**PERFECT PRESENTATION FOR COMMERCIAL SERVICES COMPANY**
**(A SAUDI JOINT STOCK COMPANY)**
**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**
**FOR THE YEAR ENDED DECEMBER 31, 2025**

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

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**
**FOR THE YEAR ENDED DECEMBER 31, 2025**

Baker Tilly Professional Services
P.O. Box 300467, Riyadh 11372
Kingdom of Saudi Arabia

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## Independent Auditor's Report

**To the Shareholders**
**Perfect Presentation for Commercial Services Company**
(A Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

### 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 December 31, 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and its financial performance, and its cash flows for the year then ended in accordance with IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (hereinafter collectively referred to as "IFRS as endorsed in KSA")

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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 Code of Ethics for Professional Accountants that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Below is a description of the key audit matter and how we addressed it.

| **Key audit matter: Revenue recognition** | |
|---|---|
| **The key audit matter** | **How the matter was addressed in our audit** |
| The Company's contracts with customers include multiple services which include maintenance and operation services, call center services, licensing, development services, managed services, and cyber security. Revenues amounted to SR 1,237,358,154 for the year ended December 31, 2025 (December 31, 2024: SR 1,071,028,069). | Our audit procedures performed included, among other matters, the following:<br>▪ Assessed the design and implementation of relevant controls in relation to revenue recognition,<br>▪ Verified the revenue recognition policy applied by the Company to ensure compliance with IFRS 15 requirements. |

**Independent Auditor's Report** (Continued)

**To the Shareholders**
**Perfect Presentation for Commercial Services Company**

**Key audit matters** (Continued)

| **Key audit matter: Revenue recognition** | |
|---|---|
| **The key audit matter** | **How the matter was addressed in our audit** |
| Management recognizes revenue either at a point of time or over time depending on the assessment made in accordance with the requirements of IFRS 15.<br><br>Due to the variety of contractual arrangements with the customers, which affected by management estimates concerning the determination of the appropriate measurement and timing of recognition of different elements of revenue, revenue recognition was identified as a key audit matter. | • Perform the following procedures on a sample of customer contracts:<br>- Traced the transaction price to the underlying contract executed with the customer.<br>- Assessed whether the transaction price allocated to the financial performance obligations is in line with IFRS 15 requirements.<br>- Assessed the timing of revenue recognition at a point in time or over period is in line with requirements of IFRS 15.<br><br>• Evaluate the adequacy of revenue disclosures in the company's financial statements. |
| Refer to note (5) on accounting policies for revenue, and note (20) on revenues' details. | |

**Other Information**

Other information consists of the information included in the Company's 2025 annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, and in doing so, consider whether the other information is materially inconsistent with the financial statements or the knowledge we obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

**Independent Auditor's Report** (Continued)

**To the Shareholders**
**Perfect Presentation for Commercial Services Company**

**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 IFRS as endorsed in KSA, the Regulations for Companies, the Company's By-laws, 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 Board of Directors, 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 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 International Standards on Auditing 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 these financial statements.

As part of an audit in accordance with International Standards on Auditing 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 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

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## Independent Auditor's Report (Continued)

**To the Shareholders**
**Perfect Presentation for Commercial Services Company**

**Auditor's Responsibilities for the Audit of the Financial Statements** (Continued)

- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless laws or regulations preclude 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.

**Baker Tilly Professional Services**

**Majid Muneer Alnemer**
(Certified Public Accountant - License No. 381)
Riyadh on Shawal 19, 1447H
Corresponding to April 7, 2026G

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C.R: 1010428101 :س.ت
BAKER TILLY
Professional Services

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

**STATEMENT OF FINANCIAL POSITION**
**AS AT DECEMBER 31, 2025**
(All amounts are presented in Saudi Riyals unless otherwise stated)

| | Note | December 31, 2025 | December 31, 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property and equipment | 6 | **211,827,895** | 130,608,062 |
| Intangible assets | 7 | **35,387,745** | 34,200,559 |
| Right-of-use assets | 8 | **2,518,698** | - |
| **Total non-current assets** | | **249,734,338** | 164,808,621 |
| **Current assets** | | | |
| Inventory | 9 | **8,791,098** | 4,060,332 |
| Due from related parties | 10 | **29,815,639** | 45,657,583 |
| Contract assets | 20 | **719,173,009** | 486,906,749 |
| Trade receivables | 11 | **778,460,345** | 580,972,663 |
| Prepayments and other receivables | 12 | **60,326,091** | 51,744,138 |
| Cash and cash equivalents | 13 | **86,830,432** | 100,433,079 |
| **Total current assets** | | **1,683,396,614** | 1,269,774,544 |
| **TOTAL ASSETS** | | **1,933,130,952** | 1,434,583,165 |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital paid | 14 | **330,000,000** | 300,000,000 |
| Statutory reserve | 14 | **55,827,902** | 42,408,433 |
| Retained earnings | | **285,728,280** | 202,603,395 |
| Employee stock plan | 14 | **-** | - |
| **Total equity** | | **671,556,182** | 545,011,828 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Employees' defined benefits obligation | 17 | **57,355,369** | 41,085,832 |
| Lease liabilities | 8 | **1,421,004** | - |
| Long-term borrowings | 16 | **83,000,000** | - |
| **Total non-current liabilities** | | **141,776,373** | 41,085,832 |
| **Current liabilities** | | | |
| Trade payables | | **193,065,962** | 185,219,528 |
| Due to related parties | 10 | **5,895,504** | 2,093,417 |
| Short-term borrowings | 16 | **664,689,563** | 429,161,853 |
| Current portion of long-term borrowings | 16 | **-** | 2,322,501 |
| Contract liabilities | 20 | **47,618,581** | 44,311,592 |
| Other payables and accruals | 18 | **199,938,131** | 177,658,634 |
| Current portion of lease liabilities | 8 | **976,682** | - |
| Zakat payable | 19 | **7,613,974** | 7,717,980 |
| **Total current liabilities** | | **1,119,798,397** | 848,485,505 |
| **Total liabilities** | | **1,261,574,770** | 889,571,337 |
| **TOTAL EQUITY AND LIABILITIES** | | **1,933,130,952** | 1,434,583,165 |

| Nasser AL Bassam | Ehsan Doughman | Maher Bawadi |
|---|---|---|
| **Chairman of Board of Directors** | **Chief Executive Officer** | **Chief Financial Officer** |

The accompanying notes form an integral part of these financial statements

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED DECEMBER 31, 2025**
(All amounts are presented in Saudi Riyals unless otherwise stated)

| | Note | 2025 | 2024 |
|---|---|---|---|
| Revenue from contracts with customers | 20 | **1,237,358,154** | 1,071,028,069 |
| Cost of revenue from contracts with customers | 21 | **(956,141,902)** | (820,104,403) |
| **Gross profit** | | **281,216,252** | 250,923,666 |
| | | | |
| Selling and marketing expenses | 22 | **(13,013,330)** | (7,447,433) |
| General and administrative expenses | 23 | **(47,031,197)** | (43,546,147) |
| Expected credit losses on contract assets, trade and other receivables, and related parties | 10, 11, 12, 20 | **(33,529,153)** | (30,758,001) |
| Other operating income | 24 | **3,631,025** | 11,969,689 |
| Gain on disposal of property and equipment | 6 | - | 31,754,668 |
| **Operating profit** | | **191,273,597** | 212,901,442 |
| Finance costs | 25 | **(49,366,166)** | (41,859,389) |
| **Profit before zakat** | | **141,907,431** | 171,042,053 |
| | | | |
| Zakat | 19 | **(7,712,742)** | (7,706,116) |
| **Profit for the year** | | **134,194,689** | 163,335,937 |
| | | | |
| **Other comprehensive income** | | | |
| *Items that will not be reclassified to profit or loss in subsequent years:* | | | |
| Remeasurement of employees' defined benefits obligation | 17 | **(7,650,335)** | (347,928) |
| **Other comprehensive loss for the year** | | **(7,650,335)** | (347,928) |
| **Total comprehensive income for the year** | | **126,544,354** | 162,988,009 |
| | | | |
| **Earnings per share:** | | | |
| Basic and diluted | 26 | **0.45** | 0.54 |

| Nasser AL Bassam | Ehsan Doughman | Maher Bawadi |
|---|---|---|
| **Chairman of Board of Directors** | **Chief Executive Officer** | **Chief Financial Officer** |

The accompanying notes form an integral part of these financial statements

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

**STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR ENDED DECEMBER 31, 2025**
(All amounts are presented in Saudi Riyals unless otherwise stated)

| | Note | Share capital paid | Statutory reserve | Retained earnings | Employee stock plan | Total equity |
|---|---|---|---|---|---|---|
| **For the year ended December 31, 2025:** | | | | | | |
| **As at January 1, 2025** | | **300,000,000** | **42,408,433** | **202,603,395** | - | **545,011,828** |
| **Profit for the year** | | - | - | **134,194,689** | - | **134,194,689** |
| **Other comprehensive loss for the year** | | - | - | **(7,650,335)** | - | **(7,650,335)** |
| **Total comprehensive income for the year** | | - | | **126,544,354** | - | **126,544,354** |
| **Transfer to statutory reserve** | | - | **13,419,469** | **(13,419,469)** | - | - |
| **Share capital increase** | 14-1 | **30,000,000** | - | **(30,000,000)** | - | - |
| **As at December 31, 2025** | | **330,000,000** | **55,827,902** | **285,728,280** | - | **671,556,182** |
| | | | | | | |
| For the year ended December 31, 2024: | | | | | | |
| As at January 1, 2024 | | 150,000,000 | 26,074,839 | 205,948,980 | - | 382,023,819 |
| Profit for the year | | - | - | 163,335,937 | - | 163,335,937 |
| Other comprehensive loss for the year | | - | - | (347,928) | - | (347,928) |
| Total comprehensive income for the year | | - | | 162,988,009 | - | 162,988,009 |
| Transfer to statutory reserve | | - | 16,333,594 | (16,333,594) | - | - |
| Share capital increase | 14-1 | 150,000,000 | - | (150,000,000) | - | - |
| As at December 31, 2024 | | 300,000,000 | 42,408,433 | 202,603,395 | - | 545,011,828 |

| | | |
|---|---|---|
| Nasser AL Bassam | Ehsan Doughmar | Maher Bawadi |
| **Chairman of Board of Directors** | **Chief Executive Officer** | **Chief Financial Officer** |

The accompanying notes form an integral part of these financial statements

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

**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED DECEMBER 31, 2025**
(All amounts are presented in Saudi Riyals unless otherwise stated)

| | 2025 | 2024 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Profit before zakat | **141,907,431** | 171,042,053 |
| **Adjustments for non-cash items** | | |
| Depreciation and amortization | **12,305,128** | 7,303,081 |
| Expected credit losses on contract assets, trade receivables, and other receivables | **33,529,153** | 30,758,001 |
| Gain on disposal of property and equipment | - | (31,754,668) |
| Employee termination benefits incurred | **17,413,938** | 15,913,679 |
| Finance cost incurred | **49,366,166** | 41,859,389 |
| | **254,521,814** | 235,121,535 |
| **CHANGES IN WORKING CAPITAL:** | | |
| Inventory | **1,135,569** | (156,392) |
| Due from/to related parties | **17,515,701** | (60,347,553) |
| Contract assets | **(237,758,905)** | (70,251,334) |
| Trade receivables | **(223,395,860)** | (105,572,040) |
| Prepayments and other receivables | **(8,581,953)** | (26,818,499) |
| Contract liabilities | **3,306,989** | (17,032,061) |
| Trade payables | **7,846,434** | 12,918,721 |
| Other payables and accruals | **20,200,685** | (13,977,257) |
| | **(165,209,526)** | (46,114,720) |
| Employee termination benefits paid | **(10,671,612)** | (10,593,589) |
| Zakat paid | **(7,816,748)** | (6,893,400) |
| **Net cash used in operating activities** | **(183,697,886)** | (63,591,709) |
| **INVESTING ACTIVITIES** | | |
| Purchases of property and equipment | **(92,733,365)** | (9,501,734) |
| Purchases of intangible assets | **(7,242,721)** | (9,649,878) |
| Proceed from disposal of property and equipment | - | 53,852,459 |
| **Net cash (used in) generated from investing activities** | **(99,976,086)** | 34,697,847 |
| **FINANCING ACTIVITIES** | | |
| Proceeds from long-term borrowings | **83,000,000** | - |
| Paid of long term borrowings | **(2,322,501)** | (3,042,265) |
| Change in short-term borrowings | **235,527,710** | 121,360,893 |
| Finance cost paid | **(45,311,884)** | (40,493,519) |
| Repayment of lease liabilities | **(822,000)** | - |
| **Net cash generated from financing activities** | **270,071,325** | 77,825,109 |
| **Net change in cash and cash equivalents** | **(13,602,647)** | 48,931,247 |
| Cash and cash equivalents at beginning of the year | **100,433,079** | 51,501,832 |
| **Cash and cash equivalents at end of the year** | **86,830,432** | 100,433,079 |
| **Non-cash transactions:** | | |
| Share capital increase from retained earnings | **30,000,000** | 150,000,000 |
| Right-of-use-assets against lease liabilities | **3,121,092** | - |
| Transfer from projects under process to inventory | **5,866,335** | - |

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

The accompanying notes form an integral part of these financial statements

## 1- ORGANIZATION AND ACTIVITY

Perfect Presentation for Commercial Services Company (the "Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration No. 1010203693 and the unified national number No. 700148915 issued in Riyadh on Shawwal 25, 1425H (corresponding to December 8, 2004G).

The registered address of the Company is Al Sheikh Abdullah Bin Jibreen Road, Qairawan district, P.O. Box 10552, Riyadh 11651, Kingdom of Saudi Arabia.

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

| CR number | Location | Registration date |
|---|---|---|
| 1010290319 | Riyadh | Rajab 8, 1431H (corresponding to June 19, 2010G) |
| 4031218300 | Makkah | Safar 13, 1440H (corresponding to October 21, 2018G) |
| 5900143626 | Jizan | Dhu al-Hijjah 29, 1444H (corresponding to July 17, 2023G) |
| 4650285338 | Al Madinah al-Munawwarah | Jumada al-Thani 30 , 1446H (corresponding to December 31, 2024G) |
| 50488 | Egypt | Rabi al-Awwal 10, 1447H (corresponding to September 2, 2025G) |

The Company's main activity is network extensions, installation and extension of computer and communications networks, user interface and experience design, robotics technologies, virtual and augmented reality technologies, application development, artificial intelligence technologies, systems analysis, cybersecurity, blockchain technologies, huge data technologies, data science and analysis, establishing the infrastructure for web hosting, data processing services and related activities, document and data verification, rehabilitation and restructuring of administrative, financial and operational processes of establishments, providing senior management consulting services, repairing and maintaining printers and scanners, repairing and maintaining monitors, keyboard, mouse and other similar accessories, repairing and maintaining engines, systems, fixed and portable data storage devices, training centers, software for health and medical devices, designing and programming special software, repairing and maintaining military communications devices, installing and maintaining security devices, wholesale sales of security devices, wholesale sales of security equipment and supplies (for government tenders only), repairing and maintaining personal computers and laptops (of all types), building and operating a geospatial platform/portal, building geospatial databases, applications and web services for geospatial information systems, providing communication services via non-terrestrial networks, providing non-terrestrial network operation services, providing management and monitoring services for communication and information networks, providing SMS services, call center service, registration cloud computing services, revenue cycle management.

## 2- BASIS OF PREPARATION

The financial statements of the Company for the year ended December 31, 2025, 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 material accounting policies are disclosed in note 5

The financial statements have been prepared on a historical cost basis, The financial statements are presented in Saudi Riyals which is also the functional currency of the Company, and all values are rounded to the nearest Riyal (SR), except when otherwise indicated.

## 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 material adjustment to the carrying amount of assets or liabilities which will be affected in future periods.

Other disclosures relating to the Company's exposure to risk and uncertainties include:

- Financial instruments risk management Note 28

### 3.1 Judgments

In the process of applying the company's accounting policies, management has made the following judgments that have a material impact on the amounts reported in the financial statements:

**Determining whether the Company is a principal or an agent in a contract with a customer**

The Company considers itself as an agent in license supply contracts with customers if the compensation it receives represent a commission of the total contract's cost and most of the performance obligations in the contract will be fulfilled by other contractors.

### 3.2 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.

**Uncertain zakat positions**

The Company's current zakat payable of SR 7,613,974 relates to management's assessment of the amount of zakat payable on open zakat positions where the liabilities remain to be agreed with the Zakat, Tax and Customs Authority (ZATCA). Due to the uncertainty associated with such zakat items, it is possible that, on finalization of the final assessment at a future date, the final outcome may differ significantly. Note 19 describes the status of zakat assessments.

**Long-term assumptions of employee termination benefits**

Employee termination benefits represent obligations which will be paid in the future upon the termination of employment contracts. Management has to make assumptions about the variables such as discount rate, salary increase rate, mortality rates and employees' turnover. The Company's management periodically seeks advice from external actuaries on these assumptions. Changes in key assumptions could materially affect the provision for employees' termination benefits.

**Property and equipment's useful lives**

The Company determines the estimated useful lives of its property 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.

**Estimated cost to complete**

The Company uses the percentage-of-completion method (POC") in accounting for its long-term services contracts. Use of POC requires the Company to estimate the total cost to complete a contract. If the total estimated costs were 10% higher than management's estimates, the amount of revenue recognized during the year ended December 31, 2025, would have decreased by SR 387 million. If the total estimated costs were 10% less than management's estimates, the amount of revenue recognized during the year ended December 31, 2025, would have increased by SR 98 million.

## 3- SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

### 3.2 Estimates and assumptions (Continued)

**Impairment of trade receivables and contract assets**

The Company uses a specified matrix to calculate Expected Credit Losses provision "ECLs" for trade receivables and contract assets. 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 default rates. The provision's calculation reflects the probability-weighted outcome, the time value of money, and reasonable information that is available at the reporting date about past events and future economic conditions. At each reporting date, default rates are updated and changes in the forward looking estimates are analyzed.

The assessment of the correlation between the observed historical default rates, future economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in economic circumstances and forecasts. 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 and contract assets is disclosed in Note 28.

The Company consistently measures the loss provision on amounts due from customers at an amount equal to the lifetime expected credit losses. There has been no change to the estimation methods or significant assumptions made during the current reporting period.

**Internally generated intangible assets costs**

Recognizing internally generated intangible assets by the company requires classifying the assets into:
A) Research phase
B) Development phase

The Company doesn't recognize any intangible asset arising from internal development unless it can demonstrate the technical feasibility of completing the intangible asset, its intention to complete the asset, its ability to use or sell the asset, and how the intangible asset will generate the desired economic benefits. It must provide sufficient technical, financial and other resources to complete the development process and be able to measure in a reliable way the expenditures attributed to the intangible asset during its development.

## 4- CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

The new and amended standards and interpretations issued but not yet effective as of the date of issuance of the Company's financial statements are set out below. The Company intends to adopt these new and amended standards and interpretations, where applicable, when they become effective.
- Amendments to IAS 21: Lack of Exchangeability.
- Amendments to IFRS 9 and IFRS 7: Classification and Measurements of financial instruments.
- Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity.
- Amendments to IFRS 18: Presentation and Disclosure in Financial Statements.
- International Financial Reporting Standard (IFRS) 19: Subsidiaries without Public Accountability

IFRS 18 is expected to have a significant impact on the way the Company presents its statement of profit or loss. The other new and amended standards and interpretations are not expected to have a material impact on the Company's financial statements.

## 5- MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies applied by the Company in preparing these financial statements:

**Property and equipment**

Property and equipment are stated at cost, net of accumulated depreciation and / or accumulated impairment losses, if any.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

| | Depreciation rate |
|---|---|
| Buildings | 3% |
| Vehicles | 20% |
| Furniture and fixtures | 15% |
| Computers | 15% |
| Construction and Fitting | 9% |
| Improvements and decorations | 25% or the lease term, whichever is less |

**Intangible assets**

Intangible assets acquired separately are initially recognized at cost. Intangible assets acquired as part of a business combination are measured at their fair value as of the acquisition date. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses, if applicable.

The expected useful lives of intangible assets are assessed as either finite or indefinite.

Amortization is calculated using the straight-line method over the estimated useful life of the assets, ranging from three to five years

For intangible assets with finite useful lives, they are amortized over their estimated economic useful lives. Impairment is assessed whenever there is an indication that the asset may be impaired. The amortization period and method for such assets are reviewed at least at each financial year-end. Changes in the expected useful life or the pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization expense for intangible assets with finite useful lives is recognized in the statement of profit or loss within the expense category consistent with the function of the intangible asset.

For intangible assets with indefinite useful lives, no amortization is recognized. Instead, these assets are tested for impairment annually, either individually or at the level of cash-generating units. The assessment of the indefinite useful life is reviewed annually to determine whether it continues to be supportable. If it is no longer justifiable, the change from an indefinite to a finite useful life is accounted for prospectively.

**Leases**

The determination of whether an arrangement is, or contains, a lease is decided at the inception date. An arrangement is, or contains, a lease if it grants the right to control a particular asset or assets for a period of time in exchange for consideration.

**A-Right of use assets**

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over their estimated useful lives.

## 5- MATERIAL ACCOUNTING POLICIES (Continued)

**B-Lease Liabilities**

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over their estimated useful lives.

**Short-term Leases and Leases of Low-Value Assets**

Short-term leases are contracts with a term of 12 months or less. Low value assets are items that do not meet the company's capitalization limit of SR 5,000 and are considered relatively insignificant to the balance sheet. Payments made on short-term leases and leases of low-value assets are recognized on a straight-line basis in profit or loss.

**Company as a lessor**

Leases where the Company does not substantially transfer all risks and rewards of ownership are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue once they are earned.

**Impairment of non-financial assets**

Management assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, management estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or combinations of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses for continuing operations are recognized in profit or loss from continuing operations.

An assessment is made at the financial reporting date to determine whether there is any indication that previously recognized impairment losses for non-financial assets have reversed, other than goodwill. The reversal of an impairment loss is recognized in profit or loss.

**Inventory**

Inventories are stated at the lower of cost and net realizable value. Cost incurred in bringing the inventory to its present location and condition are accounted for as the purchase cost on a weighted cost average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated manufacturing completion costs and the estimated costs to sell.

**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, and fair value through profit or loss.

On initial recognition, all financial assets are recognized at fair value plus the cost of transaction, except in the case of financial assets are recorded at fair value through profit or loss.

## 5- MATERIAL ACCOUNTING POLICIES (Continued)

### Financial assets (Continued)

***Impairment of financial assets***

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

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

**Financial Liabilities**

***Initial recognition and measurement***

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

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

**Provisions**

***General***

Provisions are recognized when there is 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 management 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 or loss net of any reimbursement that qualifies for recognition.

***Onerous contracts***

If the Company has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognizes any impairment losses that have occurred on assets dedicated to that contract.

**Employee Termination Benefits**

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected credit unit method.

**Treasury shares**

Treasury shares are measured at their purchase cost. Any difference between the resale value of treasury shares and their cost is recognized in retained earnings.

## 5- MATERIAL ACCOUNTING POLICIES (Continued)

### Revenue from Contracts with Customers

### Performance obligation

The company generates revenue mainly from a collection of services and performance obligations according to customers' request as follows:

| Products and Services | Nature and Timing of Satisfaction of Performance Obligations |
|---|---|
| Revenue from maintenance and operation services | Revenues from maintenance and operation services are recognized in the accounting period in which the service is provided over time. |
| Revenues from providing call center services | These revenues consist of the following:<br>- Establishing and equipping call centres, customer service and subscribers' care.<br>- Management and operation of call centres, customer service and subscribers' care.<br>- Providing trained and qualified human resources to work in call centres and customer service.<br>- Providing programs and systems for call centres, customer service and subscribers care, such as.<br>- Open-source call centre systems. "Contact Centre System".<br>- Interactive response systems through sound and image. "IVR".<br>- Call recording systems. "Call Recording Systems".<br>- Customers' relationships management systems. "CRM"<br>- Reporting systems for call centre performance and real-time monitoring screens.<br>- Specialized training in call centres, customer service, and customer care.<br>- Providing advisory services specialized in establishing, managing and operating call centres, customer service, and taking care of subscribers.<br><br>Revenues from call center services are recognized in the accounting period in which the service is provided over time. |
| Revenue from licensing and development services | Revenues from providing computer software licensing services are recognized in the accounting period in which the service is provided at a specific point in time |
| Revenue from providing SMS and subscriptions services. | Revenues from providing SMS and subscriptions services are recognized at a point in time, upon actual use by the customer |
| Managed Services (Administrative Services) | Revenue from managed services is recognized over time throughout the service period, as the customer simultaneously receives and consumes the benefits provided by the service. |
| Cybersecurity Services | Revenue from cybersecurity services is recognized over the period of service delivery or upon completion of the service, depending on the nature of the contractual obligation. |

## 5- MATERIAL ACCOUNTING POLICIES (Continued)

**Revenue from Contracts with Customers** (Continued)

***Contract assets***

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company transfers 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***

The amount of trade receivables represents an unconditional right to receive consideration.

***Contract Liabilities***

Contract liabilities are obligations to transfer services to a customer in exchange for consideration received (or receivable) from the customer.

***Warranty Liabilities***

Management naturally provides warranties to rectify any defects found at the time of sale, as required by law. These warranties, which are of a confirmatory nature, are accounted for as provisions.

**Bidding and mobilisation costs**

Bidding costs incurred in trying to obtain a contract are expensed as incurred. The Company capitalizes incremental costs incurred after being named a preferred bidder or receiving formal notification of the intention to appoint if such costs are expected to be recovered from contract cashflows.

### Zakat

The Company pays zakat in accordance with the regulations of the Zakat, Tax and Customs Authority (ZATCA). The provision is charged to profit or loss.

**Uncertain zakat positions**

Differences that may arise from assessments are accounted for when the assessments are finalized with ZATCA.

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

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED DECEMBER 31, 2025**
(All amounts are presented in Saudi Riyals unless otherwise stated)

## 6- PROPERTY AND EQUIPMENT

| | Land | Buildings | Vehicles | Furniture and fixtures | Computers | Construction and fitting | Improvements and decorations | Project under construction | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | | | |
| At January 1, 2024 | 52,073,500 | 87,570,501 | 6,333,884 | 6,886,948 | 13,005,134 | 4,596,599 | 1,873,677 | 1,615,622 | 171,955,865 |
| Additions | - | - | 387,045 | 46,009 | 839,146 | 1,676,600 | - | 6,555,934 | 9,504,734 |
| Disposals | (7,028,500) | (20,497,499) | - | (1,836,662) | (5,556,221) | (2,538,838) | (1,873,677) | - | (39,331,397) |
| Transfers | - | 2,305,221 | - | - | - | - | - | (2,305,221) | - |
| At December 31, 2024 | 45,045,000 | 69,378,223 | 6,720,929 | 5,096,295 | 8,288,059 | 3,734,361 | | 5,866,335 | 144,179,707 |
| **Additions** | **39,487,540** | - | **771,102** | - | **1,114,325** | **172,200** | - | **51,188,198** | **92,733,365** |
| **Transfers** | - | - | - | - | **4,143,361** | - | - | **(10,009,696)** | **(5,866,335)** |
| **At December 31, 2025** | **84,532,540** | **69,378,223** | **7,492,031** | **5,096,295** | **13,545,745** | **3,906,561** | - | **47,044,837** | **230,996,232** |
| **Accumulated depreciation:** | | | | | | | | | |
| At January 1, 2024 | - | 10,139,090 | 1,257,672 | 3,287,925 | 7,539,247 | 1,414,554 | 1,773,400 | - | 25,411,888 |
| Charged during the year | - | 1,887,360 | 1,217,029 | 761,080 | 1,137,207 | 340,182 | - | - | 5,342,858 |
| Disposals | - | (7,611,573) | - | (1,586,047) | (5,112,626) | (1,149,960) | (1,773,400) | - | (17,233,606) |
| At December 31, 2024 | - | 4,414,877 | 2,474,701 | 2,462,958 | 3,563,828 | 604,776 | - | - | 13,521,140 |
| **Charged during the year** | - | **1,887,360** | **1,302,112** | **764,452** | **1,342,637** | **350,636** | - | - | **5,647,197** |
| **At December 31, 2025** | - | **6,302,237** | **3,776,813** | **3,227,410** | **4,906,465** | **955,412** | - | - | **19,168,337** |
| **Net book value** | | | | | | | | | |
| **At December 31, 2025** | **84,532,540** | **63,075,986** | **3,715,218** | **1,868,885** | **8,639,280** | **2,951,149** | - | **47,044,837** | **211,827,895** |
| At December 31, 2024 | 45,045,000 | 64,963,346 | 4,246,228 | 2,633,337 | 4,724,231 | 3,129,585 | - | 5,866,335 | 130,658,062 |

(All amounts are presented in Saudi Riyals unless otherwise stated)

## 6- PROPERTY AND EQUIPMENT (Continued)

- During 2025, the company transferred electronic devices amounting to SAR 5,866,335 from the construction-in-progress account to inventory, in order to sell them to customers.
- During 2025, the company pledged the land on which its main headquarters building is constructed as collateral for a long-term loan obtained from a local bank. The carrying value of this land amounted to SAR 45,045,000 as of 31 December 2025 (2024: not applicable) (Note 16).
- On January 22, 2023, the Company received a notification of estimation for the two properties included in the expropriation decision in favour of a government entity. During 2024, control and ownership of the lands and buildings were transferred to the government entity. Consequently, the Company derecognized these assets and recognized capital gains of SR 33.8 million.
- Projects under construction as at December 31, 2025 represent the purchase cost of the Company's new building in Riyadh, along with the costs incurred for construction and fit-out works (December 31, 2024: costs incurred for the construction, fit-out, and expansion of the Company's head office in Riyadh).
- The gains from the disposal of property and equipment for the years ended December 31 are as follows:

| | **2025** | 2024 |
|---|---|---|
| Gains from the disposal of properties related to expropriation decisions | - | 33,889,728 |
| Losses from the disposal of other property and equipment | - | (2,135,060) |
| | - | 31,754,668 |

Depreciation for the year ended December 31, has been charged as follows:

| | **2025** | 2024 |
|---|---|---|
| Cost of revenue (Note 21) | **1,157,168** | 1,022,757 |
| General and administrative expenses (Note 23) | **4,490,029** | 4,320,101 |
| | **5,647,197** | 5,342,858 |

## 7- INTANGIBLE ASSETS

| | **Computer Programs** | **Software under development** | **Total** |
|---|---|---|---|
| **Cost** | | | |
| January 1, 2024 | 2,560,822 | 24,770,826 | 27,331,648 |
| Additions | 3,539,964 | 6,109,914 | 9,649,878 |
| Transfer | 10,199,466 | (10,199,466) | - |
| December 31, 2024 | 16,300,252 | 20,681,274 | 36,981,526 |
| **Additions** | - | **7,242,721** | **7,242,721** |
| **Transfer** | **6,455,846** | **(6,455,846)** | **-** |
| **December 31, 2025** | **22,756,098** | **21,468,149** | **44,224,247** |
| **Accumulated amortization** | | | |
| January 1, 2024 | 820,744 | - | 820,744 |
| Charged during the year - (Note 21) | 1,960,223 | - | 1,960,223 |
| December 31, 2024 | 2,780,967 | - | 2,780,967 |
| **Charged during the year – (Note 21)** | **6,055,535** | **-** | **6,055,535** |
| **December 31, 2025** | **8,836,502** | **-** | **8,836,502** |
| **Net book value** | | | |
| **December 31, 2025** | **13,919,596** | **21,468,149** | **35,387,745** |
| December 31, 2024 | 13,519,285 | 20,681,274 | 34,200,559 |

(All amounts are presented in Saudi Riyals unless otherwise stated)

## 8- Lease Contracts

The company has lease contracts for its operational sites, represented by offices used in its operations, and the lease terms range from 1 to 3 years. The company is generally prohibited from transferring the leased assets or subleasing them.

### 8-1 Amounts recognized in the statement of financial position:

The followings are the net book value of the right-of-use assets and lease liabilities of the Company during the year:

| **Right of use assets** | **2025** | 2024 |
|---|---|---|
| at January 1 | - | - |
| Additions | **3,121,092** | - |
| Depreciation charged during the year | **(602,394)** | - |
| | **2,518,698** | - |

### 8-2 Amounts recognized in the statement of financial position:

| **Lease liabilities** | **2025** | 2024 |
|---|---|---|
| at January 1 | - | - |
| Additions | **3,121,092** | - |
| Finance cost – Note (25) | **98,594** | - |
| Payments | **(822,000)** | - |
| **Balance at December 31,** | **2,397,686** | - |
| **Less: current portion** | **976,682** | - |
| **Non-current portion** | **1,421,004** | - |

### 8-3 Amounts recognized in the profit or loss:

| | **2025** | 2024 |
|---|---|---|
| Right of use depreciation – Note (21) | **602,394** | - |
| Finance cost related to lease liability – Note (25) | **98,594** | - |
| Expense related to short term lease contracts–Note (23) | **335,084** | 408,808 |
| **Total balance recognized in the profit or loss** | **1,036,072** | 408,808 |

## 9- Inventory

| | **December 31, 2025** | December 31, 2024 |
|---|---|---|
| Electronic devices | **8,363,237** | 3,825,945 |
| Messages' bundles | **283,232** | 89,758 |
| Fingerprint devices | **144,629** | 144,629 |
| | **8,791,098** | 4,060,332 |

(All amounts are presented in Saudi Riyals unless otherwise stated)

## 10- TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties represent major shareholders of the Company, directors, top management and affiliates. The nature of the relationship is described as follows:

| Related party | Relationship |
|---|---|
| Ideal for Business and Commercial Investment Company | A company owned by a substantial shareholder. |
| Information Technology Belt Company | A company owned by a substantial shareholder. |
| Perfect Presentation for Commercial Services Company - Egypt | A company owned by a substantial shareholder. |
| Cloud Distribution for Communications and Information Technology Company | A company owned by a substantial shareholder. |
| Sustainable Energy Company | A company owned by a substantial shareholder. |
| Mal Media Company | Related to Chairman of the Board |
| Prime Technical Contracting Establishment | A company owned by a substantial shareholder. |

The following is a summary of the significant transactions carried out with related parties and the associated approximate amounts for the year ended December 31:

| Related Party | Nature of transaction | 2025 | 2024 |
|---|---|---|---|
| Prime Technical Contracting Establishment | Purchases | **127,751** | 750,157 |
| Cloud Distribution for Communications and Information Technology Company | Purchases | **32,731,676** | 14,311,235 |
| Information Technology Belt Company | Purchases | - | 632,500 |
| Ideal for Business and Commercial Investment Company. | Payments on behalf | **2,485,728** | 1,500 |
| Sustainable Energy Company | Sales | **29,901** | - |
| | Purchases | - | 1,300,561 |
| Mal Media Company | Purchases | **868,106** | - |
| Perfect Presentation for Commercial Services Company - Egypt | Purchases | - | 489,883 |

**The balances due from related parties as at December 31, consists of the following:**

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Related Parties | **31,943,969** | 45,657,583 |
| Less: provision for expected credit losses | **(2,128,330)** | - |
| | **29,815,639** | 45,657,583 |

(All amounts are presented in Saudi Riyals unless otherwise stated)

**10- TRANSACTIONS AND BALANCES WITH RELATED PARTIES** (Continued)

The movement in the expected credit loss (ECL) provision for the years ended December 31 is as follows:

| | 2025 | 2024 |
|---|---|---|
| At January 1 | - | - |
| Additions | 2,128,330 | - |
| **At December 31** | **2,128,330** | - |

**The balances due from related parties as at December 31, consists of the following:**

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Perfect Presentation for Commercial Services Company - Egypt | 30,313,255 | 43,956,657 |
| Prime Technical Contracting Establishment | 1,336,852 | 1,336,852 |
| Information Technology Belt Company | 186,210 | 186,210 |
| Sustainable Energy Company | 107,652 | 77,752 |
| Ideal for Business and Commercial Investment Company | - | 100,112 |
| | 31,943,969 | 45,657,583 |

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

**The balances due to related parties as at December 31, consists of the following:**

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Cloud Distribution for Communications and Information Technology Company | 5,277,398 | 2,093,417 |
| Mal Media Company | 618,106 | - |
| | 5,895,504 | 2,093,417 |

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

**Key Management Personal Remunerations**

| | 2025 | 2024 |
|---|---|---|
| Key Management Personal Remunerations - Short-Term | 6,210,818 | 12,231,190 |
| Key Management Personal Remunerations - Long-Term | 422,645 | 346,237 |
| | 6,633,463 | 12,577,427 |

Senior executives' Remunerations consists of salaries, benefits, end of service benefits and other provisions.

**11- TRADE RECEIVABLES**

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Trade receivables | 838,026,320 | 614,630,460 |
| Less: Less: provision for expected credit losses | (59,565,975) | (33,657,797) |
| | 778,460,345 | 580,972,663 |

Credit risk related to trade receivables has been disclosed in Note 28.

(All amounts are presented in Saudi Riyals unless otherwise stated)

## 11- TRADE RECEIVABLES (Continued)

The movement in the expected credit loss (ECL) provision for the years ended December 31 is as follows:

| | **2025** | 2024 |
|---|---|---|
| At January 1 | **33,657,797** | 14,088,818 |
| Additions | **25,908,178** | 19,568,979 |
| **At December 31** | **59,565,975** | 33,657,797 |

## 12- PREPAYMENTS AND OTHER RECEIVABLES

| | **December 31, 2025** | December 31, 2024 |
|---|---|---|
| Prepaid expenses | **37,342,721** | 22,838,071 |
| Advances to suppliers | **8,568,006** | 4,418,261 |
| Cash collateral against letters credits and letters of guarantee | **3,682,995** | 16,743,055 |
| Accrued governmental HR support | **2,301,348** | 2,355,611 |
| Employee's receivables | **1,537,249** | 1,545,673 |
| Retentions | **1,505,654** | 1,505,654 |
| Others | **8,186,761** | 5,136,456 |
| | **63,124,734** | 54,542,781 |
| Impairment Provision | **(2,798,643)** | (2,798,643) |
| | **60,326,091** | 51,744,138 |

## 13- CASH AND CASH EQUIVALENTS

| | **December 31, 2025** | December 31, 2024 |
|---|---|---|
| Cash at banks | **85,451,749** | 99,945,266 |
| Petty cash | **777,439** | 487,813 |
| Bank restricted cash | **601,244** | - |
| | **86,830,432** | 100,433,079 |

## 14- SHARE CAPITAL AND RESERVES

### 14-1 Share Capital

The company's share capital as at December 31, 2025, consisted of 330,000,000 shares with a par value of SR 1 per share (December 31, 2024: 300,000,000 shares with a par value of SR 1 per share).

- On April 30, 2025, the Board of Directors resolved to recommend to the Extraordinary General Assembly an increase in the company's share capital from SR 300,000,000 to SR 330,000,000, representing an increase of SR 30,000,000, or 10% of the company's share capital. This increase will be covered by transferring it from retained earnings balance to the share capital account for allocation to the Employee Stock Ownership Program.

- The Extraordinary General Assembly, held on November 4, 2025, approved the Board of Directors' recommendation to increase the company's capital from SR 300,000,000 to SR 330,000,000 through the issuance of 30,000,000 new shares allocated to the company's Employee Stock Ownership Program, as recommended by the Board of Directors. The establishment of the Employee Stock Ownership Program was also approved, and the Board of Directors was authorized to determine its terms and details.

(All amounts are presented in Saudi Riyals unless otherwise stated)

## 14- SHARE CAPITAL AND RESERVES (Continued)

### 14-1 Share Capital (Continued)

- The Extraordinary General Assembly, in its meeting held on June 25, 2024, approved the Board of Directors' recommendation to increase the company's capital by 100% through the issuance of bonus shares by capitalizing SR 150 million from retained earnings. This will be achieved by granting one bonus share for every share held by shareholders, bringing the capital after the increase to SR 300 million and the number of shares after the increase to 300 million shares.

### 14-2 Statutory Reserve

In line with the previous requirements of Companies Law, the Company had appropriated 10% of its annual net income to the statutory reserve. Under the new Companies' Law, there is no requirement to establish reserves unless stipulated in the Company's Bylaws. Accordingly, the Company's Bylaws require an annual appropriation of 10% of the annual net income to a reserve.

### 14-3 Employee stock plan

As mentioned in 14-1 above, the company holds 30,000,000 of its own shares allocated for the employee share program as of 31 December 2025 (31 December 2024: none)

## 15- CAPITAL MANAGEMENT

For the purpose of capital management, capital includes capital, statutory reserve and all other equity reserves attributable to the shareholders of the Company. The primary objective of capital management is to maximise value to the shareholders.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or modify the capital structure, the Company may adjust the dividend payments to shareholders and adjust the financial leverage ratio.

## 16- BORROWINGS

### 16-1 Long-Term Borrowings

The Company obtained loans (Murabaha & Tawruq) from various local commercial banks. These loans generally bear finance costs based on inter-bank offer rates which charge finance fees at the prevailing inter-bank rate in the kingdom of Saudi Arabia ("SIBOR") plus a fixed margin agreed upon between the parties. Certain of these loans are secured by a mortgage on property and equipment (Note 6).

The movement of the long-term borrowings for the year was as follows:

| | **2025** | 2024 |
|---|---|---|
| At January 1 | **2,322,501** | 5,364,766 |
| Proceeds during the year | **83,000,000** | - |
| Payments during the year | **(2,322,501)** | (3,042,265) |
| **At December 31** | **83,000,000** | 2,322,501 |

The Long-term borrowings consist of the following:

| | **December 31, 2025** | December 31, 2024 |
|---|---|---|
| The non-current portion included under non-current liabilities | **83,000,000** | - |
| The current portion included under current liabilities | **-** | 2,322,501 |
| **At December 31** | **83,000,000** | 2,322,501 |

(All amounts are presented in Saudi Riyals unless otherwise stated)

**16- BORROWINGS** (Continued)

**16-2 Short-Term Borrowings**

These borrowing represent credit facilities (Murabaha and Tawruq) obtained from various commercial banks and bear financial charges at prevailing market rates which are based on inter-bank offer rates which charge finance fees at prevailing Inter-bank rate in the kingdom of Saudi Arabia ("SIBOR") plus a margin agreed upon between the parties. Certain of these loans are secured by promissory notes, and assignment of trade receivables for projects funded through these facilities.

The movement of loans and borrowings during the year is as follows:

| | 2025 | 2024 |
|---|---|---|
| January 1 | **429,161,853** | 307,800,960 |
| Proceeds during the year | **1,516,187,214** | 765,782,575 |
| Payments during the year | **(1,280,659,504)** | (644,421,682) |
| **December 31** | **664,689,563** | 429,161,853 |

**17- EMPLOYEES' DEFINED BENEFITS OBLIGATION**

The movement in employee's defined benefits obligation, a defined benefit plan, during the year is as follows:

| | 2025 | 2024 |
|---|---|---|
| January 1 | **41,085,832** | 34,051,944 |
| Expense charged to profit or loss | **19,290,814** | 17,279,549 |
| Actuarial remeasurement charged to other comprehensive income | **7,650,335** | 347,928 |
| Paid | **(10,671,612)** | (10,593,589) |
| **December 31** | **57,355,369** | 41,085,832 |

The expense charged to profit or loss comprise of:

| | 2025 | 2024 |
|---|---|---|
| Current service cost | **17,413,938** | 15,913,679 |
| Finance cost (note 25) | **1,876,876** | 1,365,870 |
| Cost recognized in profit or loss | **19,290,814** | 17,279,549 |

**Significant actuarial assumptions**

| | December 31, | |
|---|---|---|
| | 2025 | 2024 |
| Used discount rate | **5.15%** | 5.25 % |
| Salary growth rate | **5.00%** | 5.25 % |
| Employee turnover | **High** | High |

**Sensitivity analysis of key actuarial assumptions are as follows:**

| | 2025 | | 2024 | |
|---|---|---|---|---|
| **Discount rate** | % | | % | |
| Increase | **1% +** | **54,537,270** | 1% + | 39,028,636 |
| Decrease | **1% -** | **60,489,638** | 1% - | 43,377,542 |
| **Expected salary growth** rate | | | | |
| Increase | **1% +** | **60,463,317** | 1% + | 43,354,768 |
| Decrease | **1% -** | **54,507,711** | 1% - | 39,009,930 |

(All amounts are presented in Saudi Riyals unless otherwise stated)

## 18- OTHER PAYABLES AND ACCRUALS

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Value added tax, net | **80,433,943** | 66,336,482 |
| Accrued employees' benefits | **63,574,840** | 59,351,476 |
| Accrued cost projects | **24,754,006** | 16,043,755 |
| Accrued finance cost | **14,190,235** | 12,111,423 |
| Notes payable | **10,894,637** | 10,500,758 |
| Accrued bonus and commissions | **3,491,892** | 11,481,000 |
| Others | **2,598,578** | 1,833,740 |
| | **199,938,131** | 177,658,634 |

## 19- ZAKAT PAYABLE

### Components of zakat base

The Company is subject to zakat. Zakat is payable at 2.5% of adjusted profit and 2.8% of the zakat base. The significant components of the zakat base under zakat collection regulation principally comprise equity and its equivalents, certain liabilities capped to assets deducted from the zakat base, the difference between adjusted profit and accounting profit, less a deduction for certain assets. The zakat base is confined between equity and its equivalents as a ceiling and as a floor, the lesser of undeducted assets plus the difference between adjusted profit and accounting profit on one hand, and adjusted profit on the other.

The movement of Zakat payable for the year ended December 31 is as follows:

| | 2025 | 2024 |
|---|---|---|
| January 1 | **7,717,980** | 6,895,264 |
| Charged for the year | **7,613,974** | 7,706,116 |
| Shortage of prior years' provision | **98,768** | - |
| Paid during the year | **(7,816,748)** | (6,883,400) |
| **December 31** | **7,613,974** | 7,717,980 |

### Zakat status

The company has submitted its Zakat returns up to 2024 and received the final certificate from the Zakat, Tax and Customs Authority ("the Authority"). During 2025, the company received a request for additional information regarding 2024 and has not yet received the Zakat assessment for that year from the Authority. The company has completed its Zakat assessments for the years 2021 to 2023, while the 2024 return remains under review by the Authority.

(All amounts are presented in Saudi Riyals unless otherwise stated)

## 20- REVENUE FROM CONTRACTS WITH CUSTOMERS

### 20-1 Disaggregated revenue information

| Segments | 2025 | 2024 |
|---|---|---|
| **Type of products or services** | | |
| Maintenance and operation services | **433,352,498** | 344,215,790 |
| Call Centre services | **375,533,891** | 298,023,027 |
| Licensing and development services | **270,936,407** | 294,296,222 |
| Managed Services | **139,884,575** | 105,010,925 |
| Cybersecurity services | **17,650,783** | 29,482,105 |
| **Total revenue from contracts with customers** | **1,237,358,154** | 1,071,028,069 |
| | | |
| **Type of customers** | | |
| Governmental and semi-governmental customers | **1,070,320,612** | 965,449,029 |
| Private sector customers | **167,037,542** | 105,579,040 |
| **Total revenue from contracts with customers** | **1,237,358,154** | 1,071,028,069 |
| | | |
| **Timing of revenue recognition** | | |
| Services transferred over a period of time | **1,075,379,637** | 911,801,677 |
| Products transferred at a point in time | **161,978,517** | 159,226,392 |
| **Total revenue from contracts with customers** | **1,237,358,154** | 1,071,028,069 |

### 20-2 Contract Balances

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Trade receivables (Note 11) | **778,460,345** | 580,972,663 |
| Contract assets (Note A) | **719,173,009** | 486,906,749 |
| Contract liabilities (Note B) | **47,618,581** | 44,311,592 |

**(A) Contract assets**

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Total contract assets | **738,074,127** | 500,315,222 |
| Less: Provision for Expected Credit Losses on Contract Assets | **(18,901,118)** | (13,408,473) |
| | **719,173,009** | 486,906,749 |

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

(All amounts are presented in Saudi Riyals unless otherwise stated)

## 20-REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

### 20-2 Contracts Balances (Continued)

**(A) Contract assets** (Continued)

The movement in the Provision for Expected Credit Losses on Contract Assets is as follows:

| | 2025 | 2024 |
|---|---|---|
| January 1 | 13,408,473 | 5,018,094 |
| Additions | 5,492,645 | 8,390,379 |
| **December 31** | **18,901,118** | 13,408,473 |

Credit risk related to contract assets has been disclosed in Note 28.

**(B) Contract liabilities**

Contract liabilities include advances received against contracts with customers, as well as transaction price allocated to unsatisfied performance obligations.

Contract liabilities as at December 31 are as follows:

| | December 31, 2025 | December 31, 2024 |
|---|---|---|
| Billing in excess of work performed | 21,073,024 | 23,979,243 |
| Advances from customers | 26,545,557 | 20,332,349 |
| | 47,618,581 | 44,311,592 |

## 21-COST OF REVENUE

| | 2025 | 2024 |
|---|---|---|
| Employees' benefits | 596,349,885 | 486,382,000 |
| Cost of equipment, software, services, and support | 304,013,595 | 302,657,493 |
| Governmental fees | 16,111,161 | 11,516,609 |
| Subscriptions | 15,072,178 | 6,039,133 |
| Travel and transportation | 6,760,367 | 4,018,930 |
| Amortization | 6,055,535 | 1,960,223 |
| Depreciation | 1,759,562 | 1,022,757 |
| Maintenance and repair | 1,042,430 | 1,270,513 |
| Others | 8,977,189 | 5,236,745 |
| | 956,141,902 | 820,104,403 |

## 22-SELLING AND MARKETING EXPENSES

| | 2025 | 2024 |
|---|---|---|
| Employees' benefits | 6,760,692 | 5,846,808 |
| Exhibition and conference expenses | 4,164,845 | - |
| Travel and transportation | 394,246 | 475,531 |
| Tenders' fees | 380,146 | 403,907 |
| Others | 1,313,401 | 716,187 |
| | 13,013,330 | 7,442,433 |

(All amounts are presented in Saudi Riyals unless otherwise stated)

## 23- GENERAL AND ADMINISTRATIVE EXPENSES

| | 2025 | 2024 |
|---|---|---|
| Employees benefits | **23,762,779** | 27,648,586 |
| Depreciation | **4,490,029** | 4,320,101 |
| Professional fees | **5,144,666** | 4,128,171 |
| Water and electricity | **2,008,070** | 2,040,523 |
| Governmental fees | **3,057,560** | 1,444,566 |
| Others | **8,568,093** | 3,964,200 |
| | **47,031,197** | 43,546,147 |

**Auditor's contracted remuneration fees:**

| | 2025 | 2024 |
|---|---|---|
| Audit and review of financial statements | **950,000** | 420,000 |
| Other statutory assurance services | **240,000** | 180,000 |
| Zakat and tax attestation services | **30,000** | 30,000 |
| | **1,220,000** | 630,000 |

## 24- OTHER OPERATING INCOME

| | 2025 | 2024 |
|---|---|---|
| Accounts payable write-off | - | 4,338,170 |
| Building fire insurance compensation (*) | - | 4,000,000 |
| Human resources development fund | **3,631,025** | 3,582,361 |
| Others | - | 49,158 |
| | **3,631,025** | 11,969,689 |

(*) On September 25, 2024, the Company's headquarters in Al-Qairawan district in Riyadh suffered a fire incident. The fire was contained and brought under control without any human injuries or loss of life. The Company took the necessary measures immediately after the incident to address the damage caused by the fire, including verifying the safety of the building and returning it to operational condition. After coordinating with the relevant authorities and fulfilling all safety requirements, the company resumed full operations and removed the properties and equipment damaged by the fire. In addition, the insurance compensation amount was collected during the same year.

## 25- FINANCE COSTS

| | 2025 | 2024 |
|---|---|---|
| Finance cost related to loans | **47,390,696** | 40,493,519 |
| Finance cost related to employee's benefits (note 17) | **1,876,876** | 1,365,870 |
| Finance cost related to lease contracts (note 8) | **98,594** | - |
| | **49,366,166** | 41,859,389 |

## 26- EARNINGS PER SHARE

| | 2025 | 2024 |
|---|---|---|
| Profit for the year | **134,194,689** | 163,335,937 |
| Weighted average number of ordinary shares | **300,000,000** | 300,000,000 |
| Earnings per share – basic and diluted | **0.45** | 0.54 |

(All amounts are presented in Saudi Riyals unless otherwise stated)

## 26- EARNINGS PER SHARE (Continued)

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

Basic earnings per share have been calculated by dividing the profit for the year attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.
The number of outstanding shares does not include the shares registered in the company's name under the employee share program (Note 14).

## 27- COMMITMENTS AND CONTINGENCIES

The Company has contingent liabilities in respect of letters of guarantee and letters of credit issued in the normal course of business amounting to SR 392,195,763 as at December 31, 2025 (2024: SR 429,106,339), against which cash margins of SR 3.7 million has been provided as at 31 December 2025 (2024: SR 16.7 million).

## 28- FAIR VALUE AND FINANCIAL INSTRUMENTS RISK MANAGEMENT

### 28-1 Fair value measurements of financial instruments

As at December 31, 2025, the Company does not have any financial instruments measured at fair value.

### 28-2 Financial Instruments Risk Management

The Company's activities expose it to a variety of financial risks, such as credit risk, liquidity risk, market price risk, currency risks and interest rate risk.

**Credit risks**

Credit risk is the risk that one party to financial instruments 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. The carrying amount of financial assets represents the maximum credit risks exposure. The Company does not hold collaterals against these instruments.

The company manages credit risk related to contract assets and trade receivables by setting credit limits for each customer in the private sector and continuously monitoring outstanding receivables. Trade receivables are monitored to ensure that the company does not incur any significant bad debts

Bank balances are held with banks with sound credit ratings.

The exposure to credit risk for contract assets and trade receivables by type of counterparty was as follows:

| | **December 31, 2025** | December 31, 2024 |
|---|---|---|
| **Contract Assets** | | |
| Governmental and semi-governmental parties * | **641,325,729** | 451,123,312 |
| Private Sector | **96,748,398** | 49,191,910 |
| | **738,074,127** | 500,315,222 |
| **Trade receivables** | | |
| Governmental and semi-governmental parties * | **705,406,502** | 525,981,806 |
| Private Sector | **132,619,818** | 88,648,654 |
| | **838,026,320** | 614,630,460 |

* It includes companies owned and controlled by the government.

(All amounts are presented in Saudi Riyals unless otherwise stated)

**28- FAIR VALUE AND FINANCIAL INSTRUMENTS RISK MANAGEMENT** (Continued)

**28-2 Financial Instruments Risk Management** (Continued)

**Credit risks** (Continued)

**Assessment of expected credit losses on contract assets and trade receivables:**

Management performs an impairment analysis at each reporting date using an allowance matrix to measure Expected Credit Losses ("ECLs"). The allowance rates are based on days past due for groupings of various customer segments with similar loss patterns.

The following table provides information about the exposure to credit risk and ECLs for contract assets:

**As at December 31, 2025:**

| | ECL Rate | Exposure* | ECL |
|---|---|---|---|
| **Less than 90 days** | **0.025%** | **357,447,047** | **88,823** |
| **91 to 180 days** | **0.065%** | **99,157,840** | **64,319** |
| **181 to 270 days** | **0.156%** | **76,891,315** | **120,265** |
| **271 to 360 days** | **0.281%** | **63,745,836** | **179,384** |
| **361 to 450 days** | **0.518%** | **50,761,097** | **263,132** |
| **451 to 540 days** | **1.529%** | **26,181,459** | **400,385** |
| **541 to 630 days** | **4.231%** | **17,395,206** | **736,038** |
| **631 to 720 days** | **13.532%** | **12,309,881** | **1,665,765** |
| **More than 720 days** | **45 %** | **34,184,446** | **15,383,007** |
| | | **738,074,127** | **18,901,118** |

* The total amount of exposure is shown net after deducting the corresponding contract liabilities.

**As at December 31, 2024:**

| | ECL Rate | Exposure* | ECL |
|---|---|---|---|
| Less than 90 days | 0.007% | 202,497,426 | 14,256 |
| 91 to 180 days | 0.02% | 77,275,463 | 15,050 |
| 181 to 270 days | 0.04% | 60,037,723 | 26,076 |
| 271 to 360 days | 0.08% | 50,988,570 | 40,026 |
| 361 to 450 days | 0.17% | 54,453,835 | 94,607 |
| 451 to 540 days | 0.70% | 8,872,060 | 61,807 |
| 541 to 630 days | 2.40% | 11,817,302 | 289,405 |
| 631 to 720 days | 9.51% | 7,317,864 | 692,445 |
| More than 720 days | 45% | 27,054,979 | 12,174,741 |
| | | 500,315,222 | 13,408,473 |

* The total amount of exposure is shown net after deducting the corresponding contract liabilities.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from Governmental and semi-government sectors:

**As at December 31, 2025**:

| | ECL Rate | Exposure* | ECL |
|---|---|---|---|
| **Not past due** | **0.445%** | **343,885,886** | **1,529,221** |
| **Less than 90 days** | **1.432%** | **129,220,338** | **1,851,059** |
| **91 to 180 days** | **3.169%** | **50,275,325** | **1,593,243** |
| **181 to 270 days** | **8.772%** | **24,542,732** | **2,152,854** |
| **271 to 360 days** | **19.576%** | **42,354,438** | **8,291,355** |
| **361 to 450 days** | **20.674%** | **12,388,345** | **2,561,186** |
| **451 to 540 days** | **45.942%** | **12,067,997** | **5,544,310** |
| **541 to 630 days** | **36.083%** | **71,853,002** | **25,926,591** |
| | | **686,588,063** | **49,449,819** |

* The total amount of exposure is shown net after deducting the corresponding contract liabilities.

(All amounts are presented in Saudi Riyals unless otherwise stated)

## 28- FAIR VALUE AND FINANCIAL INSTRUMENTS RISK MANAGEMENT (Continued)

### 28-2 Financial Instruments Risk Management (Continued)

**Credit risks** (Continued)

**As at December 31, 2024**

| | ECL Rate | Exposure* | ECL |
|---|---|---|---|
| Not past due | 0.37% | 309,181,650 | 1,146,246 |
| Less than 90 days | 1.18% | 50,700,904 | 600,408 |
| 91 to 180 days | 3.44% | 11,309,459 | 388,550 |
| 181 to 270 days | 4.90% | 16,111,857 | 789,408 |
| 271 to 360 days | 8.10% | 60,389,103 | 4,891,511 |
| 361 to 450 days | 10.70% | 5,971,187 | 638,907 |
| 451 to 540 days | 15.61% | 17,550,239 | 2,739,553 |
| 541 to 630 days | 27.20% | 5,463,775 | 1,483,611 |
| 631 to 720 days | 35.00% | 5,574,517 | 1,949,808 |
| More than 721 days | 45% | 20,464,741 | 9,209,132 |
| | | 502,717,432 | 23,837,134 |

*The total amount of exposure is shown net after deducting the corresponding contract liabilities.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from private sector:

**As of December 31, 2025:**

| | **ECL Rate** | **Exposure*** | **ECL** |
|---|---|---|---|
| **Not past due** | **2.10%** | **46,121,845** | **967,327** |
| **Less than 90 days** | **4.05%** | **25,285,651** | **1,023,331** |
| **91 to 180 days** | **9.57%** | **6,355,779** | **608,025** |
| **181 to 270 days** | **20.26%** | **3,289,972** | **666,630** |
| **271 to 360 days** | **31.11%** | **6,664,648** | **2,073,071** |
| **More than 361 days** | **40.72%** | **5,028,256** | **2,047,691** |
| | | **92,746,151** | **7,386,075** |

*The total amount of exposure is shown net after deducting the corresponding contract liabilities

**As of December 31, 2024:**

| | ECL Rate | Exposure* | ECL |
|---|---|---|---|
| Not past due | 1.10% | 38,421,444 | 421,335 |
| Less than 90 days | 2.02% | 9,907,918 | 200,707 |
| 91 to 180 days | 19.50% | 168,228 | 9,085 |
| 181 to 270 days | 11.85% | 359,922 | 42,739 |
| 271 to 360 days | 23.50% | 32,697,075 | 7,705,709 |
| More than 361 days | 28.20% | 5,104,144 | 1,440,088 |
| | | 86,658,731 | 9,819,663 |

*The total amount of exposure is shown net after deducting the corresponding contract liabilities.

**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 the inability to sell a financial asset quickly at an amount close to its fair value. Following are the contractual maturities at the end of the reporting period of financial liabilities.

**28- FAIR VALUE AND FINANCIAL INSTRUMENTS RISK MANAGEMENT** (Continued)

**28-2 Financial Instruments Risk Management** (Continued)

**Liquidity Risk** (Continued)

| | **December 31, 2025** | | |
|---|---|---|---|
| | **Carrying amount** | **Less than 1 year** | **1 year to 5 years** |
| **Financial Liabilities** | | | |
| Trade payable | **193,065,962** | **193,065,962** | - |
| Due to related parties | **5,895,504** | **5,895,504** | - |
| Other payable and accruals | **199,938,131** | **199,938,131** | - |
| Short term loans | **664,689,563** | **664,689,563** | - |
| Long term loans | **83,000,000** | - | **83,000,000** |
| | **1,146,589,160** | **1,063,589,160** | **83,000,000** |

| | December 31, 2024 | | |
|---|---|---|---|
| | Carrying amount | Less than 1 year | 1 year to 5 years |
| Financial Liabilities | | | |
| Trade payable | 185,219,528 | 185,219,528 | - |
| Due to related parties | 2,093,417 | 2,093,417 | - |
| Other payable and accruals | 177,658,634 | 177,658,634 | - |
| Short term loans | 429,161,853 | 429,161,853 | - |
| Long term loans | 2,322,501 | 2,322,501 | |
| | 796,455,933 | 796,455,933 | - |

**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 is not the Company functional 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.

As at December 31, 2025, floating-rate financial liabilities amounted to SR 747,7 million (December 31, 2024: SR 431,5 million).

An increase of 100 basis points in interest rates during 2025 would have resulted in an increase in financing costs of SR 5,9 million (2024: SR 3,7 million)

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

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED DECEMBER 31, 2025**
(All amounts are presented in Saudi Riyals unless otherwise stated)

## 29- OPERATING SEGMENTS

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

Segment 1: Maintenance and operation services.

Segment 2: Call centre services.

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

Segment 4: Managed Services (Administrative services)

Segment 5: Cybersecurity services

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

| **As at December 31, 2025** | **Segment 1** | **Segment 2** | **Segment 3** | **Segment 4** | **Segment 5** | **Shared items** | **Total** |
|---|---|---|---|---|---|---|---|
| **Revenue** | 433,352,498 | 375,533,891 | 270,936,407 | 139,884,575 | 17,650,783 | - | 1,237,358,154 |
| **Profit before zakat** | 77,957,796 | 73,227,587 | 87,439,089 | 40,791,483 | 1,800,297 | (139,308,821) | 141,907,431 |
| | | | | | | | |
| **Contract assets** | 258,146,215 | 199,948,020 | 202,708,522 | 71,364,840 | 5,906,530 | (18,901,118) | 719,173,009 |
| **Trade receivables** | 284,579,541 | 235,586,209 | 217,137,283 | 92,464,786 | 8,258,500 | (59,565,974) | 778,460,345 |
| **Shared assets** | - | - | - | - | - | 435,497,598 | 435,497,598 |
| **Total assets** | 542,725,756 | 435,534,229 | 419,845,805 | 163,829,626 | 14,165,030 | 357,030,506 | 1,933,130,952 |
| **Contract liabilities** | 9,680,873 | 418,207 | 21,406,457 | - | 864,886 | 15,248,158 | 47,618,581 |
| **Shared liabilities** | - | - | - | - | - | 1,213,956,189 | 1,213,956,189 |
| **Total liabilities** | 9,680,873 | 418,207 | 21,406,457 | - | 864,886 | 1,229,204,347 | 1,261,574,770 |

| As at December 31, 2024 | Segment 1 | Segment 2 | Segment 3 | Segment 4 | Segment 5 | Shared items | Total |
|---|---|---|---|---|---|---|---|
| Revenue | 344,215,790 | 298,023,027 | 294,296,222 | 105,010,925 | 29,482,105 | - | 1,071,028,069 |
| Profit before zakat | 70,410,164 | 60,668,180 | 95,591,568 | 39,646,217 | 4,625,432 | (79,899,508) | 171,042,053 |
| | | | | | | | |
| Contract assets | 182,471,572 | 108,037,560 | 170,637,329 | 34,644,696 | 4,524,065 | (13,408,473) | 486,906,749 |
| Trade receivables | 265,205,693 | 152,352,350 | 183,531,879 | 13,540,538 | - | (33,657,797) | 580,972,663 |
| Shared assets | - | - | - | - | - | 366,703,753 | 366,703,753 |
| Total assets | 447,677,265 | 260,389,910 | 354,169,208 | 48,185,234 | 4,524,065 | 319,637,483 | 1,434,583,165 |
| Contract liabilities | 12,021,721 | 708,118 | 22,945,251 | 1,410,956 | - | 7,225,546 | 44,311,592 |
| Shared liabilities | - | - | - | - | - | 845,259,745 | 845,259,745 |
| Total liabilities | 12,021,721 | 708,118 | 22,945,251 | 1,410,956 | - | 852,485,291 | 889,571,337 |

## 30- APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Company's Board of Directors on Shawal 11, 1447H (corresponding to March 30, 2026G).