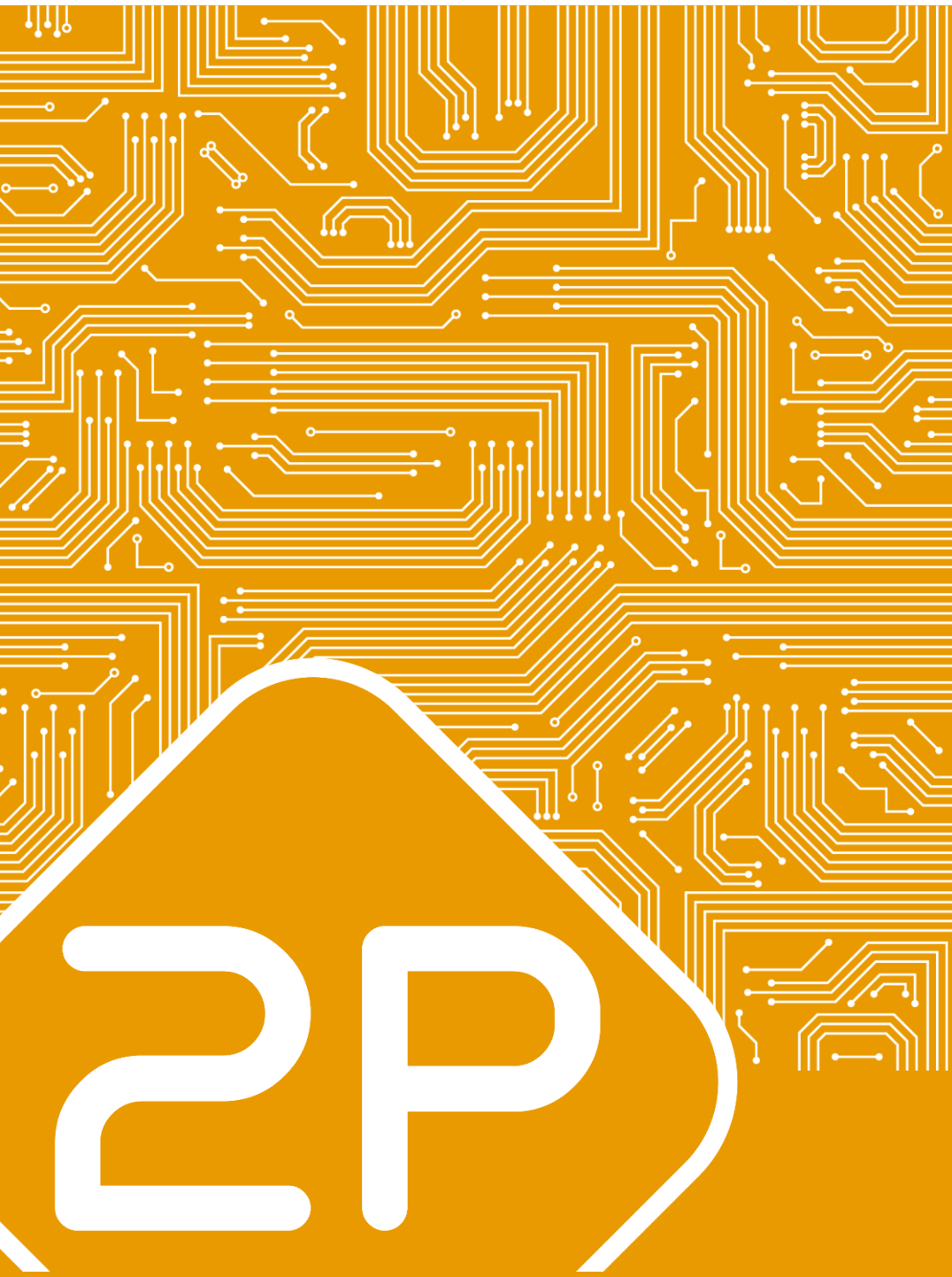


**Perfect Presentation "2P"  
Earnings Release for the 1<sup>st</sup> Quarter Ending  
31<sup>st</sup> March 2023**



## Perfect Presentation "2P" achieves sustained growth in revenues, along with an improvement in profitability

**Riyadh, Saudi Arabia, 21 May 2023**

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 first quarter ending on 31 March 2023 ("1Q23"), reporting sustained improvement in both revenues and net profit. The solid revenue performance is attributed to Software Development, which increased 92% year-on-year ("YoY") and contributed 35% to the total and Operation and Maintenance, which grew 20% YoY and contributed 36% to the Company's consolidated revenues.

### Financial overview

**Revenues** increased 16% YoY, from SAR 193 million, to SAR 225 million in 1Q23, as a result of sustained growth of Software Development and Operation & Maintenance segments during the period.

**EBITDA** amounted to SAR 31 million in 1Q23, thus increasing 25% YoY, when compared to SAR 25 million in 1Q22. This was primarily due to the improvement in the topline performance, which has outpaced the marginal rise in selling, general, and administrative expenses. This translated to an increase in EBITDA Margin from 12.7% to 13.7% in 1Q23.

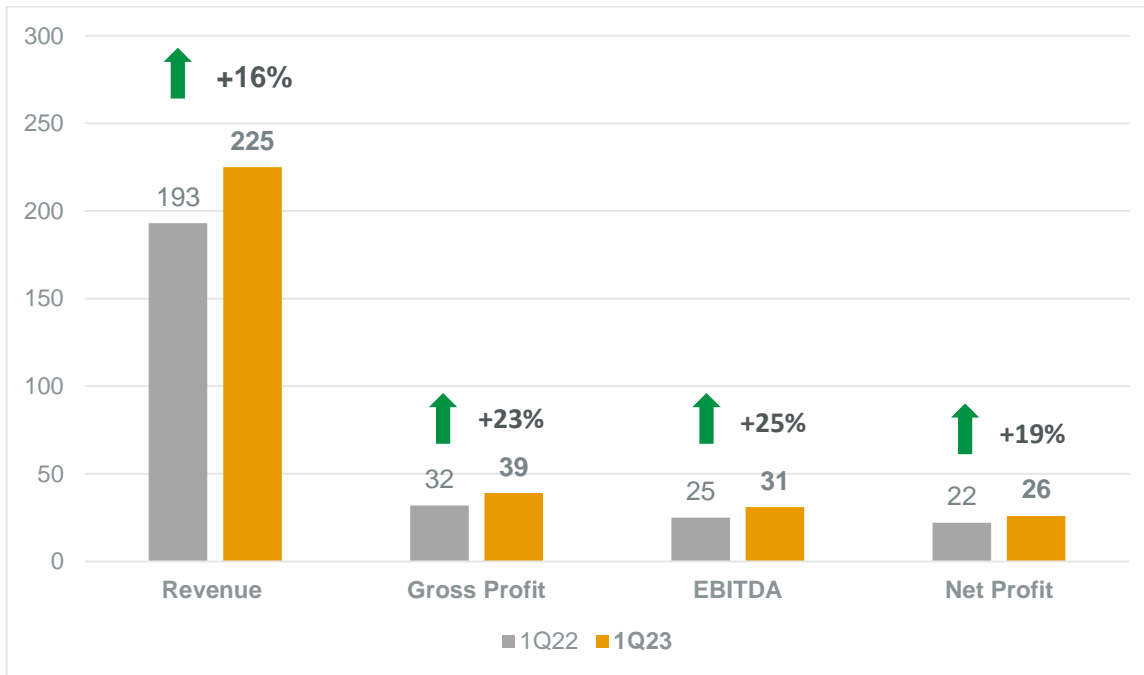
**Net Profit** increased 19% YoY from SAR 22 million in 1Q22 to SAR 26 million, which was predominantly due to the solid growth in revenues during the period.

**Backlog** reached SAR 1.8 billion as of 31 March 2023, compared to SAR 1.73 billion at the end of 2022, thus sustaining its growth, and is reinforced by 2P's strong market positioning, favorable vendor and client terms, and well-established relationships with key organizations. 2P has continued to play an important role in the acceleration of the digital transformation in Saudi Arabia, by enhancing the innovation of its products and services, and providing tailored solutions to key government and private sector organizations across the country. The operating environment is also supportive of 2P's growth, and it is worth highlighting that the Communications, Space, and Technology Commission (CST) recently announced that the Kingdom's ICT market was valued at SAR 154 billion at the end of 2022 and was the largest and fastest-growing digital economy in MENA.

**Ehsan Doughman, CEO of 2P commented:** "2P achieved a strong operational and financial performance during the first quarter, underpinned by the diversity of our portfolio of integrated, cutting-edge technological solutions, that cater to the continuously evolving needs of our customers.

By leveraging its competitive advantages and resilient operating model, the Company has successfully maintained its solid positioning in the rapidly growing ICT market and will continue to play a pioneering role in consolidating the Kingdom's position as a leading digital hub in the MENA region.

2P remains on track to providing long-term sustainable value to shareholders and all stakeholders, through benefitting from the favorable domestic operating environment, characterized by an increasing focus on mega-projects, smart cities and emerging technologies."



In SAR millions

**Maher Bawadi, CFO of 2P said:** "The Company reported a solid set of financial results, driven by growth in the top and bottom line, as we witnessed an improvement in the majority of our core lines of business, particularly Software Development and Operation & Maintenance, when compared to last year.

Focusing on achieving operational efficiencies and productivity enhancements remains a key priority for us at 2P, in addition to the effective execution of our expanding backlog. By actively working towards the introduction of new innovations that will shape the technologies of the future, we are looking ahead to boosting our profitability, capturing additional market share, and optimizing our capital structure."

### Segmental Analysis

**Customer Experience** revenues declined 23% YoY to SAR 67 million and accounted for 30% of the total. This was primarily due to the successful completion of key projects during the last 3 quarters of 2022. The Company is targeting to capitalize on the significant potential of the business process outsourcing (BPO) market in Saudi Arabia, through its strong positioning in the market, advanced in-house R&D capabilities, and solid business partnerships.

**Operation and Maintenance** revenues increased 20% YoY from SAR 67 million to SAR 80 million in 1Q23 and comprised 36% of the total. This was essentially the result of significant project wins during 2022, that are now starting to materialize. The segment successfully completed a strategic shift towards managed services for information technology in 2022, supported by the use of advanced AI-enabled tools to achieve customers' desired objectives. 2P is looking to develop greater competencies with strategic vendors, in addition to establishing a new maintenance service center for global vendors.

**Software Development** witnessed a substantial improvement in revenues, which nearly doubled from SAR 41 million in 1Q22 to SAR 78 million, contributing 35% to the consolidated revenues. This was arising from the Company's endeavors to diversify its revenue streams, with a strong pipeline of projects leading to higher margins. 2P continues to benefit from strategic partnerships with international players in the market, to grow

its umbrella of products and services, and with an increasing focus on the areas of blockchain, fintech solutions, and collaboration platforms, the segment is poised for further growth in the future.

### Key highlights during 1Q23

- 2P signed a new contract with Saudi Data and Artificial Intelligence Authority for a total value of about SAR 37 million for the modernization and maintenance of the tape library and the virtual tape library. The scope of work covers the following:
  - ensuring that tape libraries work effectively, and backups are activated and utilized when needed
  - updating backup devices with new and modern devices
  - transferring data from old tapes to new tapes
  - attracting trained professionals that are capable of following up and operating backup devices and systems
  - training Saudi technical personnel on backup devices and systems
- The Company was awarded an SAR 44 million contract by Al-Noor Specialist Hospital in Makkah to:
  - manage, operate and develop the hospital's information system
  - manage, operate and develop the hospital's website, APEX e-services and mobile applications
  - manage, operate, maintain and develop the hospital's databases
  - maintain, operate and develop the telecommunications systems and equipment
- 2P was awarded a new SMS and digital connectivity with service provider (BSMSS) project by Saudi Authority for Data and Artificial Intelligence, valued at nearly SAR 84 million. The agreed scope for this project includes:
  - providing SMS services with all service providers directly
  - the establishment, installation and operation of control system management devices for data circuits
  - the installation, operation, management and maintenance of project equipment

### Summary Financial Statements

Balance Sheet (SAR million)	كما في 31 ديسمبر 2022 As of 31-Dec-2022	كما في 31 مارس 2023 As of 31-Mar-2023	الميزانية العمومية (مليون ريال سعودي)
Current Assets	673	779	الأصول المتداولة
Non-current Assets	134	135	الأصول غير المتداولة
<b>Total Assets</b>	<b>807</b>	<b>914</b>	<b>إجمالي الأصول</b>
Current Liabilities	522	602	المطلوبات المتداولة
Non-Current Liabilities	32	33	المطلوبات غير المتداولة
Total Equity	254	279	حقوق المساهمين
<b>Total Liabilities and Equity</b>	<b>807</b>	<b>914</b>	<b>إجمالي المطلوبات وحقوق الملكية</b>

<b>Income Statement</b> (SAR million) <b>For the period ended</b>	<b>31 مارس 2022</b> <b>31-Mar-2022</b>	<b>31 مارس 2023</b> <b>31-Mar-2023</b>	<b>بيان الدخل</b> (مليون ريال سعودي) <b>للفترة المنتهية في</b>
Revenue	193	225	الإيرادات
Gross profit	32	39	إجمالي الربح
Operating Profit	23	30	الربح التشغيلي
<b>Net Profit</b>	<b>22</b>	<b>26</b>	<b>صافي الربح</b>

<b>Cash Flow Statement</b> (SAR million) <b>For the period ended</b>	<b>31 مارس 2022</b> <b>31-Mar-2022</b>	<b>31 مارس 2023</b> <b>31-Mar-2023</b>	<b>بيان التدفقات النقدية</b> (مليون ريال سعودي) <b>للفترة المنتهية في</b>
Net cash from (used in) operating activities	-142	-132	صافي النقد من (المستخدم في) الأنشطة التشغيلية
Net cash from (used in) financing activities	98	121	صافي النقد من (المستخدم في) الأنشطة التمويلية
Net cash from (used in) in investing activities	-3	-2	صافي النقد من (المستخدم في) الأنشطة الاستثمارية
<b>Change in cash and cash equivalents</b>	<b>-47</b>	<b>-13</b>	<b>التغيير في النقد وما يعادله</b>

## 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

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