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شركة آر إس أم المحاسبون المتحدون للإستشارات المهنية
RSM Allied Accountants Professional Services Co.

SURE GLOBAL TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2023
AND INDEPENDENT AUDITOR'S REVIEW REPORT

SURE GLOBAL TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2023

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Independent Auditor's Report on Review of the Condensed Interim Consolidated Financial Statements

To the shareholders of
Sure Global Technology Company
(A Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of **Sure Global Technology Company** ("the Company") and its subsidiaries (collectively referred to as the "Group") as at June 30, 2023, and the condensed interim consolidated statement of comprehensive income for the three and six months periods ended June 30, 2023 and the related condensed interim consolidated statements of changes in equity and cash flows for the six months period then ended, and other explanatory notes. Management is responsible for preparation and presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review:

We conducted our review in accordance with International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of condensed interim consolidated 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 as endorsed in the Kingdom of Saudi Arabia and consequently doesn't 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 condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

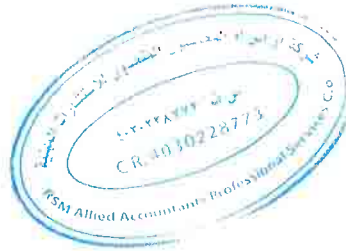
Other matter:

The condensed interim financial statements of the company for the three and six months periods ended June 30, 2022, were reviewed by another auditor who expressed an unmodified conclusion on those condensed interim financial statements dated Safar 11, 1444 (corresponding to September 7, 2022). Also the Groups' Consolidated financial statements for the year ended on December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on Ramadan 2, 1444 (corresponding to March 24, 2023).

RSM Allied Accountants Professional Services

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Mohammed Bin Farhan Bin Nader
License No. 435
Riyadh, Kingdom of Saudi Arabia
11 Safar 1445 H (Corresponding to August 27, 2023)



SURE GLOBAL TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023
(SAUDI RIYAL)

	Notes	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS			
Non-current assets			
Property and equipment		2,105,494	2,246,431
Right of use assets		472,086	811,122
Intangible assets	5	3,141,475	2,866,833
Investment in associate	6	11,922,647	11,304,324
Equity instruments at fair value through other comprehensive income		187,500	187,500
Total non-current assets		17,829,202	17,416,210
Current assets			
Prepaid expenses and other debit balances		7,721,150	6,449,140
Due from related party	7	969,925	-
Trade receivables	8	82,851,335	54,572,035
Cash and cash equivalents	9	37,074,606	51,475,504
		128,617,016	112,496,679
Non-current assets held for sale	10	-	1,902,150
Total current assets		128,617,016	114,398,829
Total assets		146,446,218	131,815,039
EQUITY AND LIABILITIES			
Equity			
Share capital		51,297,500	51,297,500
Statutory reserve		5,761,644	5,761,644
Retained earnings		44,660,695	39,001,888
Total equity		101,719,839	96,061,032
Liabilities			
Non-current liabilities			
Employees' defined benefits obligations		6,572,135	5,567,122
Lease liabilities		148,250	211,234
Total non-current liabilities		6,720,385	5,778,356
Current liabilities			
Lease liabilities – current portion		404,398	712,594
Trade payables		12,449,157	6,094,695
Accrued expenses and other credit balances	11	22,526,256	19,840,842
Zakat provision and accrued tax	16	2,626,183	3,050,279
		38,005,994	29,698,410
Liabilities attributable to non-current assets held for sale	10	-	277,241
Total current liabilities		38,005,994	29,975,651
Total liabilities		44,726,379	35,754,007
Total equity and liabilities		146,446,218	131,815,039

Finance Manager

Chief Executive Officer

Chairman of Board of Directors

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

SURE GLOBAL TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2023
(SAUDI RIYAL)

	Notes	For the three months period ended		For the six months period ended	
		June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
Revenues	14	42,212,465	70,860,025	82,673,393	112,450,013
Cost of revenues		(26,486,292)	(58,722,157)	(53,790,465)	(88,053,080)
Gross profit		15,726,173	12,137,868	28,882,928	24,396,933
Selling and marketing expenses		(1,307,964)	(647,107)	(2,993,886)	(1,279,753)
General and administrative expenses		(5,479,307)	(4,533,079)	(8,234,964)	(8,070,143)
Expected credit losses	8	-	(176,320)	(670,975)	(494,502)
Other revenues		-	15,000	706,545	15,000
Operating profit		8,938,902	6,796,362	17,689,648	14,567,535
Revenues from Murabaha deposit	9	124,155	-	214,397	-
Finance costs		(7,254)	(12,700)	(15,538)	(22,111)
Share of results from associates	6	(6,462)	(133,543)	96,584	(279,831)
Profit before zakat and income tax		9,049,341	6,650,119	17,985,091	14,265,593
Zakat and income tax	16	(1,203,738)	(573,263)	(2,066,784)	(1,081,306)
Profit for the period		7,845,603	6,076,856	15,918,307	13,184,287
Other comprehensive income:					
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		7,845,603	6,076,856	15,918,307	13,184,287
Basic and diluted earnings per share	12	1.53	1.18	3.10	2.57

Finance Manager

Chief Executive Officer

Chairman of Board of Directors

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

SURE GLOBAL TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023
(SAUDI RIYAL)

	Share capital	Statutory reserve	Retained earnings	Proposed dividends	Total equity
Balance as of Jan 1, 2023 (Audited)	51,297,500	5,761,644	39,001,888	-	96,061,032
Profit for the period	-	-	15,918,307	-	15,918,307
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	15,918,307	-	15,918,307
Dividends (Note 15)	-	-	(10,259,500)	-	(10,259,500)
Balance as of June 30, 2023 (Unaudited)	51,297,500	5,761,644	44,660,695	-	101,719,839
Balance as of Jan 1, 2022 (Audited)	51,297,500	3,353,975	21,888,864	5,129,750	81,670,089
Profit for the period	-	-	13,184,287	-	13,184,287
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	13,184,287	-	13,184,287
Dividends (Note 15)	-	-	(5,129,750)	(5,129,750)	(10,259,500)
Balance as of June 30, 2022 (Unaudited)	51,297,500	3,353,975	29,943,401	-	84,594,876

Finance Manager

Chief Executive Officer

Chairman of Board of Directors

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

SURE GLOBAL TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
OPERATING ACTIVITIES		
Profit before zakat and income tax	17,985,091	14,265,593
Adjustments for non-cash items:		
Depreciation of property and equipment	422,946	421,643
Depreciation of right of use assets	339,036	321,796
Amortization of intangible assets	196,752	330,988
Share of results from associate	(96,584)	279,831
Impairment in works in progress	-	484,000
Gain on disposal of non-current assets held for sale	(706,545)	-
Expected credit losses	670,975	494,502
Current service cost of employees' defined benefits obligations	1,281,290	748,392
Finance costs for lease liabilities	15,538	22,111
	<u>20,108,499</u>	<u>17,368,856</u>
Changes in working capital:		
Prepaid expenses and other debit balances	(1,272,010)	4,070,254
Due from related party	73,553	(24,076)
Trade receivables	(28,950,275)	(41,390,098)
Trade payables	6,354,462	21,164,882
Accrued expenses and other credit balances	(7,851,327)	(3,885,714)
Cash flows from operations	<u>(11,537,098)</u>	<u>(2,695,896)</u>
Employees' defined benefits obligations paid	(276,277)	(351,744)
Zakat and income tax paid	(2,490,880)	(1,923,475)
Net cash flows used in operating activities	<u>(14,304,255)</u>	<u>(4,971,115)</u>
INVESTING ACTIVITIES:		
Additions on property and equipment	(282,009)	(202,146)
Additions on intangible assets	(471,394)	-
Additions on investment in associates	-	(1,636,800)
Proceeds from disposal of non-current assets held for sale	1,043,478	-
Net cash flows from (used in) investing activities	<u>290,075</u>	<u>(1,838,946)</u>
FINANCING ACTIVITIES:		
Lease liabilities paid	(386,718)	(365,273)
Change in bank facilities	-	(740,791)
Dividends paid	-	(10,259,500)
Net cash flows used in financing activities	<u>(386,718)</u>	<u>(11,365,564)</u>
Net change in cash and cash equivalents	<u>(14,400,898)</u>	<u>(18,175,625)</u>
Cash and cash equivalents at the beginning of the period	<u>51,475,504</u>	<u>30,638,160</u>
Cash and cash equivalents at the end of the period	<u>37,074,606</u>	<u>12,462,535</u>
Non-cash transactions:		
Investment in associate through disposal of non-current assets held for sale	521,739	-
Uncollected amount from disposal of non-current assets held for sale	1,043,478	-
Proposed dividends	10,259,500	-

Finance Manager

Chief Executive Officer

Chairman of Board of Directors

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

SURE GLOBAL TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

1- CORPORATE INFORMATION OF THE GROUP

Sure Global Technology Company (the "Company" or "Parent Company") is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010224037 issued in Riyadh on Ramadan 16, 1427 corresponding to October 9, 2006.

The company's registered address is P.O. 301334, Imam Saud Bin Abdulaziz Bin Muhammad Road - Riyadh - Kingdom of Saudi Arabia.

The company's main activity is providing technical, administrative and human resources consultations, projects' management, computer services, applied systems, developing websites and analyzing, developing and installing systems, providing integrated solutions to the information technology systems, insuring and securing networks, trade in computers and their accessories, maintenance and spare parts.

The condensed interim consolidated financial statements include the records of the Company and its subsidiaries (together referred to as the "Group"). The below subsidiaries are limited liability companies registered in the Kingdom of Saudi Arabia and Egypt.

Company Name	Ownership percentage		Activity
	June 30, 2023	December 31, 2022	
Sure Innovative for Information Technology Company * - (Saudi)	100%	100%	Computer consulting experience activities and computer facilities Management.
SGT for Digital Solutions - (Egypt)	100%	100%	Characterization, analysis and design of software, databases and applications in all types.

* Sure Innovative for Information Technology Company has not practiced any activity since the date of its establishment Ramadan 9, 1440 corresponding to (May 14, 2019).

2- BASIS OF PREPARATION

2-1 Statement of compliance

The Group's condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting" that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncement approved by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These condensed interim consolidated financial statements do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards, and therefore they should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2022. The results for the period are not indicative of the annual results for the Group.

2-2 Basis of measurement

These condensed interim consolidated financial statements have been prepared under historical cost basis, except for what was described in the relevant accounting policies in the annual consolidated financial statements for the year ended December 31, 2022.

2.3 Basis of consolidation

The Group re-assesses whether or not it has a control over an investee if facts and circumstance indicate that there is a change to the elements of the control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, revenues, and expenses of the acquired subsidiary during the period are included within the condensed interim consolidated financial statements effective from the date the Group gains control until the date the Group ceases such control over the investee.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

2- BASIS OF PREPARATION (CONTINUED)

2.3 Basis of consolidation (CONTINUED)

In particular, the Group controls an investee only when the Group has:

- Power over the investee (i.e. existence of rights that gives the Group the current ability to direct the relevant activities of the investee)
- Exposure to risks, or has rights, to variable returns from its direct relationship with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting rights or similar rights of the investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- The contractual arrangement (arrangements) with the other voting rights holders in the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

Income and each items of the other comprehensive income (OCI) is attributed to the equity of the Group. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's applied accounting policies.

Assets, liabilities, equity, revenues, expenses and cash flows related to transactions between Group's companies are fully eliminated upon consolidating the condensed interim consolidated financial statements.

2-4 Significant accounting estimates and assumptions

In preparing these condensed interim consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements for the year ended December 31, 2022.

2-5 Functional and presentation currency

These condensed interim consolidated financial statements are presented in Saudi Riyal, unless otherwise stated. The Saudi Riyal is the functional and presentation currency of the Group.

3- CONSISTENT OF ACCOUNTING POLICIES

The accounting policies followed and the methods of calculation applied in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2022.

4- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

There are new standards and number of amendments to standards which are effective from January 1, 2023 which has been explained in Group annual consolidated financial statements, furthermore, there was no material impact on the group's condensed interim consolidated financial statements.

SURE GLOBAL TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

5- INTANGIBLE ASSETS

	(Saudi Riyal)	
	June 30, 2023	December 31, 2022
Cost		
Balance as at the beginning of the period / year	3,992,337	6,677,070
Additions during the period / year	471,394	-
Transferred to non-current assets held for sale (Note 10)	-	(2,684,733)
Balance as at the end of the period / year	4,463,731	3,992,337
Accumulated Amortization:		
Balance as at the beginning of the period / year	1,125,504	1,246,110
Charged during the period / year	196,752	661,977
Transferred to non-current assets held for sale (Note 10)	-	(782,583)
Balance as at the end of the period / year	1,322,256	1,125,504
Net book value	3,141,475	2,866,833

6- INVESTMENT IN ASSOCIATES

The details of investment in associate companies are as following:

		(Saudi Riyal)	
	Ownership	June 30, 2023	December 31, 2022
Sure Payments for Information Technology	20.46%	11,400,908	11,304,324
Al-Fandaqah Information Technology Company (*)	20%	521,739	-
		11,922,647	11,304,324

The movement of investment in associate companies during the period / year is as follows:

	(Saudi Riyal)	
	June 30, 2023	December 31, 2022
Balance as at the beginning of the period / year	11,304,324	9,525,026
Additions during the period / year	521,739	1,636,800
Shares result	96,584	(279,831)
Balance as at the end of the period / year	11,922,647	10,881,995

The Group's shares result of associates for the six month period ended 30 June is as follows:

	(Saudi Riyal)	
	June 30, 2023	December 31, 2022
Sure Payments Information Technology	96,584	(279,831)
Al-Fandaqah Information Technology Company	-	-
	96,584	(279,831)

(*) During the period, the Group acquired 20% of Al-Fandaqah Information Technology Company. The legal procedures have not been completed until the date of approval of these condensed interim consolidated Financial Statements (note 10)

SURE GLOBAL TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

7- RELATED PARTIES BALANCES AND TRANSACTIONS

The following is a list of these related parties:

<u>Related party</u>	<u>Nature of the transaction</u>
Sure Payments for Information Technology	Associate
Al-Fandaqah Information Technology Company	Associate

The following is a summary of the transactions that took place with related parties during the period ended in:
(Saudi Riyal)

<u>Related party name</u>	<u>Nature of the transaction</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Sure Payments for Information Technology	Payment	(1,039,821)	(1,194,655)
	Expenses paid on behalf	1,039,821	1,218,731
Al-Fandaqah Information Technology Company	investment	(600,000)	-
	Net non-current assets held for sale sold	3,000,000	-
	Payment	(1,200,000)	-
	other	(230,075)	-

The balance due from related party consists of the following:

	<u>(Saudi Riyal)</u>	
	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Al-Fandaqah Information Technology Company	969,925	-

8- TRADE RECEIVABLES

	<u>(Saudi Riyal)</u>	
	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Trade receivables	88,498,786	59,548,511
Expected credit losses	(5,647,451)	(4,976,476)
	82,851,335	54,572,035

The movement in expected credit losses during the period is as follows

	<u>(Saudi Riyal)</u>	
	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Balance as at the beginning of the period / year	4,976,476	1,456,009
Expected credit losses during the period / year	670,975	494,502
Balance as at the end of the period / year	5,647,451	1,950,511

9- CASH AND CASH EQUIVELANTS

	<u>(Saudi Riyal)</u>	
	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Cash at banks	26,074,606	51,475,504
Murabaha Deposit (*)	11,000,000	-
	37,074,606	51,475,504

(*) The Islamic deposit was linked with a period of 88 days at an annual profit rate of (5.3%), and the realized profits for the period ended June 30, 2023 was SR 214,397 (June 30, 2022: nil).

SURE GLOBAL TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

10- NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

On December 31, 2022, the Board of Directors decided to sell the Hotel Management Software ("Fandaqah Product") based on an offer submitted by a company in the Kingdom of Saudi Arabia, provided that the Group obtains an amount of SR 2.1 million and 20% of the ownership of the company that the hotel product transferred to its ownership. A contract for the transfer and sale of a hotel product was signed during the period (Note 5).

Fandaqah product is not a separate major line of business and therefore the profit or loss relating to Fandaqah product is not disclosed as a separate line item in the condensed interim consolidated statement of comprehensive income as a discontinued operation.

	(Saudi Riyal)	
	June 30, 2023	December 31, 2022
Intangible assets	-	1,902,150
Accrued expenses and other credit balances	-	(277,241)

11- ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	(Saudi Riyal)	
	June 30, 2023	December 31, 2022
Accrued dividends (Note 15)	10,259,500	-
Advances from customers	7,793,639	9,208,683
Accrued salaries and other employees' benefits	3,681,054	5,156,882
Value added tax	792,063	3,691,943
Accrued expenses	-	1,783,334
	22,526,256	19,840,842

12- BASIC AND DULITED EARNING PER SHARE

	(Saudi Riyal)	
	June 30, 2023	June 30, 2022
Profit for the period	15,918,307	13,184,287
Weighted average number of ordinary shares	5,129,750	5,129,750
	3.10	2.57

Basic and diluted earnings per share has been calculated by dividing the profit for the period attributable to the shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

13- CONTINGENT LIABILITIES

As of June 30, 2023, the Group has letters of guarantee amounting to SR 28,839,246 (December 31, 2022: SR 29,732,885) issued in the normal course of business for the Group, against deposits in banks amounting to SR 4,477,903 (December 31, 2022: SR 4,476,854).

14- SEGMENT INFORMATION

A segment is a separate and distinct part of the Group that is engaged in business activities from which it earns revenue or incurs expenses. Operating segments are disclosed on the basis of internal reports that are reviewed by the chief operating decision maker, who is the person responsible for allocating resources, assessing performance and making strategic decisions about the operating segments. Operating segments with similar economic features, products, services and similar customer categories are grouped and recorded whenever possible as reportable segments in accordance with IFRS (8) Operating Segments. Operating segments are reported in a manner consistent with the internal reporting structure.

The group operates in the Kingdom of Saudi Arabia, and there are no substantial commercial activities outside the Kingdom of Saudi Arabia.

SURE GLOBAL TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

14- SEGMENTAL INFORMATION (CONTINUED)

Information relating to each segment report is listed below. The total segment profit is used to measure performance because the management believes that this information is the most appropriate for evaluating the results of the relevant segments that relate to other entities that operate in the same industries:

Products or services

For the three month period ended June 30, 2023

(Saudi Riyal)

	Infrastructure	Managed Services	Professional services	Products	Settlements	Total
Revenue	7,931,846	17,220,184	14,521,426	2,539,009	-	42,212,465
Cost of revenues	(5,276,471)	(12,778,536)	(6,205,826)	(2,225,459)	-	(26,486,292)
Gross profit	2,655,375	4,441,648	8,315,600	313,550	-	15,726,173

For the three month period ended June 30, 2022

(Saudi Riyal)

	Infrastructure	Managed Services	Professional services	Products	Settlements	Total
Revenue	40,617,659	15,945,699	11,885,799	2,410,868	-	70,860,025
Cost of revenues	(40,476,338)	(11,477,093)	(5,648,899)	(1,119,827)	-	(58,722,157)
Gross profit	141,321	4,468,606	6,236,900	1,291,041	-	12,137,868

For the six month period ended June 30, 2023

(Saudi Riyal)

	Infrastructure	Managed Services	Professional services	Products	Settlements	Total
Revenue	12,916,158	38,807,301	27,735,678	3,214,256	-	82,673,393
Cost of revenues	(9,571,193)	(25,780,451)	(15,633,255)	(2,805,566)	-	(53,790,465)
Gross profit	3,344,965	13,026,850	12,102,423	408,690	-	28,882,928

For the six month period ended June 30, 2022

(Saudi Riyal)

	Infrastructure	Managed Services	Professional services	Products	Settlements	Total
Revenue	54,155,863	34,499,726	20,377,258	3,417,166	-	112,450,013
Cost of revenues	(51,320,028)	(24,493,499)	(10,272,462)	(1,967,091)	-	(88,053,080)
Gross profit	2,835,835	10,006,227	10,104,796	1,450,075	-	24,396,933

Disclosure of information related to the net book value of property, equipment, right-of-use assets, total assets and total liabilities in these sectors is impractical, as no sector has met the limits contained in IFRS. 8 "Operating Sectors" to disclose its geographical information.

Revenue between segments and between business units is eliminated when consolidated, and reflected in the Settlement column.

The Group's management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is measured and evaluated on the basis of the condensed interim consolidated statement of comprehensive income.

SURE GLOBAL TECHNOLOGY COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

15- DIVIDENDS

For the period ended June 30, 2023

The Company's Board of Directors in their meeting held on March 30, 2023 resolve to declare a dividends for the year ended December 31, 2022 with amount of SR 10,259,500 (2 riyals per share), as it was approved and paid on July 6, 2023, the Board of Directors presented this to the General Assembly on June 12, 2023, and they approved the distribution of dividends.

For the period ended June 30, 2022

The Company's Board of Directors in their meeting held on May 18, 2022 resolve to declare a dividends for the year ended on December 31, 2021 with amount of SR 5,129,750 (1 riyal per share). The Board of Directors presented this to the shareholders on June 12, 2023, where it was approved. On June 12, 2022, the General Assembly of Shareholders approved the recommendation of the Board of Directors on December 26, 2021, to distribute dividends for the period from January 1, 2021 to September 30, 2021 with the amount of SR 5,129,750 (1 riyal per share).

16- ZAKAT PROVISION AND ACCRUED TAX

The movement on the zakat provision is as follows:

	(Saudi Riyal)	
	June 30, 2023	December 31, 2022
Balance as at the beginning of the period / year	2,903,359	2,243,507
Zakat charged for the period/year	1,594,079	2,583,327
Paid during the period / year	(2,490,880)	(1,923,475)
Balance as at the end of the period / year	2,006,558	2,903,359

The movement on income tax payable is as follows:

	(Saudi Riyal)	
	June 30, 2023	December 31, 2022
Balance as at the beginning of the period / year	146,920	-
Tax charged for the period/year	472,705	146,920
Balance as at the end of the period / year	619,625	146,920

Zakat status

The Company has submitted its zakat returns for the previous years up to 2022 to the Zakat, Tax and Customs Authority (the "Authority"). The zakat assessments with the Authority have been finalized until 2018 and the rest of the years are still under study by the Authority.

17- FAIR VALUE OF FINANCIAL INSTRUMENTS

The main financial instruments

For the purpose of fair value disclosures for financial instruments, all financial assets and liabilities in the Group are not measured at fair value as they are measured at amortized cost, except for equity instruments at fair value through other comprehensive income which are measured at fair value.

18- SUBSEQUENT EVENTS

During the subsequent period, projects were awarded with each of the Ministry of Hajj and Umrah and the National Center for Government Resources Systems, for the operation of information technology services and the committee management system project, with a total value of SR 56.4 million.

In the opinion of the management, there are no other significant subsequent events after the period ended June 30, 2023 that could have a material impact on the Group's condensed interim consolidated financial position or results of its operations.

19- APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The condensed interim consolidated financial statements were approved by the Board of Directors on 11 Safar 1445 H (Corresponding to August 27, 2023).