,147	9,876,018
Advances to suppliers	**2,759,378**	3,221,258	6,500,887
Prepaid expenses	**7,472,790**	2,968,676	3,332,201
Employee's receivables	**796,526**	608,156	592,239
Others	**718,982**	20,146	20,146
	21,290,013	14,547,383	20,321,491

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14. Cash and Cash Equivalents

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
Cash at banks	**69,119,640**	10,099,637	3,086,644
Cash on hand	**339,418**	448,554	263,706
	69,459,058	10,548,191	3,350,350

15. Share Capital and Additional Share Capital

A. Share Capital

The Company share capital amounting to 20,000,000 Saudi riyals consist of 2,000,000 nominal shares of 10 Saudi riyals each, all of which are common shares (December 31, 2020G and 2019G: 20,000,000 Saudi riyals, consisting of 1,000 shares of 20,000 Saudi riyals each), distributed among the shareholders / partners as follows:

Shareholders / Partners	31 December 2021G		31 December 2020G and 2019G	
	No. of shares	Share capital SR	No. of shares	Share capital SR
The Ideal for Business and Investment Trade Company	**652,000**	**6,520,000**	740	14,800,000
Saleh bin Ibrahim bin Hamad Al Mazro	**260,000**	**2,600,000**	130	2,600,000
Nasser Abdullah bin Muhammad Al-Bassam	**260,000**	**2,600,000**	130	2,600,000
Nada Mohammad Alissi	**138,000**	**1,380,000**	-	-
Ibrahim Saleh Al Mazro	**138,000**	**1,380,000**	-	-
Al-Jawhra Saleh Al Mazro	**138,000**	**1,380,000**	-	-
Hassa Sultan Mohammad Al Sultan	**82,800**	**828,000**	-	-
Assel Nasser Al Bassam	**82,800**	**828,000**	-	-
Sadeem Nasser Al Bassam	**82,800**	**828,000**	-	-
Abdallah Nasser Al Bassam	**82,800**	**828,000**	-	-
Yousef Nasser Al Bassam	**82,800**	**828,000**	-	-
	2,000,000	**20,000,000**	1,000	20,000,000

B. Additional Share Capital

The additional share capital represents the paid amount contributed by the partners/founders to support and finance the operations of the company and it was waived in favour of the company for the purpose of increasing the company's capital.

16. Statutory Reserve

In accordance with the Regulations for Companies in kingdom of Saudi Arabia and the Company's Articles of Association, the Company established a statutory reserve by appropriation of 10% of the annual net profit until the reserve reached 30% of the share capital. This reserve is not available for distribution as dividends.

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17. Employees' Defined Benefit Obligation

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

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

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
1 January	**13,817,159**	7,389,495	5,559,672
Current service cost	**11,671,738**	6,265,286	1,960,803
Finance cost	**283,141**	186,957	256,060
Total charge to profit or loss	**11,954,879**	6,452,243	2,216,863
Actuarial re-measurement loss	**126,915**	2,290,590	451,456
Total charge to other comprehensive income	**126,915**	2,290,590	451,456
Paid	**(4,983,013)**	(2,315,169)	(838,496)
31 December	**20,915,940**	13,817,159	7,389,495

Principal actuarial assumptions

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

	31 December 2021G	31 December 2020G	31 December 2019G
		(Restated)	(Restated)
Valuation discount rate	**2.75%**	3.50%	3%
Expected rate of increase in salary level	**2.75%**	3.50%	3%
Employee turnover	**High**	High	High

The sensitivity analysis of principal actuarial assumptions is as follows:

	31 December 2021G		31 December 2020G (Restated)		31 December 2019G (Restated)	
	%	SR	%	SR	%	SR
Valuation discount rate						
Increase	**1% +**	**19,256,234**	1% +	12,841,071	0.5% +	7,095,741
Decrease	**1% -**	**22,845,103**	1% -	14,950,494	0.5% -	7,705,837
Expected rate of increase in salary						
Increase	**1% +**	**22,845,103**	1% +	14,938,686	0.5% +	7,569,756
Decrease	1% -	19,241,094	1% -	12,832,138	0.5% -	7,219,216

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18. Bank Facilities

A. Long- term loans

Long term loans comprise the following:

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
Non-current portion shown under non-current liabilities	**7,256,103**	9,953,435	-
Current portion shown under current liabilities	**2,697,331**	847,608	-
	9,953,434	10,801,043	-

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

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

For years ended 31 December	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
2021G	-	847,608	-
2022G	**2,697,331**	2,697,331	-
2023G	**2,812,080**	2,812,080	-
2024G	**2,931,711**	2,931,712	-
2025G	**1,512,312**	1,512,312	-
	9,953,434	10,801,043	-

B. Short- term loans

Short- term loans comprise the following:

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
Short-term bank loans	**84,033,300**	67,040,118	60,685,448
	84,033,300	67,040,118	60,685,448

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

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18. Bank Facilities

C. Breach of loan covenants

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

19. Unearned Revenue

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
Contracts liabilities - Projects	**39,905,544**	11,845,299	14,555,041
Unearned revenue - Text messages (Yamamah)	**18,431,599**	17,613,613	8,057,307
	58,337,143	29,458,912	22,612,348

20. Accrued Expenses and Other Credits Balances

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
Accrued salaries and wages	**35,289,032**	1,596,300	1,769,510
Accrued vacations	**20,313,107**	16,106,087	5,668,673
Value added tax, net	**9,262,565**	2,461,661	265,207
Advance from customers	**4,492,619**	4,647,082	10,741,253
Social security	**3,451,258**	3,140,646	1,032,594
Accrued commissions	**2,781,024**	5,665,096	3,496,813
Projects provisions	**9,664,077**	-	-
Others	**6,284,397**	6,978,017	3,638,706
	91,538,079	40,594,889	26,612,756

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21. Zakat Payable

The principal elements of the Zakat base are as follows:

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
Owner equity, opening balance	**78,740,862**	34,436,026	43,800,880
Adjusted net income before zakat	**107,351,655**	69,812,089	34,109,480
Non-current liabilities and others	**68,565,905**	11,147,521	43,643,540
Non-current assets and others	**(116,674,725)**	(99,073,481)	(63,871,310)

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

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

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

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
1 January	**1,745,302**	1,460,376	911,792
Charge for the year	**3,466,921**	1,745,302	1,460,376
Shortage in provision in prior years	**145,782**	-	-
Paid during the year	**(1,884,616)**	(1,460,376)	(911,792)
31 December	**3,473,389**	1,745,302	1,460,376

Zakat status

The Company has filed its zakat returns up to the year ended 31 December 2020G to the Zakat, Tax and Customs Authority and received a final certificate. During the year 2021G, the company received an amendment letter (Zakat assessment) from the Zakat, Tax and Customs Authority for the year 2015 showing the existence of zakat differences in the amount of 145,782 Saudi riyals. As the company paid those zakat differences, and therefore the company ended its zakat status for the year 2015, and the remaining years are still under study by the authority.

22. Dividends

During 2021G, the General Assembly of Partners approved to distribute dividends amounting to 32,376,562 Saudi riyals (2020G: 22,000,000 Saudi riyals, 2019G: 8,000,000 Saudi riyals).

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23. Segments Information

The information relating to the Company's operating segments is provided below in accordance with International Financial Reporting Standard (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 Center services.
3. Software licenses 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:

Timing of revenue recognition	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
Products transferred at a point in time	**10,097,725**	7,782,216	12,541,660
Service transferred overtime	**645,380,486**	474,692,833	285,560,365
	655,478,211	482,475,049	298,102,025

Type of customers	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
Government and government – controlled entities	**565,651,105**	400,387,136	227,645,973
Private	**89,827,106**	82,087,913	70,456,052
	655,478,211	482,475,049	298,102,025

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23. Segments Information (Continued)

Disaggregation of revenue (Continued)

Products or services	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
Operation and maintenance services	**212,473,006**	134,494,013	114,942,757
Call Center services	**301,666,363**	231,178,961	107,409,251
Software licenses and development services (SWD)	**141,338,842**	116,802,075	75,750,017
	655,478,211	482,475,049	298,102,025

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

Products or services	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
Operation and maintenance services	**44,543,279**	41,012,937	29,839,440
Call Center services	**28,310,929**	49,164,895	23,453,122
Software licenses and development services (SWD)	**27,126,856**	31,821,939	21,378,996
	99,981,064	121,999,771	74,671,558

24. Cost Of Revenue

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
Salaries, wages and other benefits	**334,508,829**	232,513,794	120,363,379
Cost of equipment, software, services and support	**169,656,834**	135,436,337	109,997,759
Insurance	**11,980,206**	9,075,281	5,167,766
Government fees	**7,562,474**	4,512,138	2,731,592
Borrowing cost	**6,756,384**	4,896,052	2,572,346
Maintenance and repair	**2,359,405**	689,817	96,785
Travel and transportation	**676,831**	362,091	1,694,555
Subscriptions	**519,083**	330,872	70,190
Depreciations	**72,398**	200,431	197,727
Others	**5,379,967**	3,437,550	476,412
	539,472,411	391,454,363	243,368,511

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25. Selling and Distribution Expenses

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
Salaries, wages and other benefits	**3,787,289**	2,392,085	2,004,262
Bank expenses and others	**2,451,562**	1,165,690	1,029,018
Tenders fees	**688,078**	882,344	680,350
Travel and transportation	**215,819**	215,258	205,700
Others	**660,802**	435,995	226,032
	7,803,550	5,091,372	4,145,362

26. General and Administrative Expenses

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
Salaries, wages and other benefits	**11,496,001**	14,688,435	8,841,501
Depreciations	**2,818,299**	2,217,032	2,051,139
Electricity and water	**1,220,434**	309,407	275,841
Repair and maintenance	**592,194**	250,914	158,950
Government fees	**586,339**	371,819	231,691
Professional fees	**571,495**	471,020	274,277
Telephone, postage, and internet	**261,187**	247,738	46,546
Travel and transportation	**239,379**	12,523	29,723
Donations	**100,800**	122,817	100,800
Hospitality	**89,307**	67,492	71,282
Subscriptions	**19,533**	110,748	50,647
Other	**2,459,082**	1,132,766	3,679,619
	20,454,050	20,002,711	15,812,016

27. Finance Cost

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
Bank expenses and others	**3,491,352**	2,101,355	1,849,807
Finance cost- Employees' Defined Benefit Obligation (Note 17)	**283,141**	186,957	256,060
	3,774,493	2,288,312	2,105,867
Borrowing cost (Note 24)	**6,756,384**	4,896,052	2,572,346
Bank expenses and others (Note 25)	**2,451,562**	1,165,690	1,029,018
	12,982,439	8,350,054	5,707,231

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28. Other Income, net

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
Rentals income	**1,263,025**	653,015	613,453
Training revenue	**517,000**		-
Loss on disposal of property, plant and equipment	**(296,355)**	(26,000)	-
Reverse provision that are no longer needed	**-**	2,624,244	628,681
Supplier debt closure	**-**	1,671,361	-
Bad debts collection	**113,431**	130,673	585,593
Others	**141,907**	276,695	-
	1,739,008	5,329,988	1,827,727

29. Earnings Per Share

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
Net profit for the year	**80,615,566**	64,371,430	23,005,330
Weighted average number of ordinary shares	**2,000,000**	2,000,000	2,000,000
Earnings per share – basic and diluted	**40.3**	32.2	11.5

There is no dilutive effect on the company's basic earnings per share.

Earnings per principal share were calculated by dividing the net profit for the year return to shareholders/partners by the weighted average number of ordinary shares outstanding during the year. For the purposes of calculating profitability for the years 2020G and 2019G and since the number of shares is equal to the number of shares after it was transformed from a limited liability company to a closed joint stock company and maintained the same capital, the profitability was calculated by assuming one legal entity, i.e. a closed joint stock.

30. Contingent Liabilities

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

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
		(Restated)	(Restated)
Letters of guarantees	**206,067,884**	97,224,177	84,956,712
	206,067,884	97,224,177	84,956,712

- During the company's normal business course, some cases against the non-material Company arise, and are currently being pled, but the final outcome of these cases cannot be determined with certainty. Management believes that the results of these cases will not have a material impact on the Company's financial statements for the year ended December 31, 2021G.

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31. Prior years restatements

During the year ended December 31, 2021G, the company adjusted the opening balance of retained earnings in accordance with the requirements of International Accounting Standard No. (8) "Accounting Policies, Changes in Accounting Estimates and Errors".

The following are adjustments to the statement of financial position as of December 31, 2020G:

	Note	2020G SR (Before Restatement)	Reclassification SR	Remeasurement SR	2020G SR (Restated)
Assets					
Trade receivables	B	121,999,771	-	(647,205)	121,352,566
Total			**-**	**(647,205)**	
Equity					
Retained earning	B, C	79,280,395	-	(833,282)	78,447,113
Total			**-**	**(833,282)**	
Liabilities					
Unearned revenue	A, C	-	29,272,835	186,077	29,458,912
Accrued expenses and other credit balances	A	69,867,724	(29,272,835)	-	40,594,889
Total			**-**	**(647,205)**	

The following are adjustments to the statement of financial position as of December 31, 2019G:

	Note	2019G SR (Before Restatement)	Reclassification SR	Remeasurement SR	2019G SR (Restated)
Assets					
Trade receivables	B	73,241,466	-	(3,153,078)	70,088,388
Total			**-**	**(3,153,078)**	
Equity					
Retained earning	B, C	45,075,500	-	(3,896,819)	41,178,681
Total			**-**	**(3,896,819)**	
Liabilities					
Unearned revenue	A, C	-	21,868,607	743,741	22,612,348
Accrued expenses and other credit balances	A	48,481,363	(21,868,607)	-	26,612,756
Zakat Payable		1,460,376	-	-	1,460,376
Total			**-**	**(3,153,078)**	

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31. Prior years restatements (Continued)

The following are adjustments to the statement of profit or loss and other comprehensive income for the year ended December 31, 2020G are as follows:

	Note	2020G SR (Before Restatement)	Reclassification SR	Remeasurement SR	2020G SR Restated))
Revenue	C	492,031,355	-	(9,556,306)	482,475,049
Cost of revenue	C	(401,568,333)	-	10,113,970	(391,454,363)
General and administrative expenses	A	(25,312,220)	5,309,509	-	(20,002,711)
Impairment loss in trade receivables	A, B	-	(5,309,509)	2,505,873	(2,803,636)
Profit before zakat		**63,053,195**	**-**	**3,063,537**	**66,116,732**
Net profit for the year		**61,307,893**	**-**	**3,063,537**	**64,371,430**
Other comprehensive income					
Total comprehensive income for the year		**59,514,680**	**-**	**3,063,537**	**62,578,217**

The following are adjustments to the statement of profit or loss and other comprehensive income for the year ended December 31, 2019G are as follows:

	Note	2019G SR (Before Restatement)	Reclassification SR	Remeasurement SR	2019G SR Restated))
Revenue	C	306,159,332	-	(8,057,307)	298,102,025
Cost of revenue	C	(250,682,077)	-	7,313,566	(243,368,511)
General and administrative expenses	A	(22,691,228)	6,879,212	-	(15,812,016)
Impairment loss in trade receivables	A, B	-	(6,879,212)	(3,153,078)	(10,032,290)
Profit before zakat		**28,362,525**	**-**	**(3,896,819)**	**24,465,706**
Net profit for the year		**26,902,149**	**-**	**(3,896,819)**	**23,005,330**
Other comprehensive income					
Total comprehensive income for the year		**26,450,693**	**-**	**(3,896,819)**	**22,553,874**

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(A Saudi Closed Joint Stock Company)
Notes to the financial statements
For the Year Ended 31 December 2021G

31. Prior years restatements (Continued)

Illustrative notes to reconcile the statement of financial position as at December 31, 2020G and December 31, 2019G, and the statement of profit or loss and other comprehensive income for the year ended December 31, 2020G and for the year ended December 31, 2019G:

A. Some of the comparative figures have been reclassified to correspond to the presentation of the financial statements for the current year.

B. The impact of International Financial Reporting Standards No. (9) for expected credit losses for the years ending in 2019G and 2020G have been reversed by calculating the Impairment loss in trade receivables by applying the provision matrix on the total trade receivables, classifying them as credit in terms of their ages, and determining the risk ratio accordingly.

C. The impact on revenues and costs resulting from the product of selling text message (Yamamah) has been reversed according to International Financial Reporting Standards No. (15) by remeasuring and interpreting the mechanism of applying International Financial Reporting Standards No. (15) from the method of calculating revenue when shipping balances to customers to the method of calculating revenue against customers' use of the charged balance, which resulted in a change in the revenue calculation from a point in time to a time span.

32. 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 on continuously. Receivable balances are monitored so that the Company does not incur significant bad debts. Cash balances in the banks are maintained with high credit rating financial institutions.

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

	31 December 2021G SR	31 December 2020G SR	31 December 2019G SR
Cash and cash equivalents	**69,459,058**	10,548,191	3,350,350
Due from related parties	**2,489,206**	3,960,182	6,922,625
Contracts assets	**192,098,326**	61,707,235	36,488,547
Trade receivables	**97,829,429**	121,352,566	70,088,388
Investments at FVOCI	**1,501,504**	1,014,027	-
Other receivables	**2,759,378**	3,221,258	6,500,887
	366,136,901	201,803,459	123,350,797

Perfect Presentation for Commercial Services Company
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Notes to the financial statements
For the Year Ended 31 December 2021G

32. 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:

December 31, 2021G	Saudi riyals			
	Less than one year	More than one year and less than five years	More than five years	Total
Financial liabilities				
Trade payables	**67,425,738**	**-**	**-**	**67,425,738**
Due to related parties	**6,840,023**	**-**	**-**	**6,840,023**
Accrued expenses and other credit balances	**91,538,079**	**-**	**-**	**91,538,079**
Loans	**86,730,631**	**7,256,103**	**-**	**93,986,734**
Zakat payable	**3,473,389**	**-**	**-**	**3,473,389**
	256,007,860	**7,256,103**	**-**	**263,263,963**

December 31, 2020G (Restated)	Saudi riyals			
	Less than one year	More than one year and less than five years	More than five years	Total
Financial liabilities				
Trade payables	27,384,830	-	-	27,384,830
Due to related parties	14,661,728	-	-	14,661,728
Accrued expenses and other credit balances	40,594,889	-	-	40,594,889
Loans	67,887,726	9,953,435	-	77,841,161
Zakat payable	1,745,302	-	-	1,745,302
	152,274,475	9,953,435	-	162,227,910

Perfect Presentation for Commercial Services Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements
For the Year Ended 31 December 2021G

32. Risk Management of Financial Instruments (Continued)

Liquidity risk (Continued)

December 31, 2019G (Restated)	Saudi riyals			
	Less than one year	More than one year and less than five years	More than five years	Total
Financial liabilities				
Trade payables	12,591,237	-	-	12,591,237
Due to related parties	233,881	-	-	233,881
Accrued expenses and other credit balances	26,612,756	-	-	26,612,756
Loans	60,685,448	-	-	60,685,448
Zakat payable	1,460,376	-	-	1,460,376
	101,583,698	**-**	**-**	**101,583,698**

Market risk

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

Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that'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.

Commission rate risk

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

Perfect Presentation for Commercial Services Company
(A Saudi Closed Joint Stock Company)
Notes to the financial statements
For the Year Ended 31 December 2021G

33. Significant Events

Based on the Royal Decree No. 61879, issued on Shawwal 27, 1442 AH (corresponding to June 8, 2021G) to expropriate real estate and temporary hand position of these affiliated properties within the Al-Khuzama district that are needed by the Diriyah Gate Development Authority for the purpose of developing its project for the public benefit, the company's management submitted all the papers Regulatory requirements in this regard via the electronic portal. Until the date of preparing the financial report, there was no official letter or response from the authority explaining the amount or mechanism of compensation, which must reflect its impact in these financial statements. Note that the company's management obtained a recent evaluation of this property, which showed that there was no need to record any impairment losses.

34. Subsequent Events

Management opinion, there are no significant subsequent events after the year ended December 31, 2021G that could have a material impact on the company's financial position or results of operation.

35. Approval of the Financial Statements

The financial statements were approved by the Company's Board of Director at 29 Rajab 1443H (corresponding 2 March 2022G).

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Financial Statements and Independent Auditor's Report
For the year ended 31 December 2020G

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Independent Auditor's Report

To the Partners,
Perfect Presentation for Commercial Services Company
(Limited liability Company)
Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Perfect Presentation for Commercial Services Company (the "Company"), which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia ("ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with professional code of conduct and ethics endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter
We draw attention to note 2 of these financial statements related to the basis of preparation of the financial statement which shows that the investment in the subsidiary company was accounted under the basis of the equity method and not by applying the standard of consolidation of financial statements, as the company benefited from exemptions from International Financial Reporting Standards, by not preparing consolidated financial statements where the Parent Company, The Ideal for Business and Investment Trade Company's, prepares consolidated financial statements under International Financial Reporting Standards. Our opinion has not been modified concerning this matter.

Other matter
The financial statements of the Company for the year ended 31 December 2019 were audited by another auditor, who expressed an unmodified opinion on those financial statements on 23 Dhul Qa'dah 1441H corresponding to 14 July 2020G.

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

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

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Email: saudi@bakertillyjfc.com | Website: www.bakertillymkm.com
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Independent Auditor's Report (Continued)

To the Partners,
Perfect Presentation for Commercial Services Company

Report on the audit of the financial statements (Continued)

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

As part of an audit in accordance with ("ISA"), we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements
Article 135 of the regulations for Companies requires the auditor to include in his report any observed non-compliance with the regulations. During our audit we observed a violation, that has no significant impact on the financial statements, whereby the Company did not comply to timelines stipulated in Article 175 of the Regulation for Companies.

BAKER TILLY MKM & CO.
Certified Public Accountants

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License 323 11 479 ترخيص
BAKER TILLY
M K M & CO.

Majed Muneer Alnemer
(Certified Public Accountant - License No. 381)
Riyadh on 27 Shawwal 1442H
Corresponding to 8 June 2021G

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Statement of Financial Position
As at 31 December 2020G

	Note	2020G SR	2019G SR
ASSETS			
Noncurrent assets			
Property, plant and equipment	5	**98,059,454**	63,871,310
Investments at fair value through OCI	6	**1,014,027**	-
Investment in a subsidiary	7	**19,089**	-
Total noncurrent assets		**99,092,570**	63,871,310
Current assets			
Inventories	8	**5,413,278**	1,082,037
Due from related parties	9	**3,960,182**	6,922,625
Accrued revenues		**61,707,235**	36,488,547
Trade receivables	10	**121,999,771**	73,241,466
Prepaid expenses and other debit balances	11	**14,547,383**	20,321,491
Cash and cash equivalents	12	**10,548,191**	3,350,350
Total current assets		**218,176,040**	141,406,516
TOTAL ASSETS		**317,268,610**	205,277,826
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**20,000,000**	20,000,000
Additional Share capital		**6,670,311**	6,670,311
Statutory reserve	14	**6,000,000**	2,690,215
Retained earnings		**79,280,395**	45,075,500
Total equity		**111,950,706**	74,436,026
Liabilities			
Non-current liabilities			
Employee defined benefits obligations	15	**13,817,159**	7,389,495
Long-term borrowings	16 a	**9,953,435**	-
Total noncurrent liabilities		**23,770,594**	7,389,495
Current liabilities			
Trade payables		**27,384,830**	12,591,237
Due to related parties	9	**14,661,728**	233,881
Short-term borrowings	16 b	**67,040,118**	60,685,448
Current portions of long-term borrowings	16 a	**847,608**	-
Accrued expenses and other credit balances	17	**69,867,724**	48,481,363
Zakat payable	18	**1,745,302**	1,460,376
Total current liabilities		**181,547,310**	123,452,305
Total liabilities		**205,317,904**	130,841,800
TOTAL EQUITY AND LIABILITIES		**317,268,610**	205,277,826

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

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2020G

	Note	2020G SR	2019G SR
Revenue		**492,031,355**	306,159,332
Cost of revenue		**(401,568,333)**	(250,682,077)
Gross profit		**90,463,022**	55,477,255
Selling and distribution expenses	20	**(5,091,372)**	(4,145,362)
General and administrative expenses	21	**(25,312,220)**	(22,691,228)
Operating income		**60,059,430**	28,640,665
Finance cost		**(2,288,312)**	(2,105,867)
Other income	22	**5,329,988**	1,827,727
Company's Share in the net losses of a subsidiary	7	**(47,911)**	-
Profit before zakat		**63,053,195**	28,362,525
Zakat	18	**(1,745,302)**	(1,460,376)
Net profit for the year		**61,307,893**	26,902,149
Other comprehensive income			
Items that will not be reclassified to profit or in subsequent years:			
Remeasurements of employees' defined benefit liability	15	**(2,290,590)**	(451,456)
Revaluation of investment at fair value through OCI	6	**497,377**	-
Total other comprehensive loss for the year		**(1,793,213)**	(451,456)
Total comprehensive income for the year		**59,514,680**	26,450,693

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

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Statement of Changes in Equity
For the Year Ended 31 December 2020G

	Note	Share capital	Additional share capital	Statutory reserve	Retained earnings	Total equity
		SR	SR	SR	SR	SR
Balance as at 1 January 2019G		1,000,000	-	500,000	47,815,022	49,315,022
Net profit for the year		-	-	-	26,902,149	26,902,149
Other comprehensive loss for the year		-	-	-	(451,456)	(451,456)
Total comprehensive income for the year		-	-	-	26,450,693	26,450,693
Partner's contribution in the additional share capital		-	6,670,311	-	-	6,670,311
Dividends paid	19	-	-	-	(8,000,000)	(8,000,000)
Transfer to share capital		19,000,000		(500,000)	(18,500,000)	-
Transfer to statutory reserve	14	-	-	2,690,215	(2,690,215)	-
Balance as at 31 December 2019G		20,000,000	6,670,311	2,690,215	45,075,500	74,436,026
Balance as at 1 January 2020G		**20,000,000**	**6,670,311**	**2,690,215**	**45,075,500**	**74,436,026**
Net profit for the year		**-**	**-**	**-**	**61,307,893**	**61,307,893**
Other comprehensive loss for the year		**-**	**-**	**-**	**(1,793,213)**	**(1,793,213)**
Total comprehensive income for the year		**-**	**-**	**-**	**59,514,680**	**59,514,680**
Dividends paid	**19**	**-**	**-**	**-**	**(22,000,000)**	**(22,000,000)**
Transfer to statutory reserve	**14**	**-**	**-**	**3,309,785**	**(3,309,785)**	**-**
Balance as at 31 December 2020G		**20,000,000**	**6,670,311**	**6,000,000**	**79,280,395**	**111,950,706**

The accompanying notes form an integral part of these financial statements

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Statement of Cash Flows
For the Year Ended 31 December 2020G

	2020G SR	2019G SR
Cash flows from operating activities		
Profit before zakat	**63,053,195**	28,362,525
Adjustments for:		
Depreciation of property, plant and equipment	**2,417,463**	2,248,866
Expected credit losses provision	**5,309,509**	6,879,212
Losses on disposal of property, plant and equipment	**26,000**	-
Employees' defined benefit obligation incurred	**6,265,286**	1,960,803
Finance cost	**186,957**	256,060
Company's share in the net losses of a subsidiary	**47,911**	-
Changes in operation assets and liabilities:		
Inventory	**(4,331,241)**	(453,607)
Due from / to related parties	**17,390,290**	3,737,583
Accrued revenues	**(25,218,688)**	(19,803,097)
Trade receivables	**(54,067,814)**	(13,767,526)
Prepaid expenses and other assets	**5,774,108**	(7,669,028)
Trade payables	**14,793,593**	(14,541,484)
Accrued expenses and other liabilities	**21,386,361**	24,815,924
Cash flows from operating activities	**53,032,930**	12,026,231
Employees' defined benefits paid	**(2,315,169)**	(838,496)
Zakat paid	**(1,460,376)**	(911,792)
Net cash flows from operating activities	**49,257,385**	10,275,943
Cash flows from investing activities		
Purchases of property, plant and equipment	**(36,714,572)**	(45,460,724)
Proceeds from disposal of property's plant and equipment	**82,965**	-
Additions of investments at fair value through OCI	**(516,650)**	-
Additions of investment in a subsidiary	**(67,000)**	-
Net cash flows used in investing activities	**(37,215,257)**	(45,460,724)
Cash flows from financing activities		
Net change in borrowings	**17,155,713**	39,615,203
Dividends paid	**(22,000,000)**	(8,000,000)
Net cash (used in) from financing activities	**(4,844,287)**	31,615,203
Net change in cash and cash equivalents	**7,197,841**	(3,569,578)
Cash and cash equivalents at beginning of the year	**3,350,350**	6,919,928
Cash and cash equivalents at end of the year	**10,548,191**	3,350,350
Non-cash transactions:		
Transfer from retained earnings to share capital	**-**	18,500,000
Transfer from related parties to the additional share capital	**-**	6,670,311
Transfer from statutory reserve to share capital	**-**	500,000

The accompanying form an integral part of these financial statements.

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the financial statements
For the Year Ended 31 December 2020G

1. Company Information

Perfect Presentation for Commercial Services Company (the "Company") is a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration No. 1010203693 issued in Riyadh on 25 Shawwal 1425H (corresponding to 8 December 2004G). The registered address of the Company is Al Imam Muhammad Ibn Saud road khozama district, P.O. Box 105523, Riyadh 12572, Kingdom of Saudi Arabia.

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

CR number	Location	Register date
1010260349	Riyadh	7 Rajab 1431H (corresponding to 20 June 2010G)
4031218300	Makkah	13 Safar 1440H (corresponding to 22 October 2018G)

The company main activity is installation and extension of computer networks and communications, 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 provision of call center service.

2. Basis of Preparation

The financial statements of the Company for the year ended 31 December 2020G have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the Kingdom of Saudi Arabia and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants (" SOCPA"). except for the investment in the subsidiary, which was accounted for using the equity method instead of consolidation, as the company benefited from exemptions from international standards.by not preparing consolidated financial statements where the Parent Company, The Ideal for Business and Investment Trade Company, prepares consolidated financial statements in accordance with International Financial Reporting Standards as adopted in the Kingdom of Saudi Arabia and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants and Regulations for Companies and the Company's Articles of Association that are related to the preparation and presentation of the financial statements. Details of the Company's significant accounting policies are disclosed in note (4).

These financial statements have been prepared on the historical cost basis except for the employees' defined benefit obligations which are measured using the planned credit method by unit and the actuarial assessments at the end of the reporting period. Historical cost generally represents the fair value of the specific price paid in exchange for goods and services.

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

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the financial statements
For the Year Ended 31 December 2020G

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

Financial instruments risk management	Note 23
Sensitivity analysis disclosures	Note 14

Judgements

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

Estimates and assumptions

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

Fair value measurement of financial instruments

When the fair values of financial assets cannot be measured based on quoted prices or active trading of some instruments at the date the statement of financial position. The fair value is estimated using various valuation techniques which include the use of pricing models where the information is taken from observing the market. Where this is not feasible, a degree of estimate and judgment is required in establishing fair values.

Long-term assumptions for employees' benefits

Employees' defined benefit liabilities and benefit payments represent obligations that will be settled in the future and require assumptions to project obligations and fair values of plan assets, if any. Management is required to make further assumptions regarding variables such as discount rates, rate of salary increase and return on assets, mortality rates, employee turnover, and future healthcare costs. Periodically, the management of the Company consults with external actuaries regarding these assumptions. Changes in key assumptions can have a significant impact on the employee benefit obligations.

Useful lives of real estate, plant and equipment

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

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the financial statements
For the Year Ended 31 December 2020G

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Impairment of trade receivables

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

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

The assessment of the correlation between historically observed default rates forecasts economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the trade receivables is disclosed in Notes 9.

4. Summary of Significant Accounting Policies

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

Classification the assets and liabilities to current and non-current

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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4. Summary of Significant Accounting Policies (continued)

Foreign currency translation

Foreign currency transactions and balances

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss.

Property, plant and equipment

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

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

Category	Percentage
Buildings	5 – 10%
Vehicles	20%
Furniture and fixtures	14 – 28%
Computers	14 – 28%
Constructions and fitting	25%
Improvements and decoration	25%
Website	25%

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

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

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4. Summary of Significant Accounting Policies (continued)

Borrowing Costs

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

Inventories

Inventory represents in SMS packages and electronic devices, stated at the lower cost or net realizable value. Cost is determined on a weighted average cost basis.

Financial Assets

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial assets at amortised cost

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

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

Equity instruments designated at fair value through OCI

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

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4. Summary of Significant Accounting Policies (continued)

Financial Assets (continued)

Derecognition of financial assets

A financial asset is primarily derecognised when:

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

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

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

Impairment of financial assets

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

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

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

Trade receivables

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

Cash and cash equivalents

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

For the purpose of preparing the statement of cash flow, cash and cash equivalents include bank balances as explained above after deducting overdraft accounts with banks, if any, as they are considered an integral part of the company's cash management.

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4. Summary of Significant Accounting Policies (continued)

Statutory Reserve

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

Employee Termination Benefits

The cost of employees' defined benefit obligation is determined using actuarial valuations and projected unit credit method.

Re-measurements, comprising of actuarial gains and losses are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Trade payables and the accrued balances

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

Provisions

General

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

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

Financial Liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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4. Summary of Significant Accounting Policies (continued)

Financial Liabilities (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of Financial Instruments

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

Revenue from Contracts with Customers

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

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in IFRS 15 " Revenue from contracts with the customers" on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of recognizing it as revenue, the Company recognizes a refund liability. A right of return asset (and the corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of goods purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The Company applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

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

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4. Summary of Significant Accounting Policies (continued)

Financial Liabilities (continued)

Contract liabilities

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

Assets and liabilities arising from rights of return

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products. A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Cost to obtain a contract

The Company pays for bid fees and technical studies performed by third parties in order to obtain contracts. These costs are capitalised and amortized over the term of the contract on a straight-line basis.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are recognized as expense on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Revenue recognition

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

The company recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Company's activities, as described below:

A. Revenue from sale of goods

Revenue from sale of goods are recognized when the Company entity has delivered products to the customer, the customer has full discretion over the use or sale of such products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery does not occur until the products have been shipped to the specific location as per the terms of the contract, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

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4. Summary of Significant Accounting Policies (continued)

Revenue recognition (continued)

B. Revenue from rendering of services

Revenue from services is recognized in the accounting period in which the services are rendered.

Direct costs

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

Expenses

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

Zakat

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

Value-added tax

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

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

Withholding Tax

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

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5. Property, Plant and Equipment

	Land	Buildings	Vehicles	Furniture and Fixtures	Computers	Construction and Fitting	Improvements and Decorations	Project under Construction	Total
	SR	SR	SR	SR	SR	SR	SR	SR	SR
Cost									
1 January 2019G	3,587,500	16,346,643	1,327,900	2,281,014	7,676,458	748,799	1,870,177	-	33,838,491
Additions	-	13,856	-	360,727	37,641	-	3,500	45,045,000	45,460,724
31 December 2019G	3,587,500	16,360,499	1,327,900	2,641,741	7,714,099	748,799	1,873,677	45,045,000	79,299,215
Additions	**3,441,000**	**4,084,000**	**165,360**	**1,223,751**	**2,670,989**	**-**	**-**	**25,129,472**	**36,714,572**
Disposals	**-**	**-**	**(975,400)**	**-**	**(2,190)**	**-**	**-**	**-**	**(977,590)**
31 December 2020G	**7,028,500**	**20,444,499**	**517,860**	**3,865,492**	**10,382,898**	**748,799**	**1,873,677**	**70,174,472**	**115,036,197**
Accumulated depreciation									
1 January 2019G	-	3,477,371	722,720	1,328,780	5,304,731	592,590	1,752,847	-	13,179,039
Charge for the year	-	966,596	258,037	307,895	628,396	81,329	6,613	-	2,248,866
31 December 2019G	-	4,443,967	980,757	1,636,675	5,933,127	673,919	1,759,460	-	15,427,905
Charge for the year	**-**	**1,063,380**	**201,380**	**416,274**	**723,699**	**-**	**12,730**	**-**	**2,417,463**
Disposals	**-**	**-**	**(866,435)**	**-**	**(2,190)**	**-**	**-**	**-**	**(868,625)**
31 December 2020G	**-**	**5,507,347**	**315,702**	**2,052,949**	**6,654,636**	**673,919**	**1,772,190**	**-**	**16,976,743**
Net book value:									
31 December 2020G	**7,028,500**	**14,937,152**	**202,158**	**1,812,543**	**3,728,262**	**74,880**	**101,487**	**70,174,472**	**98,059,454**
31 December 2019G	3,587,500	11,916,532	347,143	1,005,066	1,780,972	74,880	114,,217	45,045,000	63,871,310

Projects under construction as at 31 December 2020G and 2019G represents the costs incurred for works of constructing and preparation for Qairouan building.

- This caption includes land and buildings mortgaged as a guarantee of long-term loans amounting to SR 7,350,000.

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6. Investments at Fair Value Through OCI

	2020G SR	2019G SR
1 January	-	-
Addition during the year	**516,650**	-
Changes in fair value during the year	**497,377**	-
31 December	**1,014,027**	-

7. Investment in a Subsidiary

Name of subsidiary	Percentage of ownership %		Country of incorporation
	2020G	2019G	
Smart Health for Communications and Information Technology Company	67%	-	Kingdom of Saudi Arabia

The movement of investment in a subsidiary for the year ended 31 December as follows:

	2020G SR	2019G SR
1 January	-	-
Addition during the year	**67,000**	-
Share in the net losses of a subsidiary	**(47,911)**	-
31 December	**19,089**	-

The Smart Health for Communications and Information Technology Company is a limited liability company registered in Riyadh under Commercial register number 1010651587 dated 17 Moharram 1442H (corresponding to 5 September 2020G).

The company's activity, as stated in its commercial register, is the installation of radiological and medical equipment and devices, wholesale of medical devices, equipment and supplies, wholesale of computers and their accessories, including (selling printers and their inks), wholesale of software, including import, retail sale of computers and their accessories, including (printers and their inks)

The subsidiary has not carried on any commercial activity since the date of its incorporation until 31 December 2020G.

8. Inventories

	2020G SR	2019G SR
Bulk messages	**1,330,198**	1,082,037
Fingerprint devices	**4,083,080**	-
	5,413,278	1,082,037

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9. Related Parties' Transaction and Balances

Related parties represent major 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
Cloud Distribution for Communications and Information Technology Company	Affiliate
Sustainable Energy Company	Affiliate
Perfect Presentation for Commercial Services Company- Jordan	Affiliate
Perfect Presentation for Commercial Services Company- Egypt	Affiliate
Information Technology Belt Company	Affiliate
Smart Health for Communications and Information Technology Company	Subsidiary
Prime Technical Contracting Est	Related to a Partner
Nasser Abdullah bin Muhammad Al-Bassam	Partner
Saleh bin Ibrahim bin Hamad Al Mazrou	Partner
The Ideal for Business and Investment Trade Company	Partner

The following is a summary of the transactions carried out with related parties for the year ended 31 December:

	2020G SR	2019G SR
Purchases from related parties	**19,432,608**	29,849,925
Financing, net	**7,534,353**	9,098,839
Expenses paid on behalf	**(9,661,225)**	6,613,876
Dividend	**(22,000,000)**	(8,000,000)

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

	2020G SR	2019G SR
Perfect Presentation for Commercial Services Company- Jordan	**1,322,164**	1,143,908
Cloud Distribution for Communications and Information Technology Company	**912,690**	2,674,538
Perfect Presentation for Commercial Services Company- Egypt	**882,335**	882,335
Information Technology Belt Company	**738,485**	624,525
Smart Health for Communications and Information Technology Company	**104,508**	-
Prime Technical Contracting Est	-	1,359,983
Nasser Abdullah bin Muhammad Al-Bassam	-	90,229
The Ideal for Business and Investment Trade Company	-	74,000
Saleh bin Ibrahim bin Hamad Al Mazrou	-	73,107
	3,960,182	6,922,625

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9. Related Parties' Transaction and Balances (Continued)

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

	2020G SR	2019G SR
Prime Technical Contracting Est.	**6,757,455**	233,881
The Ideal for Business and Investment Trade Company	**5,803,830**	-
Sustainable Energy Company	**2,100,443**	-
	14,661,728	233,881

10. Trade Receivables

	2020G SR	2019G SR
Trade receivables	**121,999,771**	74,671,558
Less: allowance for expected credit losses	**-**	(1,430,092)
	121,999,771	73,241,466

The movement in the allowance for expected credit losses for the trade receivables for the years ended in 31 December is as follows:

	2020G SR	2019G SR
1 January	**1,430,092**	-
Additions	**5,309,509**	6,879,212
Write-offs	**(6,739,601)**	(5,449,120)
31 December	**-**	1,430,092

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

	Total SR	Current SR	Balances that are past due but not impaired				
			31-60 days SR	61-90 days SR	91-180 days SR	181-360 days SR	More than 360 days SR
2020G	**121,999,771**	**40,385,988**	**34,939,479**	**20,865,412**	**12,819,736**	**9,520,138**	**3,469,018**
2019G	74,671,558	42,443,104	15,175,302	8,020,400	3,200,135	5,485,186	347,431

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11. Prepaid Expenses and Other Assets

	2020G SR	2019G SR
Bank margins	**7,729,147**	9,876,018
Advances to suppliers	**3,221,258**	6,500,887
Prepaid expenses	**2,968,676**	3,332,201
Employee's receivables	**608,156**	592,239
Others	**20,146**	20,146
	14,547,383	20,321,491

12. Cash and Cash Equivalents

	2020G SR	2019G SR
Cash at banks	**10,099,637**	3,086,644
Cash on hand	**448,554**	263,706
	10,548,191	3,350,350

13. Share Capital

The Company share capital amounting to SR 20,000,000 consist of 1,000 shares of SR 20,000 each distributed among the partners as follows as at 31 December 2020G and 2019G:

Partner	No. of shares	Share capital SR
The Ideal for Business and Investment Trade Company	**740**	14,800,000
Saleh bin Ibrahim bin Hamad Al Mazro	**130**	2,600,000
Nasser Abdullah bin Muhammad Al-Bassam	**130**	2,600,000
	1,000	20,000,000

14. Statutory reserve

In accordance with the Regulations for Companies and the Company's Articles of Association, the Company established a statutory reserve by appropriation of 10% of the annual net profit until the reserve reached 30% of the share capital. This reserve is not available for distribution as dividends.

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15. Employees' Defined Benefit Obligation

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

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

	2020G SR	2019G SR
1 January	**7,389,495**	5,559,672
Current service cost	**6,265,286**	1,960,803
Finance cost	**186,957**	256,060
Total charge to profit or loss	**13,841,738**	7,776,535
Actuarial re-measurement loss	**2,290,590**	451,456
Total charge to other comprehensive income	**2,290,590**	451,456
Paid	**(2,315,169)**	(838,496)
31 December	**13,817,159**	7,389,495

Principal actuarial assumptions

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

	2020G	2019G
Valuation discount rate	**3.50%**	3%
Expected rate of increase in salary level	**3.50%**	3%
Employee turnover	**High**	High

The sensitivity analysis of principal actuarial assumptions is as follows:

	2020G		2019G	
	%	SR	%	SR
Valuation discount rate				
Increase	**1% +**	**12,841,071**	0.5% +	7,095,741
Decrease	**1% -**	**14,950,494**	0.5% -	7,705,837
Expected rate of increase in salary				
Increase	**1% +**	**14,938,686**	0.5% +	7,569,756
Decrease	**1% -**	**12,832,138**	0.5% -	7,219,216

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16. Bank Facilities

A. Long-term loans

Long term loans comprise the following:

	2020G SR	2019G SR
Non-current portion shown under non-current liabilities	**9,953,435**	-
Current portion shown under current liabilities	**847,608**	-
	10,801,043	-

The Company have obtained loans from various commercial banks. These loans generally bear finance costs based on inter-bank offer rates plus a fixed margin. Certain of these loans are secured by a mortgage on property, plant and equipment.

The long-term loans are denominated in Saudi Riyals.

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

	2020G SR	2019G SR
For years ended 31 December		
2021G	**847,608**	-
2022G	**2,697,331**	-
2023G	**2,812,080**	-
2024G	**2,931,712**	-
2025G	**1,512,312**	-
	10,801,043	-

B. Short- term loans

Short- term loans comprise the following:

	2020G SR	2019G SR
Short-term bank loans	**67,040,118**	60,685,448
	67,040,118	60,685,448

These represent borrowing facilities obtained from various commercial banks and bear financial charges at prevailing market rates which are based on inter-bank offer rates plus a fixed margin. Management intends to roll over the short-term loans at maturity. Certain of these loans are secured by personal guarantee of the partners, signing promissory notes, and assignment of projects, trade receivables funded through these facilities.

The short-term loans are denominated in Saudi Riyals.

C. Breach of loan covenants

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

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the financial statements
For the Year Ended 31 December 2020G

17. Accrued Expenses and Other Liabilities

	2020G SR	2019G SR
Customers' accruals	**17,427,536**	7,313,566
Accrued vacations	**16,106,087**	5,668,673
Unearned revenues	**11,845,299**	14,555,041
Accrued commissions	**5,665,096**	3,496,813
Advance from customers	**4,647,082**	10,741,253
Social security	**3,140,646**	1,032,594
Value added tax, net	**2,461,661**	265,207
Accrued salaries and wages	**1,596,300**	1,769,510
Professional fees	**52,500**	-
Others	**6,925,517**	3,638,706
	69,867,724	48,481,363

18. Zakat Payable

The principal elements of the Zakat base as at 31 December are as follows:

	2020G SR	2019G SR
Share capital	**2,000,000**	1,000,000
Additional share capital	**6,670,311**	-
Statutory reserve	**2,690,215**	500,000
Retained earning	**23,075,500**	42,300,880
Adjusted net income	**69,812,089**	34,109,480
Provisions and other adjustments	**11,147,521**	43,643,540
Investment at fair value through other comprehensive income	**(1,014,027)**	-
Property, plant and equipment	**(98,059,454)**	(63,871,310)

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

Zakat was calculated based on 2.5% of zakat base or net adjusted income for the year which is bigger.

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

	2020G SR	2019G SR
1 January	**1,460,376**	911,792
Zakat expense	**1,745,302**	1,460,376
Paid during the year	**(1,460,376)**	(911,792)
31 December	**1,745,302**	1,460,376

Zakat status

The Company has filed its zakat returns up to the year ended 31 December 2019G to the General Authority of Zakat and Tax.

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the financial statements
For the Year Ended 31 December 2020G

19. Dividends

During 2020G, the General Assembly of Partners approved to distribute dividends amounting to SR 22,000,000 (2019G: SR 8,000,000).

20. Selling and Distribution Expenses

	2020G SR	2019G SR
Salaries, wages and other benefits	**2,392,085**	2,004,262
Tenders fees	**882,344**	680,350
Travel and transportation	**215,258**	205,700
Others	**1,601,685**	1,255,050
	5,091,372	4,145,362

21. General and Administrative Expenses

	2020G SR	2019G SR
Salaries, wages and other benefits	**14,688,435**	8,841,501
Provision for expected credit losses	**5,309,509**	6,879,212
Depreciation	**2,403,542**	2,051,139
Electricity and water	**309,407**	275,841
Professional fees	**471,020**	274,277
Government fees	**371,819**	231,691
Repair and maintenance	**250,914**	158,950
Subscription	**110,748**	50,647
Telephone, postage and internet	**61,228**	46,546
Other	**1,335,598**	3,881,424
	25,312,220	22,691,228

22. Other income

	2020G SR	2019G SR
Reverse of provision no longer needed	**2,624,244**	-
Close suppliers' debts	**1,671,361**	-
Rent income	**653,015**	-
Recoveries of bad debts collection	**130,673**	-
Other	**250,695**	1,827,727
	5,329,988	1,827,727

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the financial statements
For the Year Ended 31 December 2020G

23. Contingent Liabilities

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

	2020G SR	2019G SR
Letter of guarantees	**97,224,177**	84,956,712
	97,224,177	84,956,712

24. 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 and interest rate 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 contract assets, trade receivables and bank balances through the credit limits for each customer and monitor the uncollected receivables on continuously. Receivable balances are monitored so that the Company does not incur significant bad debts. Cash balances in the banks are maintained with high credit rating financial institutions.

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.

Market risk

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

Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that'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 is the exposure associated with the effect of fluctuations in the prevailing interest rates on the company's financial position and cash flows. Management monitors changes in interest rates and manages the impact on the financial statements.

Stock price risk

A company's investments in other companies' equity instruments are subject to market price risks resulting from uncertainty about the future values of those investments.

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the financial statements
For the Year Ended 31 December 2020G

25. Significant Events

There are no significant events during the year that may require adjustments to or disclosure in these financial statements, except for the continuing existence of the emerging coronavirus (Covid-19), which has spread throughout the world, causing disruptions in business and economic activity. Given that the situation is unstable and characterized by rapid development, it is impractical to make a quantitative estimate of the potential impact of this spread on these financial statements.

26. Comparison Figures

Certain comparative figures for the prior period have been reclassified to conform with the presentation for the current period.

27. Approval of the Financial Statements

The financial statements were approved by the Company management at 27 Shawwal 1442H (corresponding 8 June 2021G).

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Riyadh – Saudi Arabia
Financial Statements and
Independent Auditor's Report
For the year ended 31 December 2019G

ASSOCIATED ACCOUNTANTS
Houmod Al Robian and Co. - Certified Accountants and Consultants

Independent Auditor's Report

To, The Partners
Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Riyadh - Saudi Arabia

Opinion:

We have audited the financials statements of **Perfect Presentation for Commercial Services Company** (the "Company") which comprises of statement of financial position as at 31 December 2019 and the related statements of profit or loss and other comprehensive income, cash flows and changes in Partners' equity for the year then ended, and the summary of significant accounting policies and explanatory notes from 1 to 22.

In our opinion, the financial statements referred to above in whole present fairly, in all material respects, the financial position of **Perfect Presentation for Commercial Services Company** as of 31 December 2019 and the results of its operations, its cash flows and changes in Partners' equity for the year then ended are in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA.

Basis for Opinion:

We conducted our audit in accordance with the International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Saudi Arabia, and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS as endorsed by SOCPA, and other standards and pronouncement issued by SOCPA in the Kingdom of Saudi Arabia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud of error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements:

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

GGi INDEPENDENT MEMBER
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ASSOCIATED ACCOUNTANTS

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Independent Auditor's Report (continued)

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal Control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion, our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of entities or businesses within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company's audit process. We remain solely responsible for our opinion on the review.

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

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

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

GGi INDEPENDENT MEMBER

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Independent Auditor's Report (continued)

Report on Other Legal and Regulatory Requirements:

Based on the information that has been made available to us, nothing has come to our attention that causes us to believe that the Company is not in compliance, in all material respects, with the applicable requirements of the Regulations for companies and the Company's Article of Association in so far as they affect the preparation and presentation of the financial statements.

Date: July 14, 2020

Associated Accountants
Independent Member of Geneva Group International

Hamoud Ali Al-Rubian
(License No. 222)

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Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Statement of Financial Position
as of 31 December 2019G
(Saudi Riyal)

	Note	2019G	2018G
Assets			
Non-current assets:			
Property, plant and equipment, net	4&5	**63,871,310**	20,659,452
Total non-current assets		**63,871,310**	20,659,452
Current assets:			
Due from related parties	6	**6,922,625**	5,092,499
Inventory	4&7	**1,082,037**	628,430
Accrued revenues		**36,488,547**	16,685,450
Accounts receivable, net	4&8	**73,241,466**	66,353,152
Prepayments, and other receivables	4&9	**20,321,491**	12,652,463
Cash in hand and at banks	4&10	**3,350,350**	6,919,928
Total current assets		**141,406,516**	108,331,922
Total assets		**205,277,826**	128,991,374
Partners' Equity and Liabilities			
Partners' equity:			
Share capital	11	**20,000,000**	1,000,000
Additional contribution in share capital		**6,670,311**	-
Statutory reserve	12	**2,690,215**	500,000
Retained earnings		**48,012,814**	50,300,880
Actuarial reserve	4	**(2,937,314)**	(2,485,858)
Total partners' equity		**74,436,026**	49,315,022
Liabilities:			
Non-current liabilities:			
Employees' benefit obligation	4&13	**7,389,495**	5,559,672
Total non-current liabilities		**7,389,495**	5,559,672
Current liabilities:			
Short-term loans	14	**60,685,448**	21,070,245
Accounts payable	4	**20,138,684**	34,680,168
Accruals, and other payables	4&15	**41,167,797**	16,351,873
Due to related parties	6	**-**	1,102,602
Zakat provision	4&16	**1,460,376**	911,792
Total current liabilities		**123,452,305**	74,116,680
Total liabilities		**130,841,800**	79,676,352
Total partners' equity and liabilities		**205,277,826**	128,991,374

The accompanying notes from 1 to 22 are an integral part of these financial statements

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2019G
(Saudi Riyal)

	Note	2019G	2018G
Revenues	4	**306,159,332**	180,226,380
Cost of revenues		**(250,682,077)**	(151,632,210)
Gross income		**55,477,255**	28,594,170
Selling and distribution expenses	4&17	**(4,145,362)**	(3,490,567)
General and administrative expenses	4&18	**(22,691,228)**	(10,837,258)
Operating income		**28,640,665**	14,266,345
Grants	19	**-**	3,596,300
Finance cost		**(2,105,867)**	(237,369)
Other income	4	**1,827,727**	801,732
Net income before Zakat		**28,362,525**	18,427,008
Zakat charge	4&16	**(1,460,376)**	(911,792)
Net income for the year		**26,902,149**	17,515,216
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial losses from re-measurement of employees' benefit obligation	4&13	**(451,456)**	(1,141,198)
Total other comprehensive income		**(451,456)**	(1,141,198)
Total comprehensive income for the year		**26,450,693**	16,374,018

The accompanying notes from 1 to 22 are an integral part of these financial statements

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Statement of Cash Flows
for the year ended 31 December 2019G
(Saudi Riyal)

	2019G	2018G
Cash Flows from Operating Activities:		
Net income for the year before Zakat	**28,362,525**	18,427,008
Adjustments to reconcile net income before Zakat to net cash flows provided by operating activities:		
Depreciations	**2,248,866**	2,703,130
Bad debt expenses	**5,449,120**	-
Expected credit loss	**1,430,092**	-
Employees' benefits obligation	**2,216,863**	1,561,451
	39,707,466	22,691,589
Change in the components of working capital:		
Inventory	**(453,607)**	1,436,395
Accrued revenues	**(19,803,097)**	(6,547,997)
Accounts receivable	**(13,767,526)**	(5,813,767)
Prepayments and other receivables	**(7,669,028)**	(12,961,984)
Accounts payable	**(14,541,484)**	1,707,646
Accrued expenses and other payable	**24,815,924**	2,646,280
Employees' benefit obligation paid	**(838,496)**	(1,798,580)
Zakat paid	**(911,792)**	(601,643)
Net cash flows provided by operating activities	**6,538,360**	757,939
Cash Flows from Investing Activities:		
Acquisition of property and equipment	**(45,460,724)**	(609,420)
Net disposal of property and equipment	**-**	9,162
Net cash flows used in investing activities	**(45,460,724)**	(600,258)
Cash Flows from Financing Activities:		
Change in bank facilities	**39,615,203**	5,577,829
Net change in related parties' balances	**3,737,583**	(1,360,753)
Dividends paid	**(8,000,000)**	(1,500,000)
Net cash flows provided by financing activities	**35,352,786**	2,717,076
Net cash (used)/generated during the year	**(3,569,578)**	2,874,757
Cash in hand and at banks at the beginning of the year	**6,919,928**	4,045,171
Cash in hand and at banks at the end of the year	**3,350,350**	6,919,928
Non-Cash Transactions:		
Transfer from retained earnings to share capital (note 11)	**18,500,000**	-
Transfer from due to related part to additional contribution in share capital	**6,670,311**	-
Transfer from statutory reserve to share capital	**500,000**	-

The accompanying notes from 1 to 22 are an integral part of these financial statements

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Statement of Changes in Partners' Equity
for the year ended 31 December 2019G
(Saudi Riyal)

	Share capital	Additional contribution in share capital	Statutory reserve	Retained earnings	Actuarial losses reserve	Total
2018G						
Balance as at 31 December 2017G	1,000,000	-	500,000	34,285,664	(1,344,660)	34,441,004
Net income for the year	-	-	-	17,515,216	-	17,515,216
Other comprehensive income	-	-	-	-	(1,141,198)	(1,141,198)
Total other comprehensive income	-	-	-	17,515,216	(1,141,198)	16,374,018
Dividends paid	-	-	-	(1,500,000)	-	(1,500,000)
2019G						
Balance as at 31 December 2018G	1,000,000	-	500,000	50,300,880	(2,485,858)	49,315,022
Net income for the year	-	-	-	**26,902,149**	-	**26,902,149**
Other comprehensive income	-	-	-	-	**(451,456)**	**(451,456)**
Total other comprehensive income	-	-	-	**26,902,149**	**(451,456)**	**26,450,693**
Transfer from due to related part to additional contribution in share capital	-	**6,670,311**	-	-	-	**6,670,311**
Dividends paid	-	-	-	**(8,000,000)**	-	**(8,000,000)**
Transfer to share capital	**19,000,000**	-	**(500,000)**	**(18,500,000)**	-	-
Transfer to statutory reserve	-	-	**2,690,215**	**(2,690,215)**	-	-
Balance as at 31 December 2019G	**20,000,000**	**6,670,311**	**2,690,215**	**48,012,814**	**(2,937,314)**	**74,436,026**

The accompanying notes from 1 to 22 are an integral part of these financial statements

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the Financial Statements
for the year ended 31 December 2019G

1. Legal Status and Activities

Perfect Presentation for Commercial Services Company ("the Company") is a limited liability Company registered in Riyadh under CR. No. 1010203693 issued Shawwal 25, 1425H corresponding to December 8, 2004G.

The main activity of the Company is to engage in import, export wholesale and retail trade in computers and their spare parts, computer services (application systems and databases), maintenance of computers, configuring computer networks and extension of the infrastructure of computers, Management, maintenance and operation of telecommunications services. Import, export and marketing service for others and non-electronic business. Maintenance and operation of electronic business and communication technology. Maintenance and operation of telecommunications technology.

The company has following branches:

Branch	Company CR. Number	Company registration date
Riyadh	1010260349	Rajab 8, 1431H corresponding to June 20, 2010G.

2. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations as issued by the International Accounting Standards Board ("IASB") as endorsed in KSA and other standards and pronouncements that are issued by the Saudi Organization for Certified Public Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA").

The financial statements are presented in Saudi Riyals (SR) which is also the functional currency of the Company. All values are presented in the financial statements in Saudi Riyals.

The preparation of financial statements in accordance with the 'International Financial Reporting Standard' requires the use of certain significant accounting estimates and requires management to exercise judgment in the application of the Company's accounting policies. The significant judgments and estimates used in the preparation of the financial statements will be disclosed in a separate paragraph in these financial statements.

3. Significant Accounting Estimates and Assumptions

The preparation of the financial statements in accordance with IFRS requires the use of judgments, estimates and assumptions that may impact the value of revenues, expenses, assets and liabilities and attached notes besides disclosure of liabilities. The uncertainty in respect of these assumptions and estimates may require material adjustment to the carrying amount of asset or liability affected in future periods.

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

A. Going concern principle

The company's management has no doubt about the company's ability to continue, accordingly the consolidated financial statements were prepared on going concern basis.

B. Estimated useful life for properties, plants and equipment

The cost of property, plant and equipment is depreciated over the expected useful life of the estimated use and obsolescence of each asset, the asset maintenance program, and technical obsolescence and asset value recoveries. The management of the company did not estimate any residual value of the assets as insignificant.

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the Financial Statements
for the year ended 31 December 2019G

3. Significant Accounting Estimates and Assumptions (continued)

C. Provision on of expected credit losses

The provision of expected credit losses is determined through many factors to ensure that the accounts receivable balances are not overstated as a result of un-collectability, including quality and aging of the accounts receivables and other consideration of un-collectability though continuous credit evaluation of the financial positions of the customers and guarantees required from the customers certain circumstances.

D. Actuarial evaluation for obligation of end of services benefits for employees:

An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions. All assumptions are reviewed at each reporting date.

E. Measurement of fair value

Fair value is the amount to be received for the sale of an asset or the payment to convert any of the liabilities in a regular transaction between the market participants on the measurement date under prevailing market conditions (e.g. present price), regardless of whether that price is directly observable or estimated using another valuation method. The fair value measurement is based on the assumption that the sale of the asset or liability will be either:

- Through the principal market for the asset or liability, or
- Through the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most the most advantageous market must be available to the company to access it.

Fair value is measured using assumptions used by market participants when pricing assets or liabilities on the assumption that market participants are working to the best of their economic interests.

The measurement of the fair value of non-financial assets takes into account the ability of market participants to provide economic benefits by using the assets in the best interest of them or by selling them to another market participant for use in the best interests of the market. The Company uses valuation techniques that are appropriate to existing conditions and conditions and have sufficient data to measure fair value, maximize the use of relevant observable data and minimize the use of undisclosed data.

All assets and liabilities that are measured at fair value or fair value are disclosed in the financial statements are classified according to the hierarchy of the fair values set out below based on the inputs of the lower measurement input level, which is essential for measuring the fair value as a whole:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurement for unquoted AFS financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation, are evaluated on a periodic basis.

For the purpose of fair value disclosures, the Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the Financial Statements
for the year ended 31 December 2019G

4. Significant Accounting Policies:

Standards issued and effective

Standard/Interpretation	Description	Effective Date
IFRS 16	Leases	1 January 2019G

IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

The new lease Standard had no impact to these financial statement

Property, plan, and equipment

A. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of acquisition of an asset includes all costs directly attributable to the acquisition transaction. The cost of manufactured assets includes the cost of materials and direct labor, all direct costs that make the assets ready for its intended purpose, the cost of dismantling, installing and transporting the assets, the cost of preparing the site to be placed, and the borrowing costs allocated to the assets eligible for capitalization.

Purchased software that is an integral part of the functionality of related hardware is also capitalized as part of those hardware. If a significant portion of an item of an asset is included within the property, the plant and equipment have a different useful life than that of the asset and is considered an independent component of the property, plant and equipment.

Any revenue or loss incurred as a result of the disposal of any item of property, plant and equipment is recognized in profit or loss and other comprehensive income. The cost of replacing any part of an item of property, plant and equipment and any subsequent expenditure is capitalized over its carrying amount when it results in an increase in future production benefits to the Company and its cost is reliably measurable. The carrying amount of the asset that is replaced is written off. The daily maintenance expense of property, plant and equipment is recognized in the statement of profit or loss.

B. Subsequent capital expenditure

Replacement cost of a part of an item in properties, plants and equipment and any other subsequent capital expenditure is recognized at the book value if:

- It is probable that the future economic benefits will flow to the Company due to the added part, expense or cost incurred.
- Its cost can be measured reliably. The book value of the asset that was replaced shall be written off.

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the Financial Statements
for the year ended 31 December 2019G

4. Significant Accounting Policies (continued):

C. Depreciation

Depreciation is calculated on the basis of cost of assets less the residual value of assets beyond their useful life (residual value) using the straight-line method over the useful life of the assets and using the following percentages and years:

Title	Percentage of depreciation
Buildings	5-10%
Motor vehicles	20%
Furniture and fixtures	14-28%
Computers	14-28%
Construction and fittings	25%
Improvement and decoration	25%
Websites	25%

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Inventories:

Inventories are valued at the end of the year at the lower of cost and net realizable value, and the cost price is determined on a weighted average method. The cost of finished goods and work in progress include the cost of material and all the expenses that's related to the acquisition of inventory, production, conversion costs and direct expenses based on normal operating capacity and their carrying of their share of indirect expenses appropriately specified by the management of the company and which is clearly related to the inventory.

In accordance with the Company's policy, a provision is made for damaged or stagnant goods and slow movement, if any.

Receivables, net and other receivables

Trade and other receivables are initially recognized at the transaction price for receivables that do not have a ready-made financing component. The Company applies a simplified approach to calculate the expected credit loss provision that allows for the use of expected loss provision over the life of the debt for all trade receivables. The provision for impairment is based on the best estimate of the Company's expected credit losses related to these receivables.

This estimate depends on the financial situation of customers and the experience of writing off previous debts. Provision against these receivables are written off after all means of collection have been exhausted and recovery is considered to be excluded. Bad debts written off are recorded in the statement of profit or loss as incurred.

Cash in hand and at bank

Represent cash in hand, and current accounts of the banks.

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the Financial Statements
for the year ended 31 December 2019G

4. Significant Accounting Policies (continued):

Employees' benefits obligation

- **Short-term obligations**

Short-term benefits are those amounts expected to be settled wholly within 12 months of the end of the period in which the employees render the service that gives rise to the benefits.

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves and benefits-in- kind that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under other payables

- **Long-term obligation**

The Company provides end of service benefits to its employees in accordance with the requirements of Ministry of Labor of the Kingdom of Saudi Arabia. The entitlement to these benefits, is based upon the employees' basic salary Housing and Transportation and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are recognized over the service period.

The employees' benefits obligation plans are not funded. Accordingly, valuations of the obligations under those plans are carried out by an independent actuary based on the projected unit credit method and the liability is recorded based on an actuarial valuation.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality United States government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Past-service costs are recognized immediately in the statement of profit or loss.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in Employees' benefit expense in the statement of profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise.

Trade payables and other payables

These amounts represent unpaid liabilities for goods and services provided to the Company before the end of the period. These unsecured amounts are usually paid within 30 to 90 days from the date of their recognition. Trade and other payables are included in current liabilities except for those that are due within 12 months of the reporting date. These amounts are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest rate method.

Perfect Presentation for Commercial Services Company
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Notes to the Financial Statements
for the year ended 31 December 2019G

4. Significant Accounting Policies (continued):

Provision for Zakat

The Zakat provision for each financial period is recognized and measured separately in accordance with the regulations of the General Authority for Zakat and Tax in the Kingdom of Saudi Arabia and on an accrual basis. Zakat payments are charged to the statement of comprehensive income. Zakat is settled in the financial year during which the final status is approved.

Revenue Recognition

The companies recognize revenue from the following sources:

- Revenue from selling goods.
- Revenue from service contracts.
- Revenue from project contracts.

Revenue is measured at the fair value of the consideration received or received by the Company for these sales (receivable) taking into account the terms of payment specified in the contract and excluding taxes or fees. Sales are shown net of sales and deductions, and revenue is recognized to the extent that it is probable that Economic benefits of the company Revenues and costs can be measured reliably.

A. Revenue from selling goods

Sales are recognized when the goods are delivered to the customer, and the customer has full authority over the sales channels and prices of those goods, and no unfulfilled contractual obligation may affect the customer's acceptance of the goods.

B. Revenue from service contracts

Revenue from service contracts is recognized in the accounting period in which the services are rendered.

- Maintenance contracts: Revenue is recognized based on actual service provided up to the end of the reporting period as a percentage of the total services to be provided.
- Installation contracts: Revenue is recognized based on the supply and implementation of the phases of installation where each stage of installation is accounted for as a separate obligation to perform.

C. Revenue from project contracts

At the time of conclusion of the contract, the Company determines the performance obligations associated with each contract. For this purpose, the Company evaluates the contractual terms and its normal business practices to determine whether there are separate performance obligations within each contract. The Company sets the transaction price for each contract, for the purpose of determining the transaction price for all of the above performance obligations, as an amount that the Company expects to receive in return for the transfer of promised goods or services to the customer, except for amounts collected on behalf of third parties. After determining the transaction price of the contract, the Company allocates the transaction price to performance obligations in an amount indicating the amount of compensation that the Company expects to receive for the fulfillment of each performance obligation.

The Company recognizes revenue when the performance obligations associated with contracts are met, which occur when the goods or service is transferred to the customer. For performance obligations that are met over time, revenue is recognized by measuring the achievement that has actually been made towards the full fulfillment of the performance obligation. In measuring the achievement that has already been made towards the full fulfillment of the performance obligation, the Company applies the "input" method based on the contract cost incurred to date. For performance obligations performed at a specified time, revenue is recognized at the time the specified performance obligation is met.

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the Financial Statements
for the year ended 31 December 2019G

4. Significant Accounting Policies (continued):

Revenue Recognition (continued):

D. Recognition of revenue from other sources

- **Profits and losses resulting from disposal of property, plant and equipment**

  Profit and losses arising on disposal of property, plant and equipment are recognized in the statement of profit or loss and the period in which the asset is disposed of.

- **Recovery of expected credit losses**

  Recovery of expected credit losses is recognized as income through the statement of profit or loss and, in turn, as a reduction from the provision for anticipated credit losses or when received.

- **Other incomes**

  Other income is recognized in the statement of profit or loss when conditions are met.

Selling and distribution expenses

These are expenses resulting from the company's efforts related to the sales and marketing function and are represented in the company's advertising campaigns.

General and administrative expenses

These are management-related expenses, which are not related to the main activity or sales and marketing function. Allocations between cost of revenues, general and administrative expenses, when required, are made on consistent basis

Impairment of non-financial assets:

The Company annually assesses whether there are any indications that any of its assets have been impaired. If any indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount of the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than the carrying amount of the asset, the asset is impaired and is recognized immediately in profit or loss and other comprehensive income.

Impairment losses are assessed at the amount recognized in prior periods at the time of reporting, to ensure that indicators indicate that losses have decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to estimate the recoverable amount. Impairment losses are reversed only to the extent of the assets carrying amount so that it does not exceed the net carrying amount less depreciation or amortization before any impairment loss has been recognized.

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the Financial Statements
for the year ended 31 December 2019G

4. Significant Accounting Policies (continued):

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the present obligations to be settled at the end of the period covered by the financial statements, taking into account the risks and uncertainties that may surround them.

Offsetting of financial instruments

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

Foreign currencies transactions:

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Monetary assets and liabilities denominated in foreign currencies are assessed at the year end based on the exchange rates at that date. Exchange differences arising on changes in exchange rates are treated in the consolidated statement of profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at their historical cost are translated using the historical exchange rates at the time of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of a gain or loss on change in fair value of the item (i.e., For items where gains or losses on changes in fair value are transferred to the consolidated statement of other comprehensive income or consolidated statement of profit or loss, translation differences are transferred to the consolidated statement of other comprehensive income or consolidated statement of profit or loss, respectively).

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the Financial Statements
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5. Property, plant and Equipment

	Lands	Buildings	Motor vehicle	Furniture and fixtures	Computers	Construction and fitting	Improvements and decorations	Websites	Total
Cost									
Balance as of 31 December 2018G	3,587,500	16,346,643	1,327,900	2,281,014	7,676,458	748,799	1,870,177	1,361,232	35,199,723
Additions	-	45,062,356	-	360,727	37,641	-	-	-	45,460,724
Balance as of 31 December 2019G	**3,587,500**	**61,408,999**	**1,327,900**	**2,641,741**	**7,714,099**	**748,799**	**1,870,177**	**1,361,232**	**80,660,447**
Accumulated depreciation									
Balance as of 31 December 2018G	-	(3,477,371)	(722,720)	(1,328,780)	(5,304,731)	(592,590)	(1,752,847)	(1,361,232)	(14,540,271)
Charge for the year	-	(966,596)	(258,037)	(307,895)	(628,396)	(81,329)	(6,613)	-	(2,248,866)
Balance as of 31 December 2019G	-	(4,443,967)	(980,757)	(1,636,675)	(5,933,127)	(673,919)	(1,759,460)	(1,361,232)	(16,789,137)
Book value:									
As of 31 December 2019G	**3,587,500**	**56,965,032**	**347,143**	**1,005,066**	**1,780,972**	**74,880**	**110,717**	**-**	**63,871,310**
As of 31 December 2018G	**3,587,500**	**12,869,272**	**605,180**	**952,234**	**2,371,727**	**156,209**	**117,330**	**-**	**20,659,452**

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the Financial Statements
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6. Related Parties Transactions

Relationship	Nature of relationship	Nature of transactions	2019G		2018G	
			Debit	Credit	Debit	Credit
Cloud Distribution for Communications and Information Technology Company	Affiliate	Trading & Financing	**2,674,538**	-	-	930,446
Sustainable Energy Company	Affiliate	Trading & Financing	**1,359,983**	-	-	172,155
Perfect Presentation for Commercial Services Company - Jordan	Affiliate	Financing	**1,143,908**	-	1,126,270	-
Perfect Presentation for Commercial Services Company - Egypt	Affiliate	Financing	**882,335**	-	882,335	-
Information Technology Belt Company	Affiliate	Trading & Financing	**624,525**	-	244,991	-
Naser Abdullah bin Mohammed Al Bassam	Partner	Financing	**90,229**	-	-	-
Saleh bin Ibrahim bin Hamad Al Mazro'o	Partner	Financing	**73,107**	-	-	-
The Ideal for Business and Investment Trade Company	Partner	Financing	**74,000**	-	2,838,903	-
			6,922,625	-	5,092,499	1,102,602

- During 2019G, the Company conducted transactions with related parties including financing and trading transactions, which were conducted on arm's length basis and were approved by partners. The above balances are non-interest bearing and there are no specific terms of repayment.

Significant transactions with related parties

	Transaction	Nature of transaction	2019G
Cloud Distribution for Communications and Information Technology Company	Settlement of expenses on behalf of the related party	Dr.	**14,784,088**
	Advance payment	Dr.	**1,500,000**
	Receipt from related party	Cr.	**(7,598,839)**
	Settlement of account receivables against expenses paid on behalf of the related party	Cr.	**(5,080,265)**
Sustainable Energy Company	Paying various expenses on behalf of the related party	Dr.	**3,315,961**
	Settlement of account receivable against expenses paid on behalf of the related party	Cr.	**(1,783,823)**
Information Technology Belt Company	Paying various expenses on behalf of the related party	Dr.	**1,221,992**
	Repayment of financing collected from a related party during the year	Dr.	**7,000,000**
	Funding from a related party	Cr.	**(7,000,000)**
	Expenses paid by the related party on behalf of the company	Cr.	**(292,100)**
	Settlement of trade receivables against expenses paid on behalf of the related party	Cr.	**(550,358)**

Perfect Presentation for Commercial Services Company
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Notes to the Financial Statements
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(Saudi Riyal)

6. Related Parties Transactions (continue)

Significant transactions with related parties (continued):

	Transaction	Nature of transaction	2019G
The Ideal for Business & Investment Trade Co.	Collecting financing from a partner	Cr.	**(9,435,214)**
	Announcement of dividend distribution	Cr.	**(4,000,000)**
	Pay dividends	Dr.	**4,000,000**

7. Inventory

	2019G	2018G
Bulk messages	**1,082,037**	628,430
	1,082,037	628,430

8. Accounts Receivable

	2019G	2018G
Trade accounts receivables	**74,671,558**	66,353,152
Expected credit losses provision	**(1,430,092)**	-
	73,241,466	66,353,152

- **Movement in the expected credit losses provision was as follows in December 31,**

	2019G	2018G
Opening balance for the year	-	-
Charged during the year	**1,430,092**	-
Used during the year	-	-
Closing balance for the year	**1,430,092**	-

9. Prepayments, and Other Receivables

	2019G	2018G
Margin deposit	**9,331,211**	6,745,840
Advance to suppliers	**6,500,887**	1,217,721
Prepayments	**3,332,201**	4,185,207
Due from employees	**592,239**	204,133
Others	**564,953**	299,562
	20,321,491	12,652,463

Perfect Presentation for Commercial Services Company
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10. Cash in Hand and at Banks

	2019G	2018G
Cash in hand	**263,706**	308,739
Cash at banks	**3,086,644**	6,611,189
	3,350,350	6,919,928

11. Share Capital

During 2019G, the legal procedures to authenticate the increase of shares capital were completed. Thus, the paid-up and declared capital amounted to SR. 20,000,000 divided into 1,000 equal cash shares, each share worth SR 20,000, fully paid, and distributed among partners before the amendment and after the amendment as follows:

	Before the Amendment		
	No. of Shares	Value	Amount
Naser Abdullah bin Mohammed Al Bassam	130	1,000	130,000
Saleh bin Ibrahim bin Hamad Al Mazro'o	130	1,000	130,000
The Ideal for Business & Investment Trade Co.	740	1,000	740,000
	1,000		**1,000,000**
	After the Amendment		
	No. of Shares	Value	Amount
Naser Abdullah bin Mohammed Al Bassam	130	20,000	2,600,000
Saleh bin Ibrahim bin Hamad Al Mazro'o	130	20,000	2,600,000
The Ideal for Business & Investment Trade Co.	740	20,000	14,800,000
	1,000		**20,000,000**

12. Statutory Reserve

In accordance with company's law, 10% of the annual net income is required to be transferred to a statutory reserve until this reserve equals 30% of the share capital.

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the Financial Statements
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(Saudi Riyal)

13. Employees' Benefit Obligation

As at December 31, the provision for employees' benefit obligation was as follows:

	2019G	2018G
Opening balance for the year	**5,559,672**	4,655,603
Current cost	**1,960,803**	1,381,779
Finance cost	**256,060**	179,672
Paid during the year	**(838,496)**	(1,798,580)
Actuarial losses from re-measurement of employees' benefits obligation	**451,456**	1,141,198
Closing balance for the year	**7,389,495**	5,559,672
The following represent the significant assumptions used in actuarial valuation:		
Discount rate	**3,00%**	%4,25
Salary increment	**3,00%**	%4,25

14. Bank Facilities

The Company has obtained credit facilities from local banks in a form of Islamic Murabaha. The aforementioned facilities are secured by personal guarantee of the partners, signing promissory notes and assigning certain projects' receivable funded through these facilities. The amounts utilized from the aforementioned facilities as of December 31, were as follows:

	2019G	2018G
Short-term loans	**60,685,448**	21,070,245

- The finance charges pertaining to these facilities were included in the statement of profit and loss and other comprehensive income.

15. Accruals, and Other Payables

	2019G	2018G
Accrued Salaries and wages	**4,174,632**	8,924,304
Unearned revenues	**14,555,041**	452,875
Advances from clients	**10,741,253**	39,438
Accrued employees' vacations expenses	**5,668,673**	2,761,587
Commissions provision	**2,100,000**	-
Accrued value added tax	**265,207**	1,352,334
Accrued project expenses	**-**	1,637,783
Others	**3,662,991**	1,183,552
	41,167,797	16,351,873

Perfect Presentation for Commercial Services Company
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Notes to the Financial Statements
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(Saudi Riyal)

16. Provision for Zakat

The Company's Zakat base consists of the following:

A. Net adjusted income method:

	2019G	2018G
Net income before Zakat	**28,362,525**	18,427,008
Expected credit loss provision	**1,430,092**	-
Employees' benefit obligation provision	**2,216,863**	1,561,451
Commissions provision	**2,100,000**	-
Net adjusted profit	**34,109,480**	19,988,459

B. Zakat base of the company is compromised as followings:

	2019G	2018G
Share capital	**1,000,000**	1,000,000
Statuary reserve	**500,000**	500,000
Net adjusted profit	**-**	19,988,459
Retained earning	**42,300,880**	32,785,664
Employees' benefit obligation	**4,721,176**	2,857,023
Bank facilities	**38,922,364**	-
	87,444,420	57,131,146
Less:		
Property, plant, and equipment, net	**(63,871,310)**	(20,659,452)
Zakat base (Equity method)	**23,573,110**	36,471,694
Zakat base (Net adjusted profit)	**34,109,480**	19,988,459
Zakat charge on equity @ 2.57768%	**607,639**	-
Zakat charge on net adjusted profit @ 2.5%	**852,737**	-
Net zakat charge	**1,460,376**	911,792

C. Movement in provision for Zakat as December 31, can be summarized as follows:

	2019G	2018G
Balance at the beginning of the year	**911,792**	601,643
Provided during the year	**1,460,376**	911,792
Paid during the year	**(911,792)**	(601,643)
Balance at the end of the year	**1,460,376**	911,792

D. Zakat status:

The Company has obtained its Zakat certificate for the year ended December 31, 2019G from GAZT.

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
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(Saudi Riyal)

17. Selling and Distribution Expenses

	2019G	2018G
Salaries and wages and other benefits	**2,004,262**	2,131,329
Tenders fees	**680,350**	287,500
Travel expenses	**205,700**	113,096
Miscellaneous	**1,255,050**	958,642
	4,145,362	3,490,567

18. General and Administrative Expenses

	2019G	2018G
Salaries, wages and other benefits	**8,841,501**	6,709,557
Bab debit written off	**5,449,120**	-
Depreciation	**2,051,139**	2,251,641
Expected credit loss	**1,430,092**	-
Utilities	**275,841**	257,313
Professional fees	**274,277**	557,854
Governmental fees	**231,691**	164,374
Repair and maintenance	**158,950**	116,208
Subscription	**50,647**	51,451
Telephone, postage, and internet	**46,546**	100,603
Hospitality	**-**	91,651
Miscellaneous	**3,881,424**	536,606
	22,691,228	10,837,258

19. Grants

In accordance with the agreement with the partners on 31 December 2018G. The partner has decided to wave their whole due to balance to the Company.

20. Contingent liabilities

Companies have the following contingent liabilities as 31 December 2019G:

	2019G	2018G
Letters of guarantee	**84,956,712**	29,500,000

Perfect Presentation for Commercial Services Company
(Limited Liability Company)
Notes to the Financial Statements
for the year ended 31 December 2019G

21. Financial Instruments - Risk Management

Fair value:

Is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transactions. As the Company's financial instruments are compiled under the historical cost method, differences can arise between the book amounts and the fair value estimates. Management believe that the fair value of the company's financial assets and liabilities are not materially different from their carrying values.

Credit risk:

Credit risk represents the inability of a counterparty to meet its obligations, causing the other party to incur a financial loss. The Company maintains cash with local banks with a good credit rating. The balance of accounts receivable is shown after deduction of credit losses.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in obtaining funds to meet its financial instrument liabilities. Liquidity risk may arise from the inability to sell a financial asset quickly at approximately its fair value. The Company manages liquidity risk by ensuring that bank facilities are available

Currency risk:

Currency risk is the risk that the value of financial instrument will fluctuate due to fluctuations in foreign exchange rates the company's transactions are mostly is Saudi riyal and US Dollars. Furthermore, the Saudi Riyals is connected with the United States Dollar therefore, the currency risk is being well managed by the Company.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's financial assets and liabilities as at the balance sheet date, except for loans, are not exposed to interest rate risk. Some borrowings bear a floating rate of interest plus credit margin based on prevailing market interest rates. The Company has adopted a hedging strategy to control exposure to interest rate fluctuations.

22. Comparative Figures

Certain prior year figures were reclassified to conform to the current year presentation.

Reasonable Assurance Report

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Reasonable Assurance Report

To the Management
Perfect Presentation for Commercial Services Company
(A Closed Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

We have performed a reasonable assurance engagement to indicate whether what is detailed in the subject matter paragraph below (the "Subject Matter") complies, in all material respects, with the applicable criteria referred to below.

Subject Matter:
The subject of reasonable assurance relates to the preparation of a report on the management of Perfect Presentation for Commercial Services Company ("Company" or "Issuer"), a closed joint stock company, by providing financial information on the adjustments to the issued financial statements ("Statement of adjustments" in Appendix (A)) during the three financial years immediately preceding the request for registration and offering of securities, in accordance with the definition of the Capital Market Authority (the "Authority") contained in paragraph 2 of Appendix 15 of the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority (the "Rules").

Applicable Criteria ("Criteria")
We have used the following as Criteria for this engagement:

- Extract the financial information included in Appendix A for the years ended December 31, 2021, 2020, and 2019 from the audited financial statements for the year ended December 31, 2021 prepared in accordance with the International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), on which the independent auditor issued an unmodified opinion on these financial statements on Rajab 29, 1443H (corresponding to March 2, 2022). It should be noted that the financial information provided in Appendix A for the years ended December 31, 2020 and 2019 agrees with that included in the Company's audited financial statements for the year ended December 31, 2021 due to the fact that the financial statements for the years ended December 31, 2020 and 2019 have been restated in the financial statements for the year ended December 31, 2021 in accordance with International Accounting Standard No. 8, "Accounting Policies, Changes in Accounting Estimates and Errors".
- Extract the adjustments to the financial statements for the years ended 31 December 2020 and 2019 included in Appendix A from the audited financial statements for the year ended December 31, 2021 and explain those adjustments as follows:
  a. In the process of preparing the Company for the Initial Public Offering, the Company reconsidered the accounting treatment of revenues and costs resulting from the sale of text message product (Yamamah) in accordance with International Financial Reporting Standard (15) by remeasuring and interpreting the mechanism of application of International Financial Reporting Standard (15) from the method of calculating revenue when charging customers' balances to the method of calculating revenue when customers use the charged balance which resulted in a change in the calculation of revenue from a point in time to over a period of time.
  b. Reflect the impact of IFRS 9 expected credit losses for the years ended 2020 and 2019 by calculating the allowance for expected credit losses on trade receivables by applying the provision matrix on total trade receivables, classifying them into credit based on their aging and accordingly specifying the risk ratio.

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Email: saudi@bakertillyjfc.com | Website: www.bakertillymkm.com
Baker Tilly MKM & Co. Certified Public Accountants trading as Baker Tilly is an independent member of the global network of Baker Tilly International.

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Reasonable Assurance Report (Continued)

To the Management

Perfect Presentation for Commercial Services Company

Management Responsibility

Management is responsible for the preparation and fair presentation of the information contained in the above Subject Matter paragraph in accordance with the applicable Criteria and is also responsible for choosing the methods of applying those Criteria. Management is also responsible for implementing the internal control systems that it deems necessary for the preparation, presentation and recognition of the information contained in the above-mentioned paragraph that it is free from any material misstatements, whether resulting from fraud or error, selection and application of appropriate controls, maintaining adequate records, and making reasonable estimates based on relevant circumstances and events.

Our responsibility

Our objectives are to obtain reasonable assurance about whether the Subject Matter of the engagement is free from material misstatement, whether due to fraud or error and to issue a Certified Public Accountant's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that the audit procedures performed in accordance with the International Standard on Assurance Engagements (3000) "Assurance Engagements Other Than Audit or Reviews of Historical Financial Information" that are endorsed in the Kingdom of Saudi Arabia and the terms and conditions related to this engagement that have been agreed upon with the Company's Management will always reveal a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material, individually or on aggregate, if they could reasonably be expected to influence the economic decisions of users taken on the basis of Appendix A. As part of our procedures conducted in accordance with the International Standard on Assurance Engagements (3000) "Assurance Engagements, Other Than Audit or Reviews of Historical Financial Information" that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout our reasonable assurance engagement procedures. We also perform the following:

- Identify and assess the risks of material misstatement in Appendix A, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal controls.
- Obtain an understanding of internal control relevant to the Subject Matter in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- Evaluate the overall presentation, structure, and content of Appendix A, and whether Appendix A represents the underlying transactions and events in a manner that achieves fair presentation.

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Reasonable Assurance Report (Continued)

Independence and Quality Control Criteria

We have complied with the independence and the other requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ("IESBA"), which were based on the basic principles of integrity, objectivity, professional competence, due diligence, confidentiality, and professional conduct. We are independent of the Company in accordance with the relevant professional Code of Conduct and Ethics that are endorsed in the Kingdom of Saudi Arabia.

We also apply the International Standard on Quality Control (ISQC) 1 and thus maintain a comprehensive quality control system, including documented policies and procedures on adherence to ethical requirements, professional standards, and applicable legal and regulatory requirements.

Summary of Procedures Performed

Our performed procedures included the following:

1. Obtain and match the financial information included in Appendix A with the audited financial statements for the year ended December 31, 2021.
2. Inquire from Management about material adjustments to the financial statements issued for the years ended December 31, 2020 and 2019 and obtain Management's explanation of these adjustments as described below and perform the following:
    a. Ensure the accuracy of the data extracted from the accounting system and the accounting treatment of revenues and costs resulting from the sale of text message product (Yamamah) after reconsidering the measurement and interpretation of the mechanism of application of International Financial Reporting Standard (15) from the method of calculating revenue when charging customers' balances to the method of calculating revenue when customers use the charged balance which resulted in a change in the calculation of revenue from a point in time to over a period of time. We have verified the accuracy of the data through the following procedures:
        i. Obtain the SMS (Yamamah) revenues account statement (which includes the date of origin, expiration, number of text messages, its book cost, the sale price of these text messages, the balance used during the year, and the remaining balance carried forward) for the years ended December 31, 2020, and 2019 and was matched with the financial information received with the audited financial statements issued for the years ended December 31, 2020, and 2019.
        ii. Ensure the accuracy of the data extracted from the system by taking samples and matching them with the contracts concluded with the clients and ensure the accuracy of the recorded information, dates, and values.
        iii. Recalculated the SMS (Yamamah) revenues for the years ended December 31, 2020, and 2019 in accordance with International Financial Reporting Standard (15) which resulted in a change in the calculation of revenue from a point in time to over a period of time and ensure the reflecting its impact on the audited financial statements for the year ended December 31, 2021.

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Reasonable Assurance Report (Continued)

Summary of Procedures Performed (Continued)

b. Ensure the reflection of the impact of IFRS 9 on expected credit losses for the years ended 2020 and 2019 by calculating the allowance of expected credit losses on trade receivables by applying the provision matrix on total trade receivables, classifying them into credit based on their aging and accordingly specifying the risk ratio. We have performed the following procedures:
   i. Obtain the aging report and the maturity of trade receivables as at December 31, 2020, and 2019 and match them with the audited financial statements for the years ended December 31, 2020 and 2019.
   ii. Verify the accuracy of the aging report extracted from the system by taking samples from trade receivables and ensuring that the aging of the trade receivables' invoices match the movement described in the report.
   iii. Verify the accuracy of the calculation of the allowance of expected credit losses in accordance with IFRS 9 for credit losses for the years ended December 31, 2020, and 2019.
   iv. Compare the losses previously recorded in the years ended December 31, 2020, and 2019 with allowances calculated using the provision matrix method and verify the accuracy of the adjustment in the audited financial statements for the year ended December 31, 2021.

Reasonable Assurance Result:

Based on the procedures performed and the evidence obtained, Appendix A gives a true and fair view in all material respects, based on the applicable criteria.

Restriction of Use of Our Report:

Our report was prepared based on the request of the Company's Management for the purpose of the Company completing the regulatory requirements submitted to the Capital Market Authority relating to the registration, offering, and listing of its securities in the Saudi Tadawul Company and may not be used for any other purposes.

BAKER TILLY MKM & CO.

Certified Public Accountants

Majed Muneer Alnemer
(License No. 381)

Riyadh on Dhul Qidah 17, 1443H
Corresponding to June 16, 2022G

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BAKER TILLY
MKM & CO.

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I. Introduction

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 ended December 31, 2021, the Partners of the Company met and decided unanimously to convert the legal form 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-Ula 11, 1443H, and announced it according to Resolution No. 772, dated Jumada Al-Ula 16, 1443H. The Company's by-laws stipulate that the Company's first fiscal year begins on January 1 and ends on December 31 of each year. The financial statements were prepared for a full year from January 1, 2021 to December 31, 2021, to better reflect the company's operations on a consistent and comparable basis, and there was no impact on the preparation of the financial statements as a result of the conversion process.

The information in this Appendix has been extracted from the audited financial statements for the year ended December 31, 2021 prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), which the independent auditor issued an unmodified opinion on those financial statements on Rajab 29, 1443H (corresponding to March 2, 2022).

The previous years' adjustments were extracted from the audited financial statements for the year ended December 31, 2021G.

II. Financial Information for the Years ended December 31, 2021, 2020, and 2019

A. Company's Statement of Financial Position as at December 31, 2021, 2020, and 2019

	December 31, 2021G SR	December 31, 2020G SR	December 31, 2019G SR
		(Restated)	(Restated)
ASSETS			
Non-current assets			
Property, plant, and equipment	**116,674,725**	98,059,454	63,871,310
Investments at fair value through OCI	**1,501,504**	1,014,027	-
Investment in a subsidiary	**-**	19,089	-
Total non-current assets	**118,176,229**	99,092,570	63,871,310
Current assets			
Inventories	**891,775**	5,413,278	1,082,037
Due from related parties	**1,606,871**	3,960,182	6,922,625
Contracts assets	**192,098,326**	61,707,235	36,488,547
Trade receivables	**97,829,429**	121,352,566	70,088,388
Prepaid expenses and other debit balances	**21,290,013**	14,547,383	20,321,491
Cash and cash equivalents	**69,459,058**	10,548,191	3,350,350
Total current assets	**383,175,472**	217,528,835	138,253,438
TOTAL ASSETS	**501,351,701**	316,621,405	202,124,748
EQUITY AND LIABILITIES			
Equity			
Share capital	**20,000,000**	20,000,000	20,000,000
Additional Share Capital	**6,670,311**	6,670,311	6,670,311
Statutory reserve	**6,000,000**	6,000,000	2,690,215
Retained earnings	**127,046,679**	78,447,113	41,178,681
Total equity	**159,716,990**	111,117,424	70,539,207
Liabilities			
Non-current liabilities			
Employees' defined benefits obligations	**20,915,940**	13,817,159	7,389,495
Non-current portion of long-term loans	**7,256,103**	9,953,435	-
Total non-current liabilities	**28,172,043**	23,770,594	7,389,495
Current liabilities			
Trade payables	**67,425,738**	27,384,830	12,591,237
Due to related parties	**5,957,688**	14,661,728	233,881
Short-term loans	**84,033,300**	67,040,118	60,685,448
Current portion of long-term loans	**2,697,331**	847,608	-
Unearned revenues	**58,337,143**	29,458,912	22,612,348
Accrued expenses and other credit balances	**91,538,079**	40,594,889	26,612,756
Zakat payable	**3,473,389**	1,745,302	1,460,376
Total current liabilities	**313,462,668**	181,733,387	124,196,046
Total liabilities	**341,634,711**	205,503,981	131,585,541
TOTAL EQUITY AND LIABILITIES	**501,351,701**	316,621,405	202,124,748

II. Financial Information for the Years ended December 31, 2021, 2020, and 2019 (Continued)

B. Company's Statement of Profit or Loss and Other Comprehensive Income for the years ended December 31, 2021, 2020, and 2019.

	December 31, 2021G SR	December 31, 2020G SR	December 31, 2019G SR
		(Restated)	(Restated)
Revenue	**655,478,211**	482,475,049	298,102,025
Cost of revenue	**(539,472,411)**	(391,454,363)	(243,368,511)
Gross profit	**116,005,800**	91,020,686	54,733,514
Selling and distribution expenses	**(7,803,550)**	(5,091,372)	(4,145,362)
General and administrative expenses	**(20,454,050)**	(20,002,711)	(15,812,016)
Impairment loss in trade receivables	**(1,504,430)**	(2,803,636)	(10,032,290)
Operating income	**86,243,770**	63,122,967	24,743,846
Finance cost	**(3,774,493)**	(2,288,312)	(2,105,867)
Other income, net	**1,739,008**	5,329,988	1,827,727
Company's share in the net losses of a subsidiary	**-**	(47,911)	-
Disposal of an investment in a subsidiary	**(19,089)**	-	-
Dividends from investments at fair value	**39,073**	-	-
Profit before zakat	**84,228,269**	66,116,732	24,465,706
Zakat	**(3,612,703)**	(1,745,302)	(1,460,376)
Profit for the year	**80,615,566**	64,371,430	23,005,330
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent years:			
Remeasurements of employees' defined benefit obligations	**(126,915)**	(2,290,590)	(451,456)
Revaluation of investment at fair value through OCI	**487,477**	497,377	-
Total other comprehensive income / loss for the year	**360,562**	(1,793,213)	(451,456)
Total comprehensive income for the year	**80,976,128**	62,578,217	22,553,874
Earning per share attributable to the Shareholders / Partners:			
Basic and diluted	**40.3**	32.2	11.5

II. Financial Information for the Years Ended December 31, 2021, 2020, and 2019 (Continued)

C. Statement of Cash Flows for the years ended December 31, 2021, 2020, and 2019

	December 31, 2021G SR	December 31, 2020G SR	December 31, 2019G SR
		(Restated)	(Restated)
Cash flows from operating activities			
Profit before zakat	**84,228,269**	66,116,732	24,465,706
Adjustments for:			
Depreciation of property, plant and equipment	**2,890,697**	2,417,463	2,248,866
Impairment loss on trade receivable	**1,504,430**	2,803,636	10,032,290
Losses on disposal of property, plant and equipment	**296,355**	26,000	-
Employees' defined benefit obligation cost	**11,671,738**	6,265,286	1,960,803
Finance cost	**283,141**	186,957	256,060
Company's share in the net losses of a subsidiary	-	47,911	-
Changes in operation assets and liabilities:			
Inventories	**4,521,503**	(4,331,241)	(453,607)
Due from/to related parties	**(6,350,729)**	17,390,290	3,737,583
Contracts assets	**(130,391,091)**	(25,218,688)	(19,803,097)
Trade receivables	**22,018,707**	(54,067,814)	(13,767,526)
Prepaid expenses and other debit balances	**(6,742,630)**	5,774,108	(7,669,028)
Trade payables	**40,040,908**	14,793,593	(21,855,050)
Unearned revenues	**28,878,231**	6,846,564	22,612,348
Accrued expenses and other credit balances	**50,943,190**	13,982,133	10,260,883
Cash from operations	**103,792,719**	53,032,930	12,026,231
Employees' defined benefits obligation	**(4,983,013)**	(2,315,169)	(838,496)
Zakat paid	**(1,884,616)**	(1,460,376)	(911,792)
Net cash from operating activities	**96,925,090**	49,257,385	10,275,943
Cash flows from investing activities			
Purchases of property, plant, and equipment	**(21,802,323)**	(36,714,572)	(45,460,724)
Proceeds from disposal of property, plant, and equipment	-	82,965	-
Additions of investments at fair value through OCI	-	(516,650)	-
Disposal (additions) of investment in a subsidiary	**19,089**	(67,000)	-
Net cash used in investing activities	**(21,783,234)**	(37,215,257)	(45,460,724)
Cash flows from financing activities			
Net change in borrowings and banks facilities	**16,145,573**	17,155,713	39,615,203
Dividends paid	**(32,376,562)**	(22,000,000)	(8,000,000)
Net cash (used in) from financing activities	**(16,230,989)**	(4,844,287)	31,615,203
Net change in cash and cash equivalents	**58,910,867**	7,197,841	(3,569,578)
Cash and cash equivalents at beginning of the year	**10,548,191**	3,350,350	6,919,928
Cash and cash equivalents at end of the year	**69,459,058**	10,548,191	3,350,350

III. Accounting Policies and the Basis of Preparation of the Financial Statements

1. Basis of preparation

The financial statements of the Company for the year ended December 31, 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the Kingdom of Saudi Arabia and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). Details of the Company's significant accounting policies are disclosed in note (3).

These financial statements have been prepared on the historical cost basis except for the employees' defined benefit obligations which are measured using the projected unit credit method and the actuarial assessments at the end of the reporting period and the investments at fair value through OCI. Historical cost generally represents the fair value of the specific price paid in exchange for goods and services.

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

2. Significant Accounting judgments, estimates, and assumptions

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

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

- Financial instruments risk management
- Sensitivity analysis disclosures

Judgments

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

Estimates and assumptions

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

Impairment of non-financial assets

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

III. Accounting Policies and the Basis of Preparation of the Financial Statements (Continued)

2. Significant Accounting judgments, estimates, and assumptions (Continued)

Estimated costs at completion

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

Revenue recognition

The Company's management uses significant estimates and assumptions to determine the amount and timing of revenue recognition under the requirements of IFRS 15 "Revenue from Contracts with Customers".

Fair value measurement of financial instruments

When the fair values of financial assets cannot be measured based on quoted prices or active trading of some instruments at the date of the statement of financial position. The fair value is estimated using various valuation techniques which include the use of pricing models where the information is taken from observing the market. Where this is not feasible, a degree of estimate and judgment is required in establishing fair values.

Long-term assumptions for employees' benefits

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

Useful lives of real estate, plant, and equipment

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

Expected credit losses Provision

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

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

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

III. Accounting Policies and the Basis of Preparation of the Financial Statements (Continued)

2. Significant Accounting judgments, estimates, and assumptions (Continued)

Expected credit losses Provision Continued)

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

3. Significant Accounting Policies

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

Classification of assets and liabilities to current and non-current

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Foreign currency translation

Foreign currency transactions and balances

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

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

III. Accounting Policies and the Basis of Preparation the Financial Statements (Continued)

3. Significant Accounting Policies (Continued)

Property, plant, and equipment

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

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

Category	Percentage
Buildings	5 – 10%
Vehicles	20%
Furniture and fixtures	14 – 28%
Computers	14 – 28%
Constructions and fitting	10 – 25%
Improvements and decoration	25% or the lease term, whichever is less

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

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

Projects under construction

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

Borrowing Costs

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

Inventories

Inventory represents in SMS packages and electronic devices, stated at the lower cost or net realizable value. Cost is determined on a weighted average cost basis.

III. Accounting Policies and the Basis of Preparation the Financial Statements (Continued)

3. Significant Accounting Policies (Continued)

Financial Assets

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial assets at amortised cost

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

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

Equity instruments designated at fair value through OCI

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition of financial assets

A financial asset is primarily derecognised when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement.

III. Accounting Policies and the Basis of Preparation the Financial Statements (Continued)

3. Significant Accounting Policies (Continued)

Derecognition of financial assets (Continued)

In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Trade receivables

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

Cash and cash equivalents

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

For the purpose of preparing the statement of cash flow, cash and cash equivalents include bank balances as explained above after deducting overdraft accounts with banks, if any, as they are considered an integral part of the company's cash management.

Statutory Reserve

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

Employees' defined benefits obligations

Defined Benefit Programs:

Liabilities in the statement of financial position relating to the employee-defined benefit program are measured at the present value of the expected future payments at the reporting date, using the projected credit unit method, and are recorded as non-current liabilities. The defined benefit obligation is calculated at the end of each annual reporting period by an independent actuary using the projected credit unit method. The actuarial valuation process takes into account the provisions of the Saudi Labor Law and the company's policy.

III. Accounting Policies and the Basis of Preparation the Financial Statements (Continued)

3. Significant Accounting Policies (Continued)

Employees' defined benefits obligations (Continued)

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the commission rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and have terms that approximate those of the related obligations (or, if not available, market rates on government bonds are used). The commission cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and this cost is recognized in the statement of profit or loss.

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

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

Short-term employee obligations:

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

Trade payables and the accrued balances

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

Provisions

General

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

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

III. Accounting Policies and the Basis of Preparation the Financial Statements (Continued)

3. Significant Accounting Policies (Continued)

Financial Liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Loans and borrowings

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

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires.

Offsetting of Financial Instruments

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

Revenue from Contracts with Customers

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

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in IFRS 15 " Revenue from contracts with the customers" on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of recognizing it as revenue, the Company recognizes a refund liability. A right of return asset (and the corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of goods purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The Company applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

III. Accounting Policies and the Basis of Preparation the Financial Statements (Continued)

3. Significant Accounting Policies (Continued)

Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under IAS 37 Provisions, Contingent Liabilities, and Contingent Assets.

Contract assets

A contract asset is a right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional

Trade receivables

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

Contract liabilities

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

Assets and liabilities arising from rights of return

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products. A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Expected Loss on contracts

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

The company as a lessee

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

III. Accounting Policies and the Basis of Preparation the Financial Statements (Continued)

3. Significant Accounting Policies (Continued)

The company as a lessor

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

Revenue recognition

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

The company recognizes revenue from contracts with customers based on five-step model as set out in IFRS 15. The five steps are: identify the contract(s) with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price, and recognize revenue when the performance obligation is satisfied.

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

A. Revenue from operation and maintenance services.

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

B. Revenues from providing call center services

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

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

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

III. Accounting Policies and the Basis of Preparation the Financial Statements (Continued)

3. Significant Accounting Policies (Continued)

C. Revenue from licensing and development services (SWD)

Technological development and related applications have changed over the past three decades; During this period, applications have become more complex and shifted from mere tools to perform a single purpose to interconnected and integrated systems for businesses that reach far beyond the information center. And the audience of users has shifted from only technicians and specialists to all people in general. Today, people and companies use internet applications as an integral part of their daily lives, and applications have become part of the infrastructure just like electricity. When approaching the topic from this angle, it has become clear that organizations must manage and protect what has become one of their most important assets, namely applications. Revenue from providing computer software licensing services is recognized in the accounting period in which the service is provided at a specific point in time.

D. Revenue from providing text messaging services and subscriptions

Bulk SMS: The bulk text messaging service is one of the latest and best means used in the field of marketing and also for the purpose of sending notifications of all kinds to a target group or segment, or sending notices or providing services to a specific segment within the institution for the purpose of notifying them of the dates of meetings, conferences, or events. Revenue from providing text messaging services and subscriptions is recognized in the accounting period in which the service is provided over time.

E. Revenue from providing Internet services

Information and communication technology services through a wide variety of products designed specifically to meet the needs of companies, as we provide services from the Internet, connectivity, hosting and, the establishment of information centers networks to e-commerce and electronic payment services for information technology solutions. The accounting in which the service is provided at a specific point in time.

Dividend

The company recognizes a liability to make distribution to shareholders when the distribution is authorized and is out of the company's disposal. According to the companies' Regulations in the Kingdom of Saudi Arabia, a distribution is authorized when it is approved by the shareholders.

Direct costs

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

Expenses

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

Zakat

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

Uncertain Zakat position

The differences that may result when the assessments are completed are calculated if the assessments are completed with the Zakat, Tax and Customs Authority.

III. Accounting Policies and the Basis of Preparation the Financial Statements (Continued)

3. Significant Accounting Policies (Continued)

Value-added tax

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

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

Withholding Tax

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

IV. Statement of Adjustments

Prior years restatements

Illustrative notes to reconcile the statement of financial position as at December 31, 2020, and December 31, 2019, and the statement of profit or loss and other comprehensive income for the years ended December 31, 2020, and 2019:

A. In the process of preparing the Company for the Initial Public Offering, the Company reconsidered the accounting treatment of revenues and costs resulting from the sale of text message product (Yamamah) in accordance with International Financial Reporting Standard (15) by remeasuring and interpreting the mechanism of application of International Financial Reporting Standard (15) from the method of calculating revenue when charging customers' balances to the method of calculating revenue when customers use the charged balance which resulted in a change in the calculation of revenue from a point in time to over a period of time.

Event	(Before adjustment)	(After adjustment)
Charging customer balance	The customer's message balance is charged for the full amount of the contract	The customer's message balance is charged for the full amount of the contract
Customer Billing	The customer is provided with a receipt certificate and is billed at the full number of messages charged Accounting entry: From Account receivable To Revenue	The customer is provided with a receipt certificate and is billed at the full number of messages charged Accounting entry: From Account receivable To Unearned revenues
Collection from the customer	The customer pays the amounts to the company	The customer pays the amounts to the company
Revenue recognition	Revenue is recognized at a point in time (billing) and offset by expenses.	Revenue is recognized over time (after each message consumed).
Consumption of message balance	No accounting impact No accounting entry	At the end of each accounting period, revenue is recognized by the messages used and offset by its cost. Accounting entry: From Unearned revenues To Revenue
At the expiry date of the balance	Revenue is recognized at the full value of the remaining balance	Revenue is recognized at the full value of the remaining balance

B. Reflect the impact of IFRS 9 expected credit losses for the years ended 2020 and 2019 by calculating the allowance for expected credit losses on trade receivables by applying the provision matrix on total trade receivables, classifying them into credit based on their aging and accordingly specifying the risk ratio.

C. Some of the comparative figures have been reclassified to be consistent with the presentation of the financial statements for the current year.

IV. Statement of Adjustments (Continued)

Prior years restatements (Continued)

The following are adjustments to the statement of financial position as at December 31, 2020:

	Note	December 31, 2020G SR	Reclassification SR	Remeasurement SR	December 31, 2020G SR
		(Before adjustment)			(Adjusted)
Assets					
Trade receivables	A	121,999,771	-	(647,205)	121,352,566
Total			**-**	**(647,205)**	
Equity					
Retained earnings	A, B	79,280,395	-	(833,282)	78,447,113
Total			**-**	**(833,282)**	
Liabilities					
Unearned revenues	A, C	-	29,272,835	186,077	29,458,912
Accrued expenses and other credit balances	A	69,867,724	(29,272,835)	-	40,594,889
Total			**-**	**(647,205)**	

The following are adjustments to the statement of financial position as at December 31, 2019:

	Note	December 31, 2019 SR	Reclassification SR	Remeasurement SR	December 31, 2019 SR
		(Before adjustment)			(Adjusted)
Assets					
Trade receivables	A	73,241,466	-	(3,153,078)	70,088,388
Total			**-**	**(3,153,078)**	
Equity					
Retained earnings	A, B	45,075,500	-	(3,896,819)	41,178,681
Total			**-**	**(3,896,819)**	
Liabilities					
Unearned revenues	A, C	-	21,868,607	743,741	22,612,348
Accrued expenses and other credit balances	A	48,481,363	(21,868,607)	-	26,612,756
Zakat Payable		1,460,376	-	-	1,460,376
Total			**-**	**(3,153,078)**	

IV. Statement of Adjustments (Continued)

Prior years restatements (Continued)

The following are adjustments to the statement of profit or loss and other comprehensive income for the year ended December 31, 2020:

	Note	December 31, 2020G SR	Reclassification SR	Remeasurement SR	December 31, 2020G SR
		(Before adjustment)			(Adjusted)
Revenue	A	492,031,355	-	(9,556,306)	482,475,049
Cost of revenue	A	(401,568,333)	-	10,113,970	(391,454,363)
General and administrative expenses	C	(25,312,220)	5,309,509	-	(20,002,711)
Impairment loss on trade receivables	B, C	-	(5,309,509)	2,505,873	(2,803,636)
Profit before zakat		**63,053,195**	**-**	**3,063,537**	**66,116,732**
Profit for the year		**61,307,893**	**-**	**3,063,537**	**64,371,430**
Total comprehensive income for the year		**59,514,680**	**-**	**3,063,537**	**62,578,217**

The following are adjustments to the statement of profit or loss and other comprehensive income for the year ended December 31, 2019:

	Note	December 31, 2019 SR	Reclassification SR	Remeasurement SR	December 31, 2019 SR
		(Before adjustment)			(Adjusted)
Revenue	A	306,159,332	-	(8,057,307)	298,102,025
Cost of revenue	A	(250,682,077)	-	7,313,566	(243,368,511)
General and administrative expenses	C	(22,691,228)	6,879,212	-	(15,812,016)
Impairment loss in trade receivables	B, C	-	(6,879,212)	(3,153,078)	(10,032,290)
Profit before zakat		**28,362,525**	**-**	**(3,896,819)**	**24,465,706**
Profit for the year		**26,902,149**	**-**	**(3,896,819)**	**23,005,330**
Total comprehensive income for the year		**26,450,693**	**-**	**(3,896,819)**	**22,553,874**

V. The Certified Public Accountant's notes on the audited financial statements for the years ended December 31, 2021, 2020 and 2019

The Certified Public Accountant's report did not include any notes on the audited financial statements for the years ended December 31, 2021, 2020 and 2019 and issued an unmodified opinion on those audited financial statements.

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Perfect Presentation