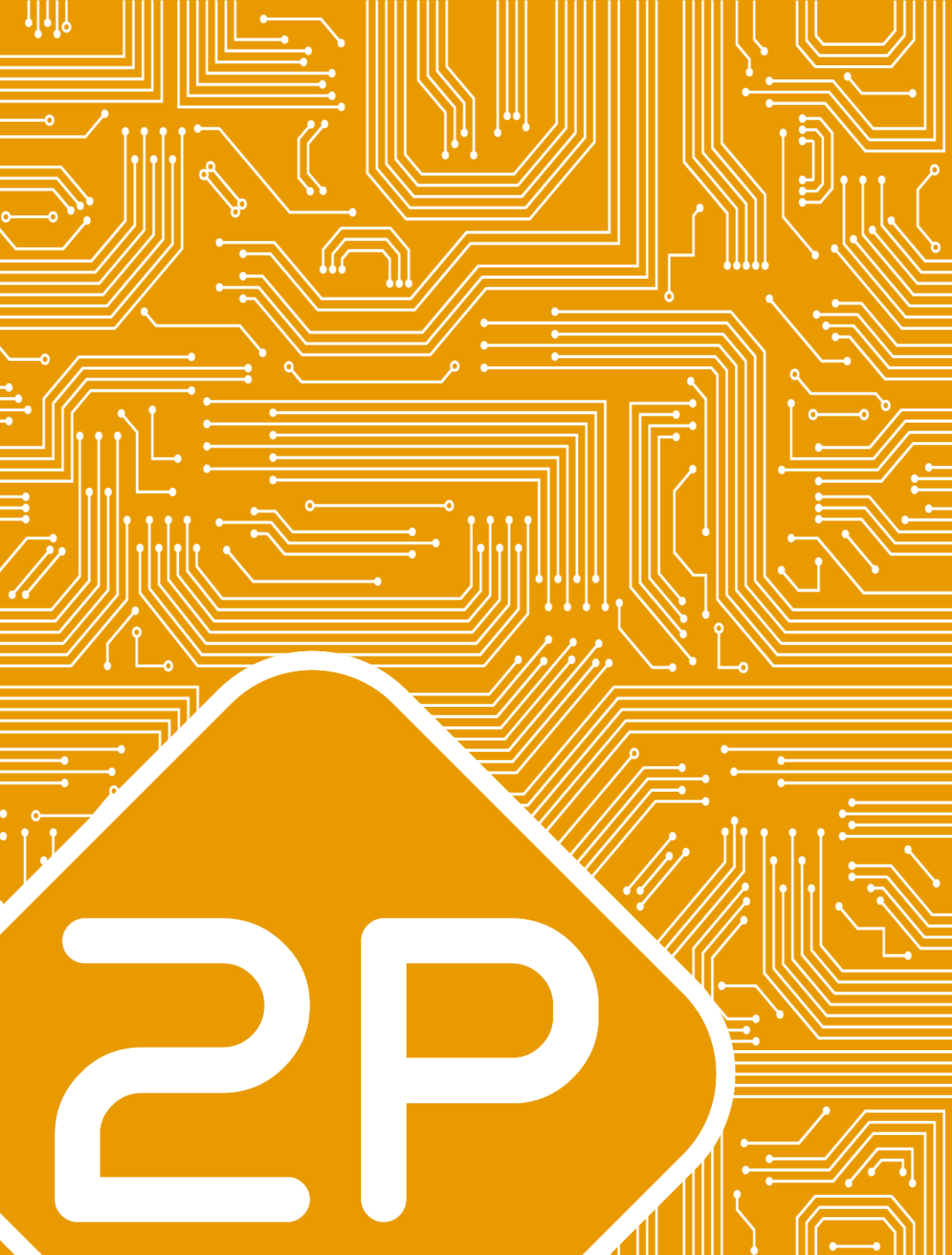


**Perfect Presentation "2P"
Earnings Release for the year ending
31 December 2023**



Perfect Presentation “2P” achieves robust improvement in revenues in 2023, driven by Software Development

Riyadh, Saudi Arabia, 31 March 2024

Perfect Presentation for Commercial Services Co. (“2P” or the “Company”, 7204 on the Saudi Exchange), a leading ICT solutions provider in Saudi Arabia, has announced its financial results for the year ending on 31 December 2023 (“FY23”), recording a solid top line performance, which is mainly arising from Software Development, which increased significantly by 82% year-on-year (“YoY”) and contributed 37% to the total, and Operation and Maintenance, which grew 8% YoY and contributed 34% to the Company’s consolidated revenues. In line with the Company’s strategic focus on diversification, 2P launched two new lines of business, Cyber security and Infrastructure, which are expected to start contributing to the company financial statements from 1Q2024 onwards.

Financial overview

Revenues increased 22% YoY, from SAR 927 million, to SAR 1,130 million in FY23, essentially due to the continued growth in revenues for Software Development and Operation & Maintenance during the year.

EBITDA reached SAR 178 million in FY23, thus increasing 8% YoY, when compared to SAR 166 million in FY22, driven by the robust top line performance during the year. This translated to a decrease in EBITDA Margin from 17.9% in FY22 to 15.8% in FY23.

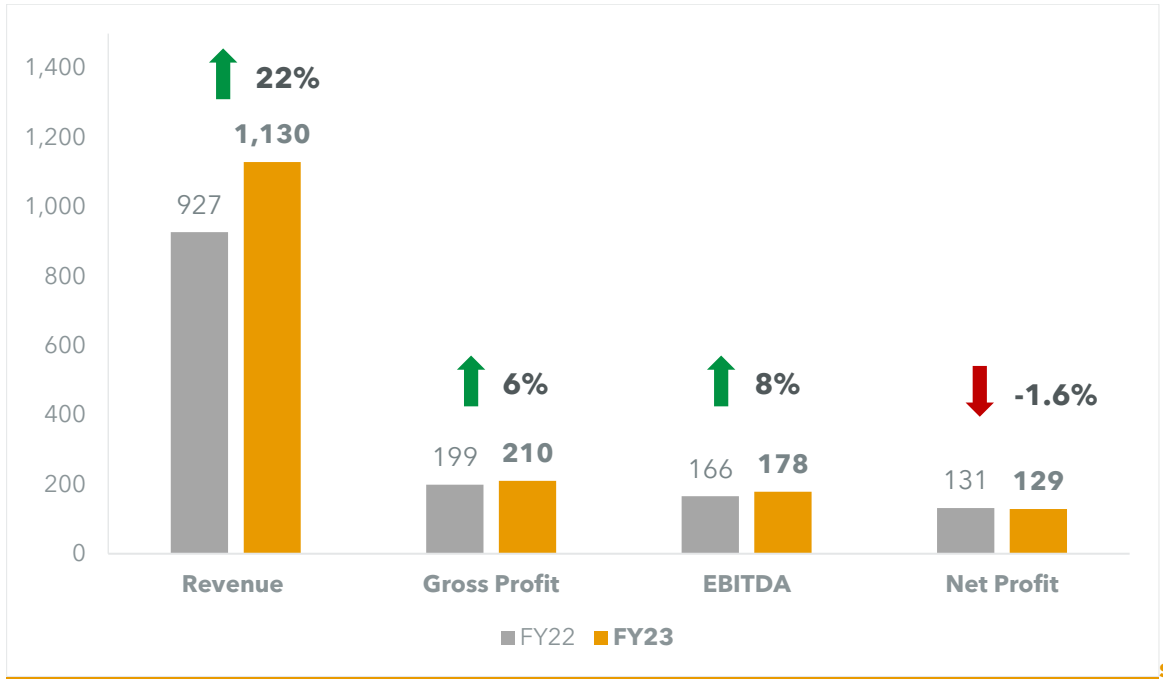
Net Profit marginally declined by 1.6% YoY from SAR 131 million to SAR 129 million, primarily due to a 53% rise in cost of financing, due to an increase in SAIBOR rates.

Backlog amounted to SAR 1.5 billion as of 31 December 2023, compared to SAR 1.7 billion at the end of 2022, and the company continued to strengthen its position in the market, through an increasing focus on diversification, with the launch of two new lines of business, Cyber security and Infrastructure.

Ehsan Doughman, CEO of 2P commented:

“We are delighted to be concluding yet another successful year for 2P, with a strong operational and financial performance in 2023. This is largely attributed to our unwavering focus on providing innovative, cutting-edge technologies and software solutions to our clients, both in the private and public sectors.

Reflecting on our journey so far, we take pride in continuously enhancing the diversity and integration of our comprehensive portfolio of products and services, with the launch of Cyber security and Infrastructure. These two new lines of business are expected to unlock further opportunities for us to expand our operations, and reinforce our position in the rapidly growing domestic market.”



In SAR millions

Maher Bawadi, CFO of 2P said:

“2P has reported a solid set of financial results in 2023, with a sustained positive momentum for our top line performance, supported by the continued growth in our core business segments, particularly Software Development and Operation & Maintenance. Our commitment to operational excellence in everything we do, complemented with a favorable operating environment in the Kingdom, is enabling us to expand the range of services that we offer to our growing customer base.

Supported by a robust financial and market positioning, we are proud to be at the forefront of innovation and growth in our sector and will continue to cater to the evolving demands of our customers with the same level of dedication.”

Segmental Analysis

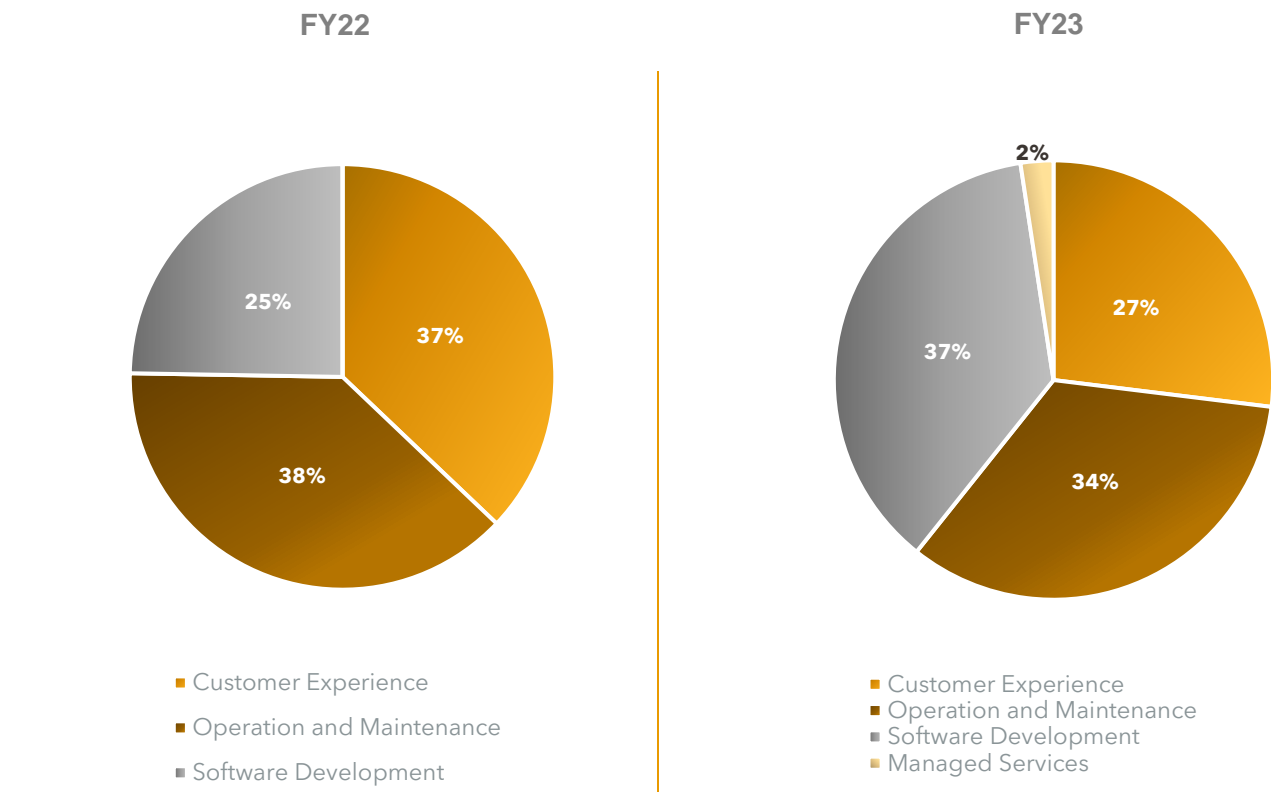
Customer Experience revenues declined 11% YoY to SAR 304 million in FY23 and accounted for 27% of the total revenues. This was mainly due to the successful completion of key projects during the last few quarters. 2P continues to focus on exploring new avenues for the growth of its portfolio and is aiming to capitalize on the promising prospects of the business process outsourcing (BPO) market in the Kingdom.

Operation and Maintenance exhibited growth in revenues of 8% YoY to SAR 381 million in FY23 and comprised 34% of the total. This is essentially the result of a robust pipeline of key project awards in addition to the completion of a strategic shift towards managed services for information technology, supported by the use of advanced AI-enabled tools to achieve customers’ desired objectives.

Software Development revenues significantly improved by 82% in FY23 to SAR 417 million, contributing 37% to the company’s consolidated revenues, which was primarily driven by the well-established and strategic partnerships with world-renowned organizations, and is aligned to 2P’s focus on enhancing innovation, particularly in sectors such as blockchain, fintech solutions, and collaboration platforms.

Managed Services was launched during the 2nd quarter of 2023 and has been demonstrating robust growth, with revenues increasing from just SAR 3 million to SAR 27 million for FY23, and accounting for 2% of the total. 2P remains focused on diversifying its revenue streams and evolving its portfolio to address the rapidly changing needs of its clients.

Revenues by Line of Business



Key highlights during 4Q23

- The company was awarded an open-ended framework agreement to provide administrative, strategic, technical, and legal consulting services to the Ministry of Investment for the Information Technology Consulting track. The agreement will run for four years, with an annual limit of SAR 500 million. The project aims to provide the necessary advisory support for strategic requirements and business development, in order to ensure the achievement of the Ministry's targets in line with this track.
- 2P was awarded the managed services project for health information systems for the University Medical City at King Saud University for SAR 59 million. The project aims to provide managed services for the health information systems of the University Medical City and includes the following services:
 - Software and application services
 - Database services
 - Business intelligence services
 - Information, systems and operation center services
 - Network services, digital communications and information security
 - Technical support services for users
 - Educational media services
 - Technical and quality project office services
 - Knowledge transfer services

- The Company announced a contract sign off in an amount of SAR 47 million for the process of operating information technology services at the Ministry of Hajj and Umrah. The project aims to provide information technology services, including:
 - IT-PMO project management
 - Operation and management of the Ministry's databases
 - Operation and management of servers and operating systems of all types
 - Operation and management of VMware virtual machines
 - Operation and management of information security
 - Operation and management of the Ministry's internal and external networks and connection circuits of all types
 - Operation and management of the unified communications system, electronic fax, and low-current systems
 - Operation, support, and development of systems and applications
 - Analysis of business requirements, design, and development of new systems and applications
 - Operation and management of the external and internal portal and its subsidiaries
 - Analytical reports for performance monitoring and decision-making
 - Operation and management of Microsoft applications, email, and smart devices
 - Operation and management of the desktop infrastructure system (VDI)
 - Technical support for all beneficiaries of the Ministry's technical services
 - Implementation of quality policies and performance monitoring
 - Operation and management of the digital transformation process

- 2P was awarded the project maintenance and operation of communications and information technology systems for Unified Security Operations Center (911) and the Hajj Security Forces headquarters buildings in Makkah Al-Mukarramah for a total value of SAR 56 million. The project aims to provide operation and maintenance services for a period of three calendar years, for the following systems:
 - TV Network system
 - Surveillance camera system
 - PABX system
 - Video wall system
 - Information network system
 - Office devices
 - Wireless Network system

- The company announced the contract signoff for an operation and maintenance project for the notification reception and relay system (CAD) at the Unified Security Operations Center (911) in Makkah Al-Mukarramah region, with a total value of SAR 45 million. The project aims to provide operation and maintenance services for the following devices and systems:
 - Computer hardware, accessories and peripherals.
 - Servers.
 - Backup systems
 - Local and wide area network devices and components.
 - The center's infrastructure devices and systems.
 - Operating systems.
 - Geographic applications
 - Applications for receiving and analyzing security reports.
 - Security monitoring, recording and storage systems.
 - Databases
 - Telephone devices and systems (IP & IP PBX), voice transmission port network, and voice data recording systems.

Summary Financial Statements

Balance Sheet (SAR million)	كما في 31 ديسمبر 2022 As of 31-Dec-2022	كما في 31 ديسمبر 2023 As of 31-Dec-2023	الميزانية العمومية (مليون ريال سعودي)
Current Assets	673	1,003	الأصول المتداولة
Non-current Assets	134	175	الأصول غير المتداولة
Total Assets	807	1,178	إجمالي الأصول
Current Liabilities	522	760	المطلوبات المتداولة
Non-Current Liabilities	32	37	المطلوبات غير المتداولة
Total Equity	254	382	حقوق المساهمين
Total Liabilities and Equity	807	1,178	إجمالي المطلوبات وحقوق الملكية

Income Statement (SAR million) For the year ended	31 ديسمبر 2022 31-Dec-2022	31 ديسمبر 2023 31-Dec-2023	بيان الدخل (مليون ريال سعودي) للسنة المنتهية في
Revenue	927	1,130	الإيرادات
Gross profit	199	210	إجمالي الربح
Operating Profit	161	174	الربح التشغيلي
Net Profit	131	129	صافي الربح

Cash Flow Statement (SAR million) For the year ended	31 ديسمبر 2022 31-Dec-2022	31 ديسمبر 2023 31-Dec-2023	بيان التدفقات النقدية (مليون ريال سعودي) للسنة المنتهية في
Net cash from (used in) operating activities	(22)	(113)	صافي النقد من (المستخدم في) الأنشطة التشغيلية
Net cash from (used in) financing activities	40	143	صافي النقد من (المستخدم في) الأنشطة التمويلية
Net cash from (used in) in investing activities	(20)	(45)	صافي النقد من (المستخدم في) الأنشطة الاستثمارية
Change in cash and cash equivalents	(2)	(15)	التغيير في النقد وما يعادله

About 2P

Established as a private company in Riyadh in 2004, Perfect Presentation (2P) set out to innovate cutting-edge communications technology and software solutions. Underpinned by a strategic focus on the in-house development of technical and digital transformation services, 2P rapidly established itself as a leading, trusted provider of comprehensive, integrated information and communication technology (ICT) services. 2P provides a wide range of comprehensive ICT services and solutions to its clients through three integrated business units: the Software Development Unit, Operation and Maintenance Unit, and Customer Experience Unit. The Business Units operate in an interconnected and robust environment to provide comprehensive and integrated solutions with the highest quality and excellence standards. The company is listed on Saudi Exchange (Tadawul) under the ticker 7204: [Perfect Presentation for Commercial Services Co.](#)

Investor Relations

Ahmad AlJumah

Board Secretary and IR Manager

Perfect Presentation for Commercial Services Co.

Tel: : +966 55 990 8828; Email: IR@2p.com.sa

P.O. Box 105523,

Riyadh 11656, Kingdom of Saudi Arabia

<https://www.2p.com.sa/#/>

Download our IR app

