



شركة العرض المتقن
Perfect Presentation

ANNUAL REPORT 2022



Leveraging
Success
**Maximising
Returns**



At a Glance

History

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 Software Development Unit provides software design, development and management services and specialised electronic platforms to clients.



The Operation and Maintenance Unit provides organisations with qualified and trained technical labour to meet their technical skills requirements, including preventative and corrective maintenance services for their data centres.



The Customer Experience Unit offers several services related to the management and operation of call centres and customer services through the management of all communication channels, including digital and social media.

Financial highlights

In a landmark year that saw 2P list on the Saudi Exchange (Tadawul), the Company delivered significant project growth and revenue growth across all three lines of business, securing a historic backlog that reached SAR 1.73 billion by year-end.

SAR Million	FY 22	FY 21	% Change
Revenue	927	655	41%
Gross Profit (Loss)	180	116	56%
EBITDA	145	91	59%
Net Profit (Loss)	131	81	63%

41 %

YoY revenue growth

59 %

EBITDA CAGR FY19 - FY22

SAR
927 million
Revenue

SAR
131 million
Net profit

SAR
807 million
Total liabilities and equity

Operational highlights

2P also launched a new product called Contracting Business ERP, a software solution to automate the business operations of contracting business from lead to collection including the management of human resources information and contracts, customers and suppliers, sales leads through sales channels until being converted into contract to be delivered, invoiced and collected.

SAR 1.73 billion

Backlog
Increasing significantly by 55% YoY

Partnerships

In 2022 2P signed a series of strategic partnerships designed to accelerate product development, innovation, and market reach. These included new technical development collaborations with Alcatel Lucent and Nokia, Life Ray, Next Think, Huawei, and Content Square, which were chosen because of their natural synergies with 2P and market-leading positions.

The Company's joint strategic agreement with Huawei sets out to transfer knowledge and widen access to scientific and practical expertise in network infrastructure solutions, modern data centre systems, digital interfacing, and renewable energy.

Awards and recognitions

As a leading ICT innovator, 2P has received multiple awards throughout its history.



The Genesys Best Partner Award
in providing services to the public sector in 2019



The Best Strategic Partner Award in 2020



Insights Award for the best service provider
operating large-scale call centres in the Middle East

Table of Contents

Overview **6**

About 2P	8
Market Leadership	14
Management and Organizational Structure	18
A Breakthrough Year	20
Theme of the Year	22

Strategic Review **24**

Chairman's Statement	26
CEO's Message	28
CFO's Review	30
Investment Case	34
Business Model	36
Strategy & KPIs	38
Risk Management	40
Business Review	46
Human Capital	52
Sustainability and Social Responsibility	56

Governance **58**

Board of Directors	60
Committees of the General Assembly and the Board of Directors	64
Executive Management	68
Profit Distribution Policy	70
Disclosure of Remuneration for Board Members, Committee Members and Executive Management	71
Business and Contracts	74
Financial Obligations	75
Ownership of the Company	76
Shareholders of the Company	77
Compliance with the Corporate Governance Regulation	79
Notes on 2022	80
Acknowledgment of the Board of Directors	80



Since 2004, 2P has broken new ground in the development of advanced ICT services and products, fueling the digital economy and empowering local and national value chains.



Overview

About 2P	8
Market Leadership	14
Management and Organisational Structure	18
A Breakthrough Year	20
Theme of the Year	22

About 2P

Business overview

2P operates as a provider of comprehensive services and solutions in information and communication technology (ICT). It delivers its services through three integrated business units.

Each of the Company's business units covers a vital segment within the ICT sector, each operating in an interconnected and robust environment to provide technology solutions of the highest quality and standards of excellence.

Since it was established in Riyadh in 2004, the scope of the Company's business has evolved to become a highly regarded Company that provides an advanced and diverse suite of products and services, which reflect the rapidly changing nature of the ICT sector. Moreover, through close partnerships with multiple public sector bodies, they reflect the Company's ability to flex in response to the Kingdom of Saudi Arabia's rapidly evolving economy.

Business units

Software Development Unit

The Software Development Unit provides organisations with software design, development and management services and specialised electronic platforms. Every product and service follows best practices and methodologies in software development and the management of software development projects. The Software Development Unit services provided through this unit are divided into two parts:



Custom Application Development (CAD)

Within the Software Development Unit, the Custom Application Development business provides software development services to public and private sector organisations through multiple technologies that suit the client's needs. As a Gold Partner to some of the largest software technology providers in the world - including Microsoft, Oracle and Software AG - the Company can provide optimal solutions to clients without relying on specific technologies or technology providers by adopting best practices and methodologies in software development.



Decision Support Systems

The Decision Support Systems business provides data collection and analysis services through the configuration and installation of a group of specialised software packages. It also provides support services that help organisations' digital transformation decision-making. To do so, the Company leverages advanced services and software such as big data analysis, business intelligence and analysis, and the management of software performance and digital customer experience.

Gold Partner Microsoft, Oracle & Software AG



Operation and Maintenance Unit

The Operation and Maintenance Unit provides organisations with qualified and trained technical labour to meet their needs for highly skilled and capable ICT personnel. It also provides preventative and corrective maintenance services and managed information technology services for data centres. The Operation and Maintenance Unit services are divided into two parts:



Business support services for IT systems

The Company supports organisations' IT systems by employing qualified and experienced IT professionals to manage and operate their IT units. This work requires continuous training so that all deployed personnel are fully qualified and able to respond to a changing IT landscape.



Managed IT services

Due to the shift in market needs and the tendency to outsource IT in particular, the Company is considered a pioneer in providing managed services to its clients. Its competitive edge stems from its approach to managing software by providing and implementing management needs, including preventative and corrective maintenance of data centres by assigning the entire client information technology work to the Company's technical team.

The services include, but are not limited to, the following:

Preventative maintenance

The regular and routine maintenance of IT assets, including infrastructure, networks, applications and off-the-shelf software.

Corrective maintenance

A dynamic approach to maintaining IT assets using methods that rely on live and historical data to continuously analyse the state of equipment, infrastructure and software components.



Customer Experience Unit

The Customer Experience Unit provides customer journey design and development services in addition to solutions related to the management and operation of contact centres and customer service across multiple communication channels. This includes contact centres, digital channels and social media platforms.



Business Process Outsourcing (BPO)

The Company's BPO business is responsible for customer care services, including managing and executing customer service activities across all channels. These include phone calls, social media, interactive chat, and web and email channels. BPO services include design, implementation, recruitment, training, operation, quality assurance, auditing, manpower management, and communication services.



Technology Solutions

The Company is distinguished by its Gold Partnership status with Genesys, a leading company in the global market, which contributes to providing the Company with a customer experience platform as a technology provider that provides technology allowing communication with customers and evaluation of customer experiences.



Gold Partnership
Genesys

شركة العرض المتقن
Perfect Presentation

Products

The Company offers a number of solutions and products in various IT fields, including:



Yamamah

Yamamah provides text messaging services (Bulk SMS) to government and private institutions in various sectors. Bulk SMS services are one of the easiest, fastest, most effective and least expensive methods for information exchange and notifications. Through Yamamah, organisations can communicate the information they want at the appropriate time reliably and securely.



Wesal

Wesal provides businesses with cloud-based voice communications solutions that integrate multiple communication methods such as telephone, fax, conference calls, messaging and SMS systems. Designed to enrich employee communications, Wesal is easily integrated into an organisation's existing IT infrastructure, allowing businesses to keep employees in constant contact with the organisation and its clients from any place and at any time. The service is considered the first of its kind in the Middle East and North Africa.



Perfect Engage

Launched in 2022, Perfect Engage is the culmination of several years of in-house product development. Perfect Engage is an enterprise communication application for internal communications. Utilising end-to-end encryption and on-premises data, the mobile app is supported through iOS and Android and is designed to integrate seamlessly into an organisation's existing internal ICT infrastructure. The product - designed to look and feel like a WhatsApp experience - is sold 'off-the-shelf' or as a white-labelled application that supports rich content, including text, audio, videos, and multiple format sharing.

TARASUL

Tarasul

Tarasul provides organisations with the best educational and entertainment content services, interactive SMS services and waiting tone services. The interactive SMS service on mobile phones allows the establishment of a communication channel via SMS between clients and their audiences.



Market Leadership

The digital transformation of the Saudi economy has created many opportunities in recent years. With the Government moving towards digitisation across different sectors, creating a basic digital infrastructure that enables the digital economy has been a vital goal for the Kingdom. 2P is leading this national evolution through the innovation of advanced digital services and products specifically designed to facilitate the acceleration of the Kingdom of Saudi Arabia's digital economy.

Market outlook

Given the fundamental role that digital technologies are playing in the development of the Kingdom of Saudi Arabia's economy, software, cloud services, and specialised IT will be among the main drivers of ICT spending growth in the country for many years to come.

Government spending on IT accounts is the largest share of the total enterprise IT market in the Kingdom of Saudi Arabia, followed by the telecommunications and media sector, banking, financial services, insurance, manufacturing and resource sectors. The oil and gas, banking, financial services and insurance sectors have long been among the leading sectors with regard to technology adoption as they continue to invest in cutting-edge technologies, such as big data, analytics, cloud computing, and advanced security solutions. With a leading market position, 2P is ideally placed to continue to play a leading role in the development of the national digital economy.

Drivers of the Kingdom of Saudi Arabia's digital economy

- ◆ National policies (data centres, cloud computing, cybersecurity, artificial intelligence, information and communication technology).
- ◆ Hyper expansion in the field of computing in the Kingdom. International investment flow led by the G20.
- ◆ Increasing investments in smart cities and mega-projects.
- ◆ Regulatory clarity for crucial technology sectors such as cloud computing, artificial intelligence and security.
- ◆ Increased spending on emerging technologies, including 5G technologies.
- ◆ Innovation to keep pace with the long-term conditions of the COVID-19 pandemic and the resulting obstacles to communication, mobility, and remote working, amongst others.



Growth opportunities

As the Kingdom of Saudi Arabia's economy becomes increasingly diversified and digitally driven, the Company faces enormous opportunities for innovation and development. Across multiple vertical industry sectors – including the vast government sector – 2P has the potential to deliver significant growth across all its business units. Following the listing on the Saudi Exchange and as part of its commitment to maximising Shareholder returns, the Company is strategically geared towards investigating and investing in many of the following ICT areas:



Data economy

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



Future of work

Organisations in the Kingdom are actively changing workplace, manpower and corporate cultures. It is worth noting that the pace of such strategic initiatives was accelerated only in the wake of the COVID-19 pandemic. Some organisations in the Kingdom considered the "Future of Work" concept as a factor enabling a secure, efficient, dynamic and resilient organisation.



IT services

There is strong demand for professional services such as systems integration, IT consulting, managed services, outsourcing, publishing and support services, proprietary computing and implementation services, with the Kingdom implementing rapidly emerging technologies to improve existing infrastructure.



Managed services

An increasing number of organisations are shifting from the "Self-Reliance" model to the "Reliance on Others" model amid the complexity of managing IT environments, scarcity of skills and the increasing operational cost of IT. The Kingdom's managed services market has witnessed healthy growth and will continue to grow during the forecast period.



Artificial intelligence

The Kingdom's commitment to the transition to a digital economy accelerated, and there has been an uptake of innovative technologies, such as artificial intelligence (AI), cognitive technologies and robotics. Notably, AI and machine learning are being utilised to improve efficiency in many industries, resulting in the emergence of diverse AI use cases.



Cybersecurity

IT markets have gained strong growth in the past few years and given the complexity and sophistication of the growing threats; information security management will continue to be a significant challenge for organisations. In addition, the establishment of the National Cybersecurity Authority based on the recent cyber-attacks in the Kingdom has given increased importance to cybersecurity.



Cloud computing

The cloud computing market will mature as progressive Saudi organisations adopt a "Cloud First Approach". Budgetary constraints and the need for infrastructure flexibility will drive organisations to significantly increase investment in public and hybrid cloud services.



Solutions

An increasing number of organisations are willing to collaborate with service providers who are able to offer solutions, not just independent products or services. Most stand-alone IT products are dedicated to solving any IT problem, while solutions are intended to address any business-related problem, an area in which service providers with solution-delivery capabilities are likely to have an advantage in the future.



Small and Medium Enterprises (SMEs)

SMEs are highly flexible and agile in the usage of technologies, such as cloud services, mobility and the Internet of Things (IoT), which reduce ownership costs and generate multiple cost-savings on infrastructure investments. Unlike mature companies, SMEs are more receptive to revolutionary technologies.

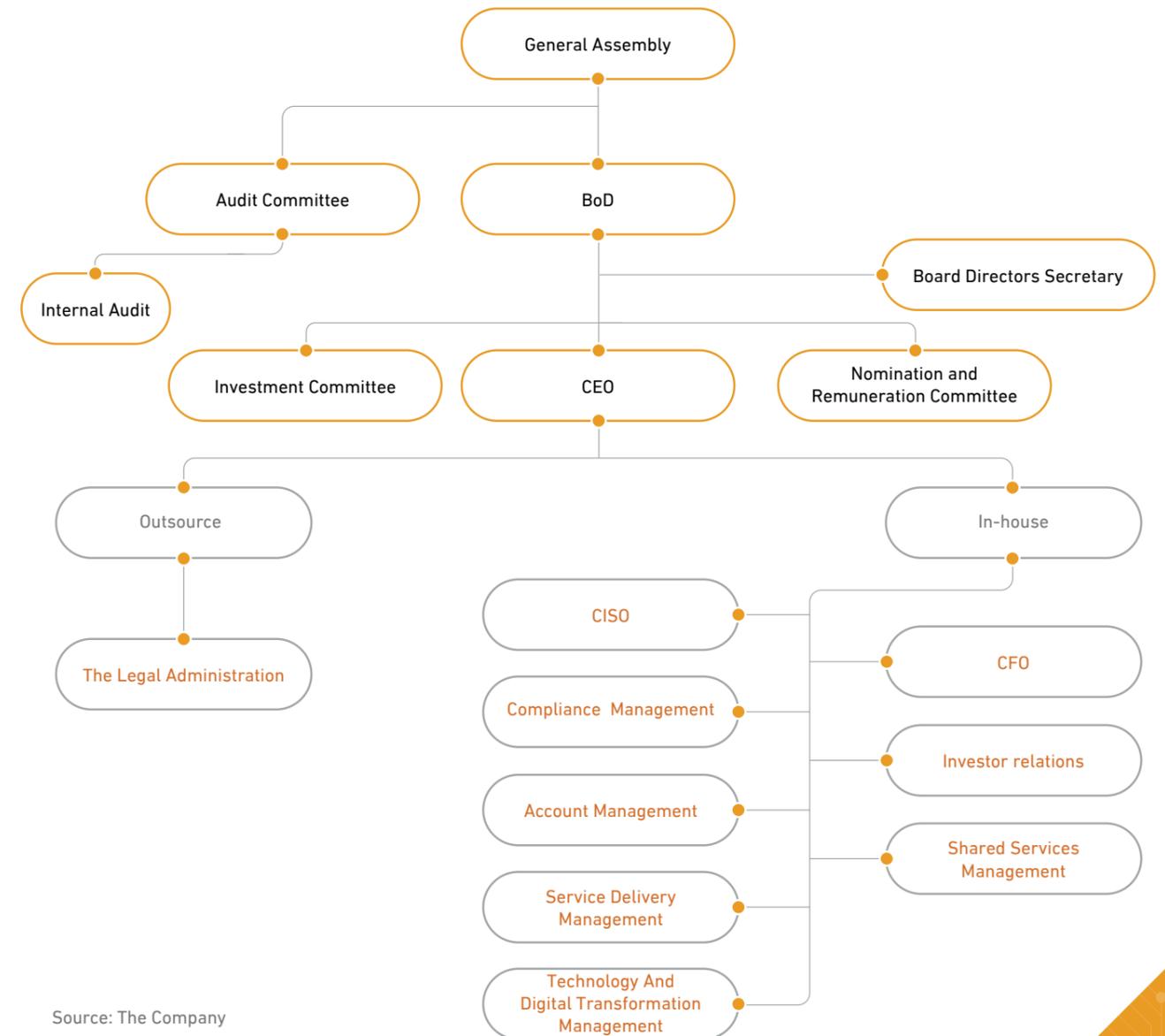


Management and Organisational Structure

The Company's Management Team consists of individuals with high operational experience and executive capabilities gained through extensive interactions with clients during their work with the Company and within the sector, with experience at an average of 17-years in the sector.

The organisational structure of the Company consists of the Board of Directors and the Committees emanating from it and from the General Assembly, namely the Audit Committee and the Nomination and Remuneration Committee.

Under the provisions of the Companies Law and the Company's Bylaws, the Board of Directors is responsible for the overall direction, supervision and control of the Company. The Board of Directors also entrusts the Senior Management of the Company, and in particular the CEO, with the responsibility of managing the general day-to-day business of the Company. The organisational structure is as follows.



Source: The Company

A Breakthrough Year

In a year of historic milestones, 2P accelerated its growth trajectory and closed the year as a publicly listed company with outstanding financial and operational outcomes.



Our growth story

The 2P growth story represents the very best of Saudi enterprise and entrepreneurialism: ambition combined with creativity and an unrelenting focus on innovation. Since its inception in 2004, 2P has broken new ground in the development of advanced ICT services and products, fuelling the digital economy and empowering local and national value chains.

Through its own in-house innovation research and development and through forging powerful, lasting partnerships with some of the world's largest technology companies, 2P has rapidly gained traction as a provider of truly cutting-edge technologies to major government and private sector organisations in the Kingdom of Saudi Arabia. In 2022, the Company accelerated its global reach through new partnerships with a range of companies within which it enjoys natural synergies including Alcatel Lucent, Nokia, Life Ray, Next Think, Dynatrace, Huawei, Oracle, Microsoft, Cisco and Content Square. These strategic partnerships will prove fundamental in the pursuit of new technological developments and market footprint of 2P.

The Company's share of the growing ICT market has grown exponentially in the Kingdom of Saudi Arabia, with its CX revenues enjoying a CAGR of 67% between 2019 and 2021 – and market share up from 3.8% in 2019 to 10.6% in 2021. This growth points towards the success of the Company's strong digital capabilities and its scale, enabling it to offer its clients comprehensive, tailored solutions. Moreover, its growth reflects 2P's ability to identify market gaps and quickly develop solutions to address them. This is why the Company has such a powerful win rate – and how it delivered a historic backlog of SAR 1.73 billion in 2022.



Our IPO

To take advantage of these opportunities and innovate solutions to market gaps, 2P pursued an IPO that saw it begin trading as a public limited company on 16 November, 2022. Having floated 30% of its share capital and with a market capitalisation value at the time of listing of SAR 2.775 billion, the Company trades under the symbol 7204 on the Tadawul.

Following several years of consistent revenue, gross profit and backlog growth, 2P listed on Tadawul in December 2022. This milestone provides the Company with a mandate to propel its future growth in line with market demands and enables it to maintain and enhance its position as a leading ICT company in the Kingdom of Saudi Arabia.

The IPO listed 4,500,000 Offer shares, representing 30% of the Company's issued share capital of 15,000,000 shares. Heavily oversubscribed by 61.4 times, the book-building process completed with an offer price of SAR 185 per share.

As a listed company, 2P now benefits from preferential bidding opportunities for government projects across multiple vertical markets, including defence, healthcare, education, and other important public sector services. The listing has also served to significantly deleverage the Company's balance sheet, leaving it exceptionally well-placed to contribute further to national ICT value chains and economic development. Furthermore, it enables the Company to maintain and enhance its position as a leading ICT company in the Kingdom. In doing so, it will create sustained value for its Shareholders and enrich the national digital landscape.



Our national contribution

This work represents the continuation of a commitment to enriching the digital ecosystem over many years. 2P has played an increasingly important role in providing major public and private sector bodies in the Kingdom of Saudi Arabia with the technological tools and services they need to thrive. The diversity and integration of the Company's existing products and services, and the continuous development of new solutions, means that 2P is the only dedicated ICT provider of its kind in the Kingdom of Saudi Arabia. As such, it has emerged as a crucial driver for the development of the digital economy and its value chains.

As a driver of national economic development, 2P is focused on providing innovative solutions in line with the Kingdom's Vision 2030 and achieving the country's digital transformation goals. It is expected that over the coming years, Vision 2030 will transform the Kingdom into an economy, society, and nation that depends more on digitisation with a continuous expansion in the scope of e-Government – and 2P is the go-to ICT innovator for this expansion.

With a proud heritage, the Company is now perfectly placed to support the country's historic national transformation through the development of advanced technology services and products: exciting new opportunities to help build and sustain smart cities, smart government, giga-projects, utilities, infrastructure development, healthcare, defence, and many more crucial sectors.



Our future role

Looking beyond the milestones of such a breakthrough year, the Company will continue its sharp focus on participating in the development of local content through the participation of Saudi manpower, goods, services, assets, and technology, and through the localisation of technology. The Company is passionately committed to enabling young men and women to benefit from their creativity to create an advanced technological society – so that all those living and working in the country can contribute to the realisation of the Kingdom's Vision 2030.



Theme of the Year

Leveraging Success. Maximising Returns.

Completing a landmark listing on the Saudi Exchange, 2P created significant value for its Stakeholders by increasing market share, building a historic backlog and delivering exceptional financial performance.

After consecutive years of double-digit growth and a historical return on equity, 2P listed 30% of its shares on the Saudi Stock Exchange (Tadawul) in 2022.

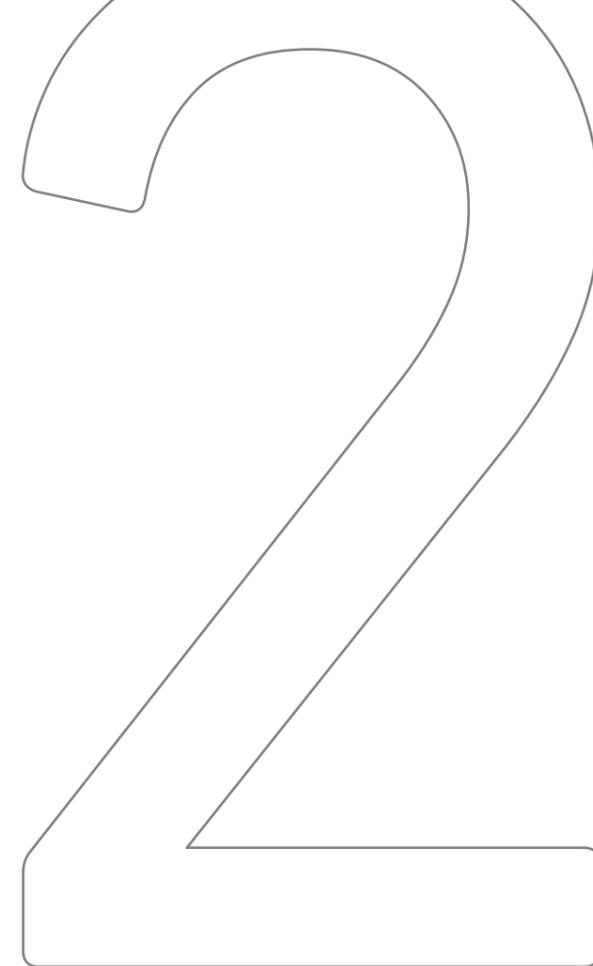
Designed to accelerate the Company's expansion in the Kingdom of Saudi Arabia's fast-growing ICT market, the move coincided with the conclusion of a period of extensive development and the deployment of game-changing new digital products and services.

2P is perfectly positioned to leverage its market-leading enterprise communications solutions and is poised to deliver exceptional value to the Kingdom of Saudi Arabia's most ambitious and transformative public and private sector projects.



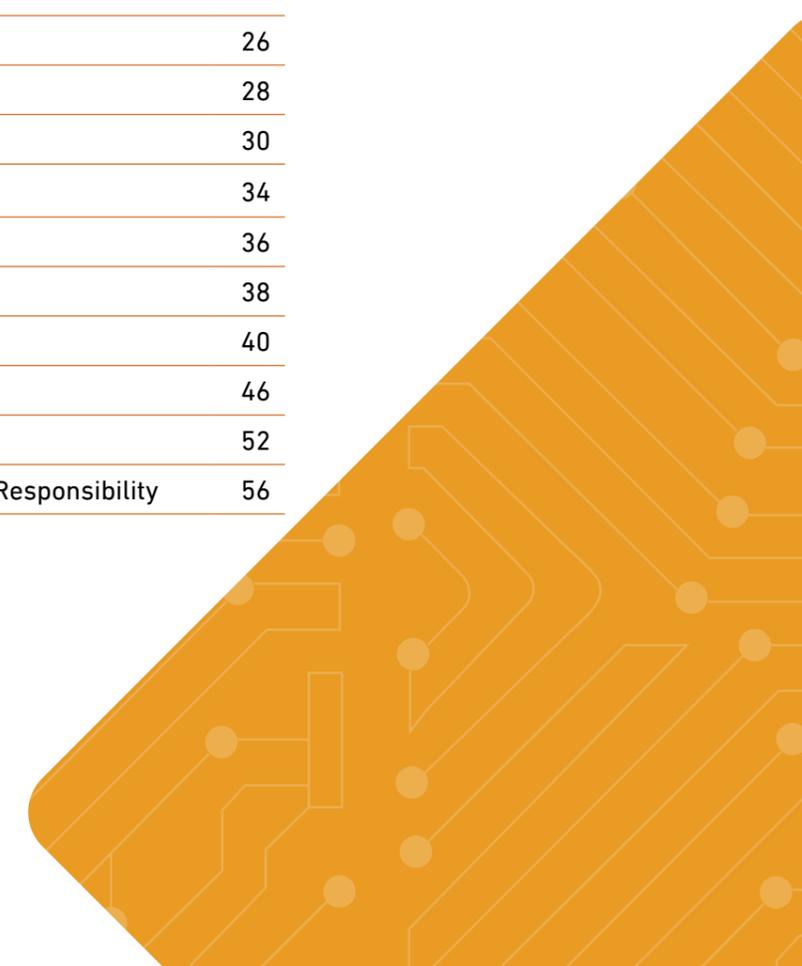
Revenue
SAR **927** million

Net profit
SAR **131** million



Strategic Review

Chairman's Statement	26
CEO's Message	28
CFO's Review	30
Investment Case	34
Business Model	36
Strategy and KPIs	38
Risk Management	40
Business Review	46
Human Capital	52
Sustainability and Social Responsibility	56



Chairman's Statement

“In a landmark year that saw an outstanding return on equity and a historic backlog, 2P listed on the Saudi Stock Exchange in 2022, providing the Company with a powerful platform for innovation and expansion.”

Nasser Abdullah Mohammed Al-Bassam
Founder and Chairman



I would like to extend a warm welcome to all our Shareholders as I present the Annual Report of the Board of Directors for the financial year 2022.

Within the context of a fast-growing ICT sector in The Kingdom of Saudi Arabia, 2P successfully achieved revenue growth and its largest ever backlog in 2022. These results follow several consecutive years of growth with a 4-year CAGR of 46% between 2019 and 2022. Moreover, in line with topline growth, net profit has increased year-on-year (YoY) and the Company enjoys strong returns with a high average return on equity (RoE).

These core fundamentals are a testament to the deep operational expertise of the Company's Management Team, and the indisputable success and popularity of the Company's products and services.

IPO

As a newly listed company on the Saudi Stock Exchange, 2P is proud to have contributed to the enrichment of the Kingdom's capital markets with a market capitalisation of SAR 2.775 billion at the time of listing. The successful offering followed many years of research and development that now leaves 2P exceptionally well placed to contribute further to national ICT value chains and economic development. Furthermore, it enables 2P to maintain and enhance its position as a leading ICT company in the Kingdom. In doing so it will create sustained value for its Shareholders and enrich the national digital landscape.

Economic contribution

The contribution that 2P is making is driven in part by the objectives of Vision 2030. The Kingdom of Saudi Arabia is moving through a truly transformative moment in its national story and, through our partnerships with several of the Kingdom's most exciting giga-projects, we have been lucky enough to play a formative role in the evolution of multiple key developments. We have seen first-hand what can happen when a strong sense of national purpose succeeds in catalysing home-grown invention. In the coming months and years, 2P will continue to do all it can to create opportunities for Saudi innovators and economic players across national value chains.

Global outreach

While much of the rest of the world grappled with geopolitical and economic uncertainties in 2022, The Kingdom of Saudi Arabia's fast-moving economic development provided a myriad of opportunities for international vendors. 2P signed strategic partnership agreements with several global giants, including Alcatel Lucent, Nokia and Huawei because of their natural synergies and potential for co-creation and mutually beneficial innovation. These partnerships also widen access to a broader

and more diverse network of international vendors during a period of sustained supply-chain disruption.

Product development

Partnerships with both national and international innovators have also supported in-house product development over the past few years, leading to the launch of two transformative new products in 2022. Perfect Engage is a high-value enterprise communication application, several years in the making, that has been extremely well received since its launch. We anticipate that Perfect Engage, alongside the recently launched Contracting ERP solution, will serve as a fundamental driver of growth and profitability in 2023 and beyond.

The Company's mid-term approach to product development will look to capitalise on its deep understanding of the Saudi ICT market. As we look to securing continued growth, the Company's strong digital capabilities and scale will allow it to serve its customers with advanced, comprehensive, tailored solutions that meet their immediate and long term needs.

Acknowledgements

I would like to thank the members of the Board of Directors whose commitment has proven to be so vital to the completion of a landmark IPO. I also extend my gratitude to 2P employees across the entire business whose hard work and creativity have helped to deliver a year of outstanding success.

Finally, on behalf of the Board of Directors, I take the opportunity to express my sincere appreciation to the regulators for their support and guidance in ensuring that the Company's public offering was such a success.

46%
4-year CAGR of 46%
between 2019 and 2022

59%
Market value
The company has 2.775 billion SAR

As a leading ICT provider that has built its success as an innovator of technological customer experience solutions, 2P is well recognised by government and commercial enterprises across the Kingdom of Saudi Arabia. Its performance during a landmark year, that saw the Company listed on the Saudi Stock Exchange, represents a significant breakthrough as it registers a historic fiscal performance.

Historic backlog

Those results include the Company's largest-ever backlog, which increased from SAR 1.1 billion in 2021 to SAR 1.73 billion by year-end 2022. This is a significant outcome made possible by strong sales, favourable vendor and client terms and well-established relationships with government and corporate clients. With an average project lifespan of 24 months, the backlog provides the Company's new Shareholders with robust long term visibility within a growing ICT market and across economic cycles.

By the end of the year, the Company had delivered an impressive 46% CAGR from 2019 to 2022 and, in line with topline growth, net profit had increased over the last 3-years from SAR 81 million in 2021 to SAR 131 million in 2022. 2P enjoys excellent returns with a high average return on equity (RoE).

Market performance

The Company has also seen its market share expand exponentially over the past 3-years for its three business lines - the Software Development, Operations and Maintenance, and Customer Experience Units. Looking ahead, we anticipate sustained growth in the size of the addressable market over the coming 5-years. 2P has also delivered an unprecedented improvement in its win rate over the past 3-years.

Localisation

Localisation is of strategic importance for the Company. Working with Saudi innovators and entrepreneurs also allows the Company to tap into a rich source of talent that understands the nature of the Saudi economy and its digital journey. Over recent years, 2P has engaged with multiple national technology and digital innovators, entering into a spirit of co-creation to create new software, services, and customer experience solutions. Our work across the digital ecosystem has culminated in the 2022 launch of two new major in-house product launches: Perfect Engage and Contracting ERP.

The Company will continue to lead local content development through the participation of Saudi manpower, goods, services, assets, and technologies. Additionally, 2P will encourage the localisation of technology, enable young men and women to benefit from their creativity, and contribute to realising the Kingdom's Vision 2030.

Product development

The Company launched a series of new products and services in 2022, including Perfect Engage – a powerful and secure internal communications platform built around a 'WhatsApp' style interface. The product, sold off-the-shelf or white-labelled and available to 2P clients on iOS and Android platforms, allows colleagues to chat, share images, text or files, and for employees to communicate directly with vendors and clients.

The Company also launched a new enterprise resource planning (ERP) platform in 2022 called Contracting ERP, which is a suite of software solutions to automate the business operations of contracting businesses from lead to collection, including the management of human resources information and contracts, customers and suppliers, and sales leads through sales channels until being converted into contracts to be delivered, invoiced and collected.

IPO

Following consistent years of topline revenue and margin growth, the Company chose to list on the Saudi Stock Exchange to raise its profile as part of its product and service innovation strategy and to win greater market share.

The Board of Directors is aware of the vital role listed businesses such as 2P play in supporting strong capital markets. As a listed Company, 2P will also benefit from preferential bidding opportunities for government projects across multiple vertical markets, including defence, healthcare, education, and other governmental entities.

The Company is on track and strategically committed to delivering on its quarterly dividend payment policy. The first payment was declared in December 2022 in line with regulatory requirements. To meet Shareholder expectations, the Company will continue to deliver an excellent RoE and focus on leverage, a strong cash position, and long term value creation.

Strategy

Partnerships are integral to the Company's strategy. In 2022 several strategic partnerships were signed with global technology companies, including Alcatel Lucent, Life Ray, Next Think, Nokia, Huawei, and Content Square. These companies were chosen because of their well-known wireless coverage synergies and supply chain advantages, and we look forward to leveraging our respective qualities and values to advance technological developments over the coming period.

Looking forward to the next 5-years, 2P is focused strategically on three main pillars to increase its revenue. The first is to increase reachability by expanding its footprint into additional industries, including Cybersecurity, the Internet of Things (IoT), and Blockchain. Secondly, the Company will enhance reliability to further increase the efficiency of its operations and minimise the total cost of ownership to its customers and Shareholders.

To ensure that it continues to deliver strong growth and RoE, 2P will continue to leverage the competitive advantage of its lean operating model, empowered P&L owners, and clearly defined ownership of performance metrics. Underpinned by a simpler and more customer-focused delivery model, the Company will deliver sustained value to its customers, national value chains and its valued Shareholders in the future.

CEO's Message

“Through historic growth across all three lines of business, 2P secured its highest ever revenues, margins, and backlog size with an excellent return on equity in 2022.”

Ehsaan Adnan Doughman
Chief Executive

SAR
1.73 billion
Backlog



CFO's Review



Maher Tawfik Bawadi
Chief Financial Officer

SAR
927 million
Revenue

SAR
131 million
Net profit

In 2022, 2P delivered significant revenue growth, following a similarly strong performance in previous years. Revenues reached SAR 927,170,895 by the end of the year, up from SAR 655,478,211 in 2021, SAR 482,475,049 in 2020, and SAR 298,102,025 in 2019. This is a 4-year CAGR of 46%.

In 2022 the Company recorded significant marginal growth compared to previous years. Total profits continued to grow year-on-year (YoY), rising from SAR 116,005,800 in 2021 to SAR 180,425,815 by the end of 2022. Between 2019 and 2022, the Company saw a 4-year CAGR of 52%. Similarly, net profits increased by 63% between 2021 and 2022, from SAR 80,615,566 to SAR 131,455,234. By year-end 2022, the Company's 4-year profit CAGR was 46%.

Current assets, non-current assets and total assets increased between 2021 and 2022 by 76%, 14% and 61%, respectively. By year-end 2022, the Company delivered current assets at SAR 672,818,561, non-current assets at SAR 134,378,150, and total assets of SAR 807,196,711.

The strength of the Company's results is defined, in part, by an excellent return on equity (RoE) and a historic backlog that rose from SAR 500 million in 2019 to SAR 1.1 billion by the end of 2021 and SAR 1.73 billion in 2022. By the year's close, 2P had recorded a significant improvement in its debt position and leverage ratio, leaving it well-placed to maximise Shareholder value and secure growth.

Business units

The Company's three business units delivered significant double-digit growth over the past 3-years, driven by the development and launch of new products to market, a significantly higher volume of contracts and projects, and cross-selling.

Software Development Unit



The Software Development Unit recorded a 62% increase in the volume of projects compared to 2021. Year-end revenue reached SAR 229 million, as compared to SAR 76 million in 2019, SAR 117 million in 2020, and SAR 141 million in 2021 – a 4-year CAGR of 45%.

Operation and Maintenance Unit



The Operation and Maintenance Unit also delivered double-digit growth in 2022. This translated into revenues of SAR 354 million, which is a year-on-year (YoY) increase of 66.57%. The 4-year CAGR for the Operation and Maintenance Unit is 45%.

Customer Experience Unit



The Customer Experience Unit witnessed a growth of 14% to reach SAR 344 million compared to SAR 301 million in 2021. The 4-year CAGR for the Customer Experience Unit is 47%.

Financial future

To secure sustained business growth and Shareholder value 2P will operate with a prudent risk appetite that fiercely protects the balance sheet and return on equity. Future high profitability and resilient finances are fundamental in delivering long term returns and in providing the capital necessary for research and development, product ideation, and the expansion of market share.

Furthermore, the Company will grow its business through its collaborative sales strategy and by leveraging its competitive advantage and lean business operating model. As a well-recognised, publicly owned Saudi-born business with extensive local know-how, 2P will benefit from even greater access to large-scale government giga-projects. Operating as a listed business also serves to enhance the Company's credit risk profile, further strengthening its resilience.

Looking ahead to 2023, the Company is geared to continue to deliver an excellent, market-leading return on equity, double-digit growth across its core businesses, market share expansion, a focus on leverage, a strong cash position and long term value creation.

Company performance

Comparison of business results

	2022	2021	2020	2019	2018
Revenue	927,170,895	655,478,211	482,475,049	298,102,025	180,226,380
Revenue costs	(746,745,080)	(539,472,411)	(391,454,363)	(243,368,511)	(151,632,210)
Total profit	180,425,815	116,005,800	91,020,686	54,733,514	28,594,170
Net profit	131,455,234	80,615,566	64,371,430	23,005,330	17,515,216

Compare assets and liabilities

	2022	2021	2020	2019	2018
Current assets	642,933,489	383,175,472	217,528,835	138,253,438	108,159,766
Non-current assets	158,425,359	118,176,229	99,092,570	63,871,310	20,659,452
Total assets	801,358,848	202,124,748	316,621,405	202,124,748	128,819,218
Current liabilities	515,915,766	313,462,668	181,733,387	124,196,046	73,944,524
Non-current liabilities	33,966,141	28,172,043	23,770,594	7,389,495	5,559,672
Total liabilities	549,881,907	341,634,711	205,503,981	131,585,541	79,504,196

The impact of the main line of business on the Company's results

Line of business	Business Revenue	Percentage
O&M	353,910,986	38%
Cx	344,020,782	37%
SWD	229,239,127	25%
Total	927,170,895	100%

Types of contracts	Percentage
Government	83%
Private	17%

Geographical analysis of the Company's revenues

Year	Geographical analysis of the company's total revenue			
	Total revenue	Inside KSA	Outside KSA	Total
2022	927,170,895	927,170,895	0	927,170,895

• The company has no subsidiaries inside or outside the Kingdom



Investment Case

In a breakthrough year that saw it complete a heavily oversubscribed listing on the Saudi Stock Exchange (Tadawul), 2P recorded an exceptional return on equity (RoE) and a historic backlog that doubled between 2021 and 2022 to reach SAR 2 billion.

A historic opportunity

Established in 2004, 2P rapidly solidified its position as a leading, trusted provider of comprehensive, integrated information and communication technology (ICT) services.

The decision to float was made after successive years of double-digit revenue, profit and asset growth and a consistently high return on equity. Furthermore, the strength of the Company's performance – and its investor proposition – has been firmly underpinned by its proven role as a leader in ICT product and service development in the Kingdom. 2P has also forged a significant role in developing in the Kingdom of Saudi Arabia's digital economy and in deploying truly game-changing digital solutions for multiple Saudi Government mega-projects.

The listing now allows the Company to benefit from preferential bidding opportunities for government projects across multiple vertical markets, including defence, healthcare, education, and other government entities and projects. The move also provides the Company with a mandate to propel its future growth in line with market demands and enables it to maintain and enhance its position as a leading ICT company in the Kingdom of Saudi Arabia.

SAR
1.73 billion
Highest-ever backlog



Reasons to invest:



Financial resilience

- ◆ Strong cash position.
- ◆ Consistent double-digit YoY revenue growth.
- ◆ SAR 1.73 billion backlog.
- ◆ Excellent return on equity.



Market-leading proposition

- ◆ Consistently outperforming the ICT market.
- ◆ Established partnerships with world-leading technology providers.
- ◆ In-house R&D capabilities.
- ◆ Market leader in a growing Saudi ICT sector.



Resilient operating model

- ◆ Plugged into global supply chains through strategic partnerships.
- ◆ Lean, streamlined operations through shared services.
- ◆ Three integrated lines of business that promote cross-sell and synergies.
- ◆ A diverse public and private sector client base.

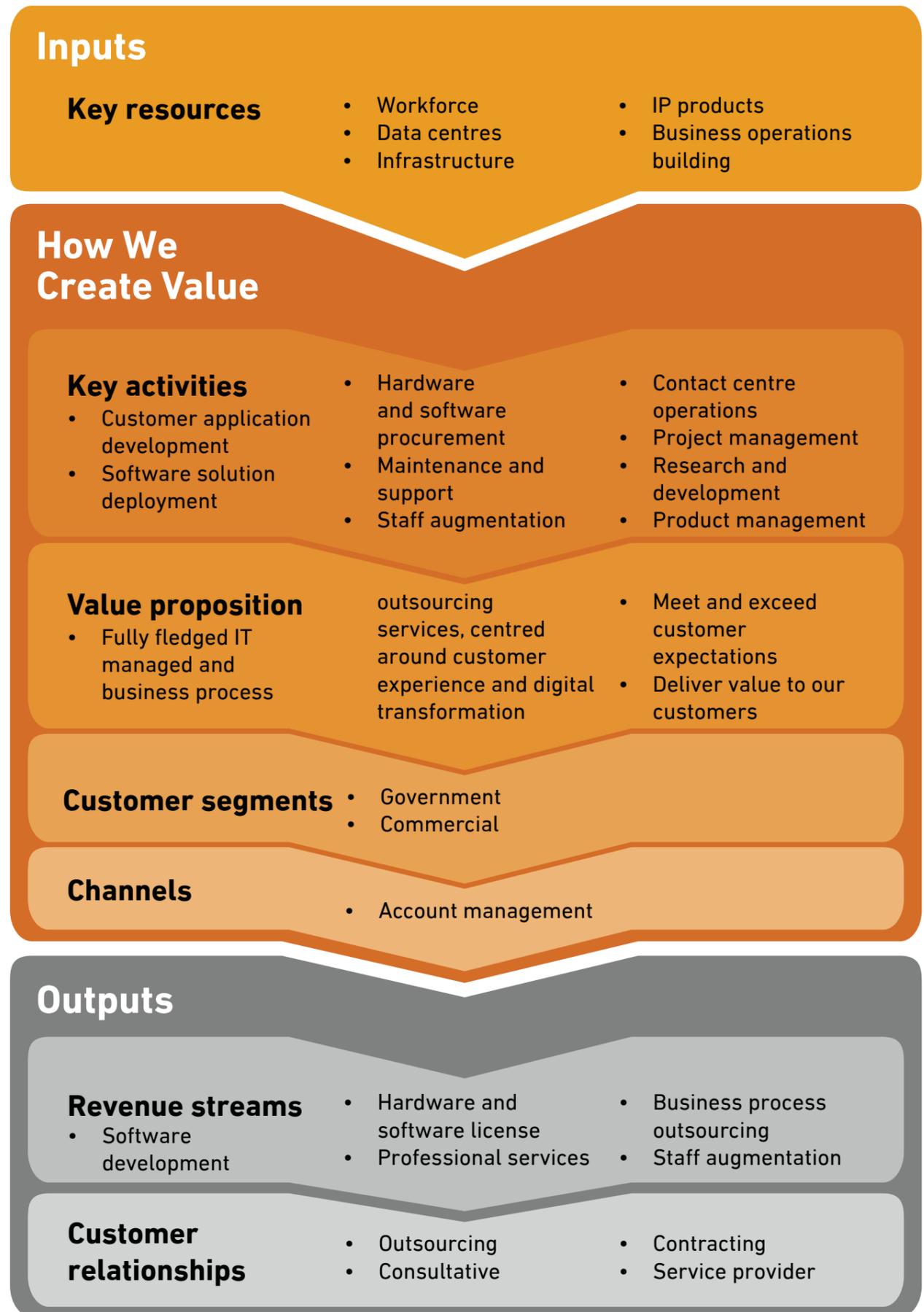


Growth potential

- ◆ Strong R&D pipeline.
- ◆ Preferential bidding for government projects.
- ◆ Opportunities in AI, cybersecurity, IoT and emerging technologies.
- ◆ Focus on the development of local content and the localisation of technology.

Business Model

2P's operating model is noticeable due to its fewer layers, empowered P&L owners, and clearly defined ownership of performance metrics, underpinned by a simpler and more customer-focused delivery model to meet the desired outcomes. The three main business units or line of businesses that are fully integrated, minimise the overhead and total cost of ownership, namely:



Strategy and KPIs

Our philosophy

2P combines both project-based and product-based models into its strategy to differentiate the revenue streams. Product development is a continuous process of its intellectual properties to meet the general market needs and demands lead by the advancement in the technology and the changing needs and demands of the customers. Every project starts by holding a consultative session with the end user to understand its needs so the project objectives and scope are clearly identified. 2P can then provide an assessment of the client's core business operations and technologies including the hardware and software necessary to meet the identified objectives.

VISION

Maintaining and enhancing the Company's position as the leader in the field of technology solutions and digital transformation.

MISSION

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

VALUES

- Localisation
- Innovation
- Integrity
- Excellence

Our strategic pillars

Starting in 2022 and for the next 5-years, 2P is focused strategically on three main pillars to increase its revenue:

Strategic Pillar	Increasing reachability	Enhancing reliability	Diversifying revenue
Brief Description	Increase reachability by expanding the footprint into additional industries including Cybersecurity, IoT, and Blockchain.	Enhance reliability to further increase the efficiency in the operations and minimise the total cost of ownership to its customers and Shareholders.	Diversify the revenue stream by accessing the consumer market
2022 Achievements	<ul style="list-style-type: none"> • Signed partnerships with technology providers. • Building blockchain competencies. 	<ul style="list-style-type: none"> • Review and update the standard operating procedures (SOPs). • Update the team structure to facilitate better OLA 	Signed partnerships with technology vendors for consumer market service
2023 Goals	<ul style="list-style-type: none"> • Launch cybersecurity service. • Acquire blockchain projects. 	Higher cross-functional teams' productivity	Launch smart home service

Customers	Internal Processes	Learning and Growth
<ul style="list-style-type: none"> • Post-project customer satisfaction survey should be greater than 90%. • 98% of customer tickets should be closed within SLA. 	<ul style="list-style-type: none"> • Employee related process should adhere to SLA is above 99% • Procurement related process should adhere to SLA is above 95% • % of reworked tasks should be less than 3% • On-time project (internal and external) milestones should be greater than 98% 	<ul style="list-style-type: none"> • All employees should have professional certification for his/her domain • Soft skills training days per employee • Head office turnover should be less than 2% • Clear career path • % of goals achieved per quarter should be higher than 90%

Risk Management

Overview

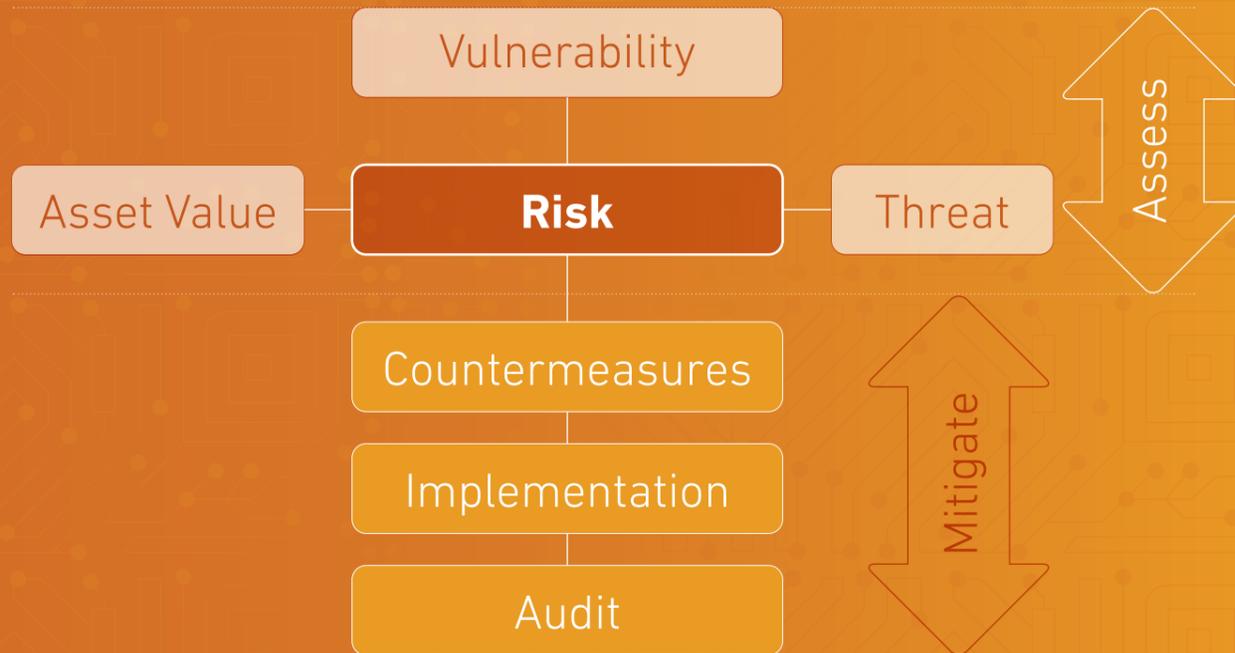
The Board of Directors of 2P, its sub-committees, and the Executive Management set risk standards, evaluate it, and deal with it, as well as monitor and set controls that reduce any operational risks, to create a professional and effective work environment in risk management.

2P has achieved this by developing and operating the Risk Management framework that determines the process and identifies tools for realising its objectives. Not only does it wish to minimise its risks but also maximise its opportunities.

Risk Management framework

A central Risk Management framework has been established to simplify identifying and analysing all risks in 2P, enabling informed decision-making to support business performance and overall management of business risks.

The following diagram explains the methodology that 2P use for managing the risks:



Risk Management highlights/achievements

Principal risks

Risks related to the Company's business and activities

1



Risks related to the Company's focus on government clients

Due to the concentration of clients being in government entities, the Company may be affected by any changes related to budget, regulatory restrictions, changes in government policy and public spending restrictions, which could have a significant impact on the volume, scope, timing and duration of contracts and purchases. Thus, the impact will be reflected on the volume of business the Company obtains from such clients. Such factors may also lead to the suspension, cancellation, termination, or non-renewal of existing contracts. In addition, the time period for collection of receivables from government entities is relatively long compared to clients from the private sector.

2



Risks related to changes in revenue ratios due to termination or reduction of the scope of work

The contracts concluded between the Company and its public sector clients stipulate terms and conditions that authorise the latter to terminate projects by withdrawing the works and executing the same at the Company's expense, or by terminating the contract unilaterally or reducing the scope of work (by 20% of the contract value). Hence, the contract value is reduced according to the requirements of the government entity. This may negatively affect the project revenues and cash flows, or may lead to a decrease in the value of the revenues and profits that the Company expects to earn from the work scheduled to be executed for certain contracts. In the event a contract relating to one of the Company's large and substantial projects is subject to the terms and conditions of termination or reduction of scope of work, this will have a material adverse effect on the Company's business, financial position and results of operations.

3



Risks related to the collection of receivables

The Company is exposed to the risk of its clients failing to pay the amounts owed by them to the Company. The Company's performance, revenues and profits depend on the financial solvency of its clients, the stability of their credit status and the Company's ability to collect its dues from its clients on time in exchange for the services provided.

The Company applies IFRS 9 - Expected Credit Loss (ECL) to all of its clients. The provisions for expected credit losses are recognised against trade receivables based on the provision matrix for credit loss calculation. The nature of the Company's contracts sometimes requires that project resources be allocated before advance payments or other payments are received from clients to cover project expenses when incurred. Consequently, the Company is exposed to the risk of clients' delay or failure to make payments for the services provided by the Company, which will have a material adverse effect on the Company's business, and results of operations.

4



Risks related to the ability to recruit and retain highly skilled IT Staff

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

5



Risks related to rapid technological developments and the Company's ability to expand and diversify its products

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

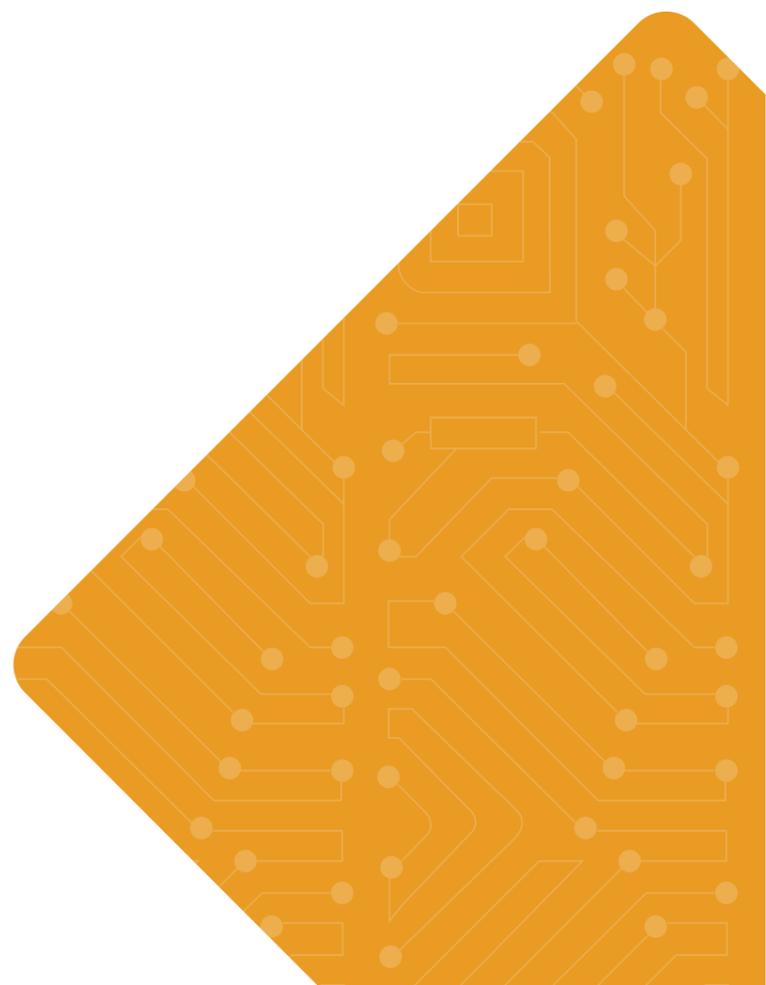
6



Risks related to the failure of the Company's information technology systems and data centres

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

In order for a Company to be able to serve its clients, it must continuously maintain data centre operations, which include network, storage, and server operation. In the event of any major disruption in operations or any major system failure, or in the event that the Company is unable to move the data centres to alternative locations if it is forced to do so for any reason, including the lack of a suitable alternative location, this will affect the Company's ability to provide services in accordance with its contracts or to complete projects for clients in a timely manner (which may lead to fines and/or compensation incurred by the Company). This in turn will lead to loss of clients or downsizing of operations, all of which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.



7



Risks related to cyber attacks

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

8



Risks related to licenses, certificates, permits and approvals

The Company is bound by a number of laws and regulations that require it to obtain the necessary licenses and permits from the competent regulatory authorities in the Kingdom in order to carry out its commercial activities. The Company currently maintains a number of licenses, certificates, permits, and approvals related to its commercial activities.

The Company may be required to terminate some of its business if it is unable to obtain or renew any license, or if a license is suspended, canceled, withdrawn, or renewed on unfavourable terms, or if the Company is unable to obtain additional licenses that may be required in the future.

9



Risks related to data protection and cybersecurity laws

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

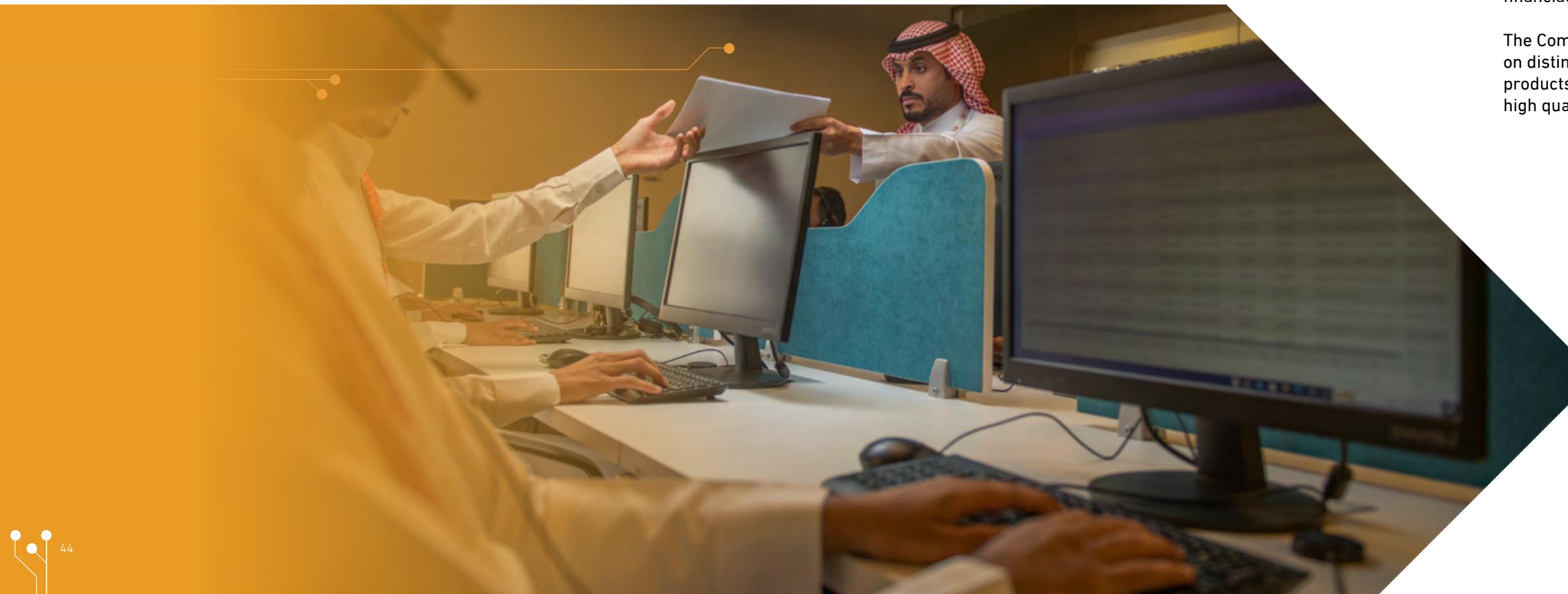
10



Risks related to competition

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

The Company's competitive ability depends on distinguishing its products from other products offered in the market by providing high quality products at reasonable prices.



Business Review

“With a heavily oversubscribed listing, SAR 2 billion backlog and historic revenues, 2P outperformed the entire Saudi ICT market in 2022, taking greater market share and launching game-changing digital products and services.”

Thanks to many years of research and development and a workforce of over 4,000 highly talented people, 2022 saw 2P and its three lines of business pass a new threshold of growth and innovation in 2022. Each of the Company’s three business units delivered double-digit revenue growth by maintaining the very best relationships with their existing customers and securing multiple big-ticket contracts with new clients across the country.



Software Development Unit

The Software Development Unit provides organisations with software design, development and management services and specialised electronic platforms. Every product and service follows best practices and methodologies in software development and the management of software development projects.

As part of 2P’s strategic objective to be considered one of the biggest software houses in the Middle East, the Software Development Unit forged new partnerships with vendors and deployed new, highly compatible AI-based tools in 2022. With a growing umbrella of services and products, the Unit delivered YoY revenue growth of 62%, rising from SAR 141 million in 2021 to SAR 229 million in 2022.

The Software Development Unit has achieved these numbers on the back of new product launches, new services, an expanding Saudi footprint and the innovation of new technologies. New partnerships have also played an important part in the journey, with the Company entering into agreements with the global cloud-powered digital experience company Liferay, the digital experience analytics company Contentsquare, and Nexthink, which creates digital employee experience management platforms.

Through its existing partnerships and in-house innovators, 2P launched a series of new services in 2022. They include Genesys customisation, Verint customisation, Software AG implementation and WS02 implementation. In addition, the Unit has accelerated its research and development in Blockchain, fintech solutions, and collaboration platforms.

Technical services



The Unit focused on developing high-quality software in 2022, helping its customers as they pivot towards becoming data-driven organisations. This work included providing custom application development for web and mobile applications, partnering with global software vendors, including Microsoft, Oracle, and SoftwareAG, and maintaining a high level of technical expertise.

The Unit also served its customers with professional services, including consulting on how to apply best practices for software development. These services have been developed and deployed through multiple collaborations, including with the international software development firm, Construx. Other activities include the implementation of systems such as data warehousing, business intelligence, application performance management, end-user experience analytics, and monitoring and analysing technical performance.

Customer experience



With customer experience at the heart of the Unit’s ability to win greater market share, a number of initiatives were deployed in 2022, including a live chat capability, bots to automate customer support and real-time engagement. The Unit also worked to collect customer service feedback and created a unique customer experience with social listening. The Unit also met its KPIs for project delivery time, customer satisfaction, code quality, application security, and approved methodologies.

Utilising this comprehensive customer experience approach, the Software Development Unit will enhance its service to ensure that it gets the most value to its current customers and even greater market trust to generate new customers in new fields and sectors.

2023 objectives



As we look ahead, the Software Development Unit will leverage its new partnerships to accelerate innovation in critical areas, which include Blockchain, fintech, and collaboration platforms. Additionally, the Unit will look to build new competencies, including Microsoft 365 Dynamics, Oracle Techno Functions, Genesys, and Verint. It will also work to increase its delivery success rate, form new partnerships with universities and institutes and deploy special training programmes.

Operation and Maintenance Unit

The Operation and Maintenance (O&M) Unit provides organisations with qualified and trained technical labour to meet their needs for highly skilled and capable ICT personnel. It also provides preventative and corrective maintenance services and managed information technology services for data centres.

Achieving 200% of its 2022 targets, the O&M Unit delivered a YoY revenue increase of 67%, reaching SAR 354 million compared to SAR 212 million in 2021. The Unit completed a strategic shift in its operations in 2022 towards a managed services for information technology model governed by service level agreements. These are underpinned by AI-enabled tools that observe every activity within the consumer environment using managed service methodologies. The approach minimises the time and resources required to achieve customer objectives, delivering even higher levels of customer satisfaction and results.

The customer experience was also enhanced through 24/7 operations for 110 active projects around the Kingdom, in addition to workshops and the deployment of five mobile units in all regions of the country. These provisions have perfectly complemented the Unit's advisory, technical, and administrative capabilities, helping to complete all projects on time and to the highest standards. They have also proven instrumental in supporting customers' digital transformation journeys and IT maturity levels to meet global best practices.

KPIs



In line with its strategic goals and targets, the O&M Unit successfully completed its predictive maintenance objectives and its corrective maintenance in accordance with its service level agreements. These included 0% maintenance backlog and improvements in the mean average time between failures, mean time to repair, and overall equipment efficacy (OEE).

The Unit also enhanced its maintenance and engineering capabilities through the appointment of numerous technical professionals in 2022, taking the total number of software development and analysis employees to 597 by year-end. Within the same period, the Unit employed 198 IT+T engineers and 476 IT&T technicians.

2023 objectives



As we look ahead, the Software Development Unit will look to build greater competencies with strategic vendors to provide professional services and build a new maintenance service centre for global vendors. The Unit will also enhance its partnerships with existing vendors and adopt new partnerships in order to increase overall O&M capabilities. The O&M Unit remains committed to serving its customers and communities in a way that reflects the vision, values and objectives of Saudi Vision 2030 through the deployment of OPEX projects as managed services.

Customer Experience Unit

The Customer Experience (CX) Unit provides customer journey design and development services in addition to solutions related to the management and operation of contact centres and customer service across multiple communication channels.

The CX Unit delivered a YoY revenue increase of 14%, reaching SAR 344 million compared to SAR 302 million in 2021. This growth has been delivered through an increase in the number of contracts and rising contract value. Contracts include Tawakkalna, which is the Covid-19 government app from the Saudi Data and Artificial Intelligence Authority (SADAIA), the Ministry of Energy, and the General Authority of Civil Aviation (GACA), amongst others.

CX services



The CX Unit activated Phase 1 of the rollout of the Verint solution, which is recognised as the best Work from Home (WFM) and Quality and Knowledge base globally. The Unit also built new competencies as a Genesys reporting specialist and Verint reporting specialist while implementing the COPC performance management standard across the Unit's processes and operations. The implementation of COPC will further improve service and quality control levels that will have a direct impact on customer satisfaction, retention, and revenues.

The CX Unit also succeeded in increasing its customer satisfaction ratio, customer loyalty, customer retention and related NPS and CES customer experience index indicators. Through these and the implementation of its new competencies, the Unit increased overall satisfaction levels and increased the delivery success rate. Additionally, the CX Unit was issued with BSC, which was aligned with 2P's strategic objectives.

Recognition



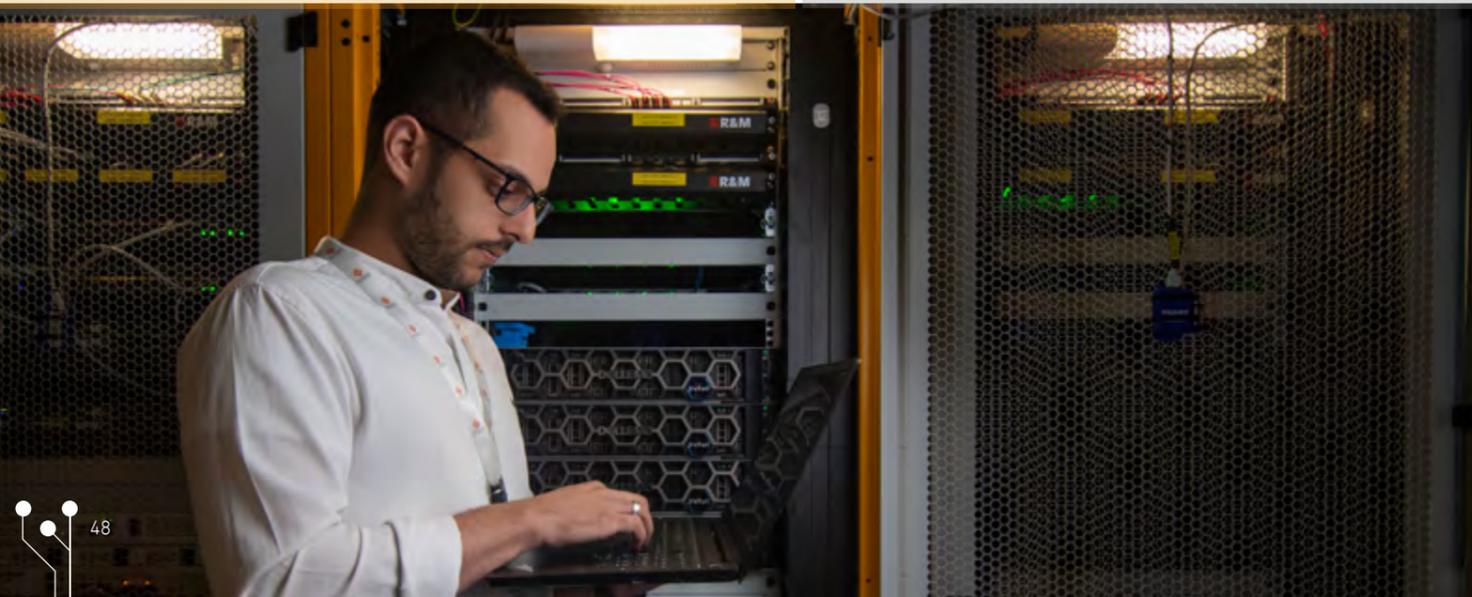
During the COVID-19 pandemic, the Ministry of Health call centre 973 was managed by the 2P CX Unit; it played an effective role in serving the citizens and residents of the Kingdom of Saudi Arabia by responding to enquiries and addressing complaints efficiently and to a high standard. Part of the CX Unit's work included the collation and analysis of data.

This important work led to 2P being recognised at the 2022 edition of the International Customer Experience Awards (iCXA) with the Best Customer Service Award.

2023 objectives



In terms of customer experience opportunities, the business process outsourcing (BPO) market has significant potential in the Kingdom of Saudi Arabia. Leveraging its existing services, and its strong position within the market, 2P is very well placed to take advantage of the Kingdom of Saudi Arabia's digital maturation and increase its market share.



ERP SYSTEM



New product lines

In line with the Company's strategy, 2P accelerated the development of two highly innovative new products in 2022. Through a combination of extensive in-house research and development and third-party partnerships, Perfect Engage and Contracting ERP represent a new generation of internal communications and call centre capabilities.



Perfect Engage

The product of 4-years of research and development, Perfect Engage is a first-of-its-kind platform in the Saudi market: a true game-changer for 2P and the organisations it serves. It is built around a WhatsApp-style user interface and is in full compliance with the Saudi Arabia National Server Security Authority regulations. The product is sold off-the-shelf or white-labelled and available to 2P clients on iOS and Android platforms. When downloaded to an employee's device, the Perfect Engage app allows colleagues to chat, share images, text, or files, create chat groups and make audio and video calls. It also allows employees to communicate directly with vendors and clients, adding a direct line of real-time communication between companies and those they serve.



Contracting Business ERP

The Company's newly developed Contracting Business ERP product was launched in 2022, providing organisations with a suite of software solutions that automate the business operations of contracting business from lead to collections. The solution also automates the management of human resources information and contracts, customers and suppliers, sales leads, the sales channel and the issuing and receipt of contracts and invoices.

Human Capital

Supporting Saudi excellence

With a workforce of more than 4,000 people, the attraction, training, development, wellbeing and retention of the Company's employees is integral to its operations. Furthermore, with a significant portion of the workforce working within research, development, and product development, 2P's sustainability as a business rests heavily on talent.

With skills at the heart of the Company's operations, the 2P Human Capital function in

2022 focused heavily on Human Resources to support a rapidly growing volume of contracts and an expanding backlog. These dynamics make recruitment a growing challenge, particularly in sourcing from the technology market.

The localisation regulations demand that the Company source from the local talent pool, with varying minimum requirements such as electrical 20%, IUT 30%, and overall 70% localisation. All

of these targets have been met – and this is an important and ongoing commitment to localisation. The Company's very high Saudisation and gender diversity metrics led to it being awarded Platinum status from the Government's HR Ministry - the highest possible category for diversity and Saudisation.

The Company also benefits from a very low turnover rate, with senior project managers and

sales professionals serving for at least 3-years. This provides the Company with long term resilience in an increasingly competitive and fast-growing ICT sector. Looking ahead, the Company will mitigate challenges in filling key roles such as programmers in 2023 thanks to the deployment of a new talent database that was launched in November 2022. This will further support a long term approach to attracting talent from across the Saudi ICT market and fresh graduates.

70%

Localisation

39%

Females

22

Females in senior positions



The IPO



The IPO has created significant added value to the Company's Human Resources capabilities, boosting its reputation and driving a greater number of talented professionals from competitors toward the Company. The IPO also presented a new level of government regulatory criteria, which the Company has met through the introduction of global standards, including COBC for call centre professionals, amongst others. Post-IPO, the Company has to meet Ministry of HR localisation targets, which have been met.

Training and development



In 2022 the Human Capital department published a new set of policies and procedures in line with a revised strategy that places a greater emphasis on talent management and career development. The policies create a clear career path for every employee across the Company to ensure that each individual has access to a 5-year development plan. The procedures also determine that the HR function must create a succession plan to mitigate the impact of career development as individuals progress through the Company.

In addition, the department introduced a new set of competencies for each department, such as sales, project management, IT, finance and sales engineers. The department also created a new set of deep-dive skills assessments to gain a granular understanding of skills and skills gaps. These are fundamental in helping HR to identify gaps in career development and for its recruitment strategy.

Diversity and inclusion



The Company follows the objectives laid out in Vision 2030, guiding its approach to developing a diverse workforce with a growing percentage of women employees and women in senior positions. By year-end, the Company had three women working in senior positions compared to zero in 2020 and 2021. The appointment of three women in leadership roles represents a significant uptick and important momentum. The Company's objectives provide a roadmap for the continued hiring of new women into senior positions. In addition, approximately 10% of its workforce are People of Determination.

Employee wellbeing



The Company has a proactive approach to employee wellbeing, with the provision of multiple social activities, including Eid Al Fitr, Eid Al Adha, and National Day activities, to encourage teamwork, collegiality and enjoyment between colleagues outside of the workplace. Furthermore, the Company introduced a new policy to provide employees with access to sports and wellness facilities, including gyms. Additionally, we provide added value benefits such as discounts for automobiles and membership to clubs.

Future leaders



The Company operates a very active approach to sourcing graduates through agreements with a range of academic institutions, including universities and technical colleges. Our educational partners help point graduates with a wide variety of critical skills and capabilities toward opportunities with 2P. The Company also operates Misk, which sees it collaborate with high school graduates to provide them with career development support and guidance.

These initiatives, and more, further boost the Company's access to talent, position it as an active community player and add value to its relationships with educational institutions. With talent acquisition, development and retention a core priority in 2023, the Human Capital department will continue to focus on recruitment as a major priority – and as a means to securing resilient growth over the coming period.

Group	Non-Saudi	Saudi	Grand Total	Localisation %	Females	Females in Senior Positions
Female		55	1,853	1,908	70%	39%
Male	1,400		1,501	2,901		
Grand Total	1,455	3,354	4,809			

22

Sustainability and Social Responsibility

2P is committed to performing its business responsibly, focusing on its employees, customers and the local community. The Company not only adheres to all mandated regulatory requirements but also pursues voluntary activities to improve its employees and their family's living standards while contributing to the sustainable development of its communities.

2P is proud of its performance on environmental governance issues and its history on social policy, good corporate governance and its engagement with all its Stakeholders as part of its sustainability journey. As the Company progresses, it sets out to communicate openly and transparently on all matters pertaining to CSR and environmental, social and government (ESG) principles.

As part of its transparent governance, 2P is committed to full accountability by publicly disclosing its strategies, management goals, and progress in achieving them. To help ensure relevance, completeness and comparability, the Company also adheres to internationally recognised disclosure standards such as the Global Reporting Initiative. This process helps assure Stakeholders that we are a forward-thinking, and responsible company.

Social Responsibility Policy

The Company's social responsibility policy is designed to support sustainable growth through strong community and environmental stewardship, robust governance and the nurturing of talent.



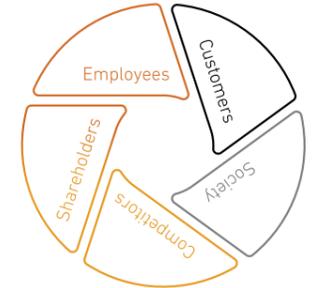
Environmental stewardship

As part of its commitment to responsible environmental stewardship, the Company has adopted a set of environmental awareness measures by relevant legislation. Through its internal activities, the Company also seeks to raise awareness of the importance of energy efficiency and sustainable energy consumption while focusing on environmentally friendly operations across the work environment.

Social and communities

Stakeholders

The Company works to create value for all its Stakeholders, providing all concerned individuals and communities with clear, accurate, and credible information in a way that does not contradict recognised professional rules and regulations. The Company is committed to applying all governance practices with integrity and transparency and to document them through relevant reports. It also operates fairly and without prejudice or discrimination toward all its Stakeholders.



Employees

As a progressive Company with an engaged workforce, 2P encourages two-way dialogue with its employees to bring about positive change, and every individual is encouraged to share their ideas and opinions. All employees are guided by accepted rules of behaviour and are encouraged to listen to the opinions of others with respect so that everyone can make a fair contribution to the decision-making process. This openness is integral to the Company's approach to encouraging and motivating every employee to increase their passion for work and to bring out the best in them, which helps in achieving the Company's goals.

The Company's employees also have access to multiple training opportunities that enable them to learn new skills that align with the latest technological trends and help them to accomplish their professional goals. Furthermore, the Company works hard to secure a safe, healthy and motivating work environment that supports the health and wellbeing of employees without prejudice to their obligations towards their families.

Customers

The customer is at the centre of the Company's strategy, focusing on developing bespoke solutions and services that meet the unique needs of every customer in a way that suits their requirements. This is achieved through the extensive experience of our specialised teams, whose role is to innovate the latest ICT solutions and services. Furthermore, the Company seeks to help its customers achieve an increase in productivity and performance, facilitating its customers' participation in the development of the economy in general and in a way that enables customers to fully control their privacy and adhere to the strictest standards of data protection.

Competitors

The Company is committed to respecting prevailing and ethical laws, regulations, and instructions, providing the best services and not harming any competitor organization.

Society

The Company seeks to play a positive role in the community, develops programmes and identifies the necessary means to launch initiatives in the field of social work. The Company also works as much as possible to provide direct and indirect support to social and developmental institutions. Believing in the pivotal role entrusted to private sector companies in the National Transformation programme 2020, 2P generates jobs within its strategic objectives to achieve the goal of the Kingdom's Vision 2030. As a proud champion of inclusive participation in Saudi innovation, 2P actively contributes to creating job opportunities for all members of society without discrimination due to ethnic or personal considerations.

2P actively promotes a culture of job security across the private sector by creating an attractive work environment suited to the ambitions of qualified Saudi nationals. Furthermore, the Company works in partnership with several government agencies to raise awareness of employment opportunities at 2P and to help young Saudi talent to prepare for the world of work within the fast-moving ICT sector.

Shareholders

One of 2P's principal strategic outcomes is to maximise the value of the share, achieve the maximum possible profit, and protect the Company's assets. The Company believes that it is the Shareholder's right to obtain adequate information about the Company's performance, its strategies and governance.

2P is also operationally geared towards fair dealing with all its Shareholders without discrimination or prejudice, receiving and openly handling Shareholder complaints, and engaging Shareholders in the Company's decisions at the General Assembly.

2022 Highlights

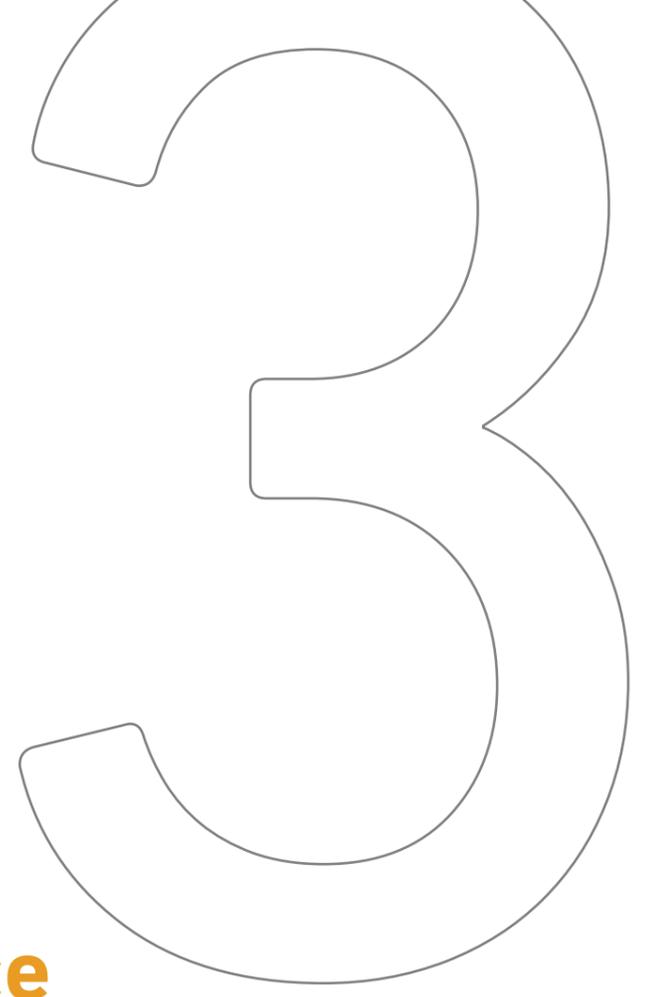
Orphanages sponsor - Insan
Sponsoring 28 orphans

Employment agreement - Insan
Recruiting 10 orphans

Mohammed bin Salman Foundation "Misk."
Training and knowledge agreement

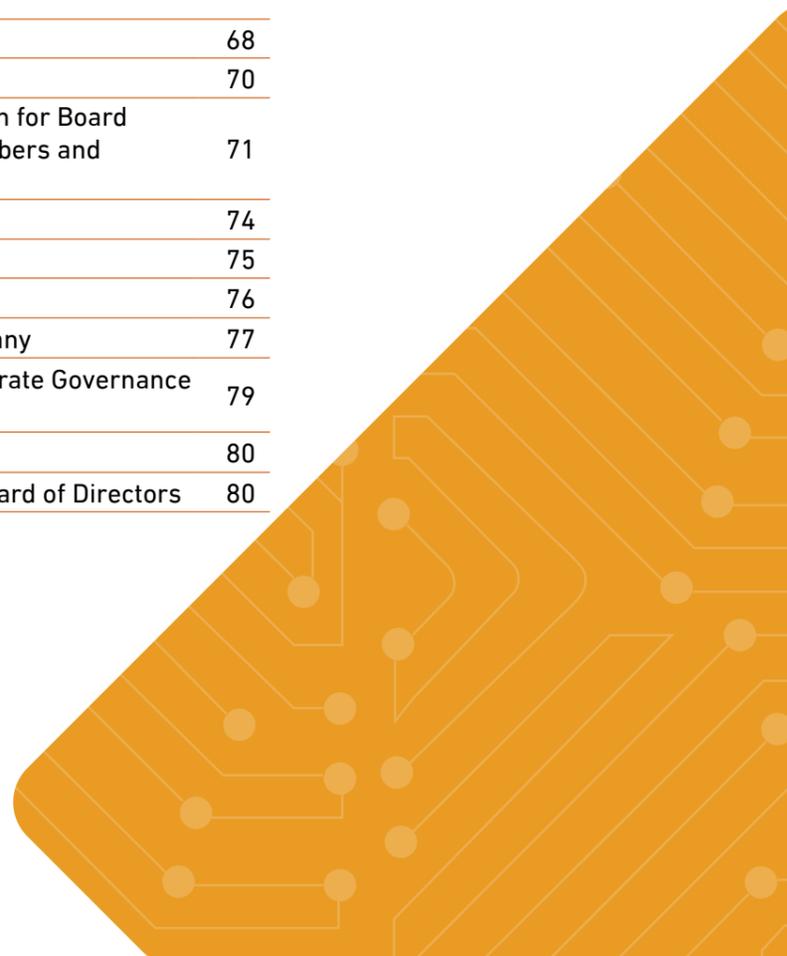
Employment agreement - Sultan University
Training 15 students





Governance

Board of Directors	60
Committees of the General Assembly and the Board of Directors	64
Executive Management	68
Profit Distribution Policy	70
Disclosure of Remuneration for Board Members, Committee Members and Executive Management	71
Business and Contracts	74
Financial Obligations	75
Ownership of the Company	76
Shareholders of the Company	77
Compliance with the Corporate Governance Regulation	79
Notes on 2022	80
Acknowledgment of the Board of Directors	80



1. Board of Directors

The Company is managed by a Board of Directors consisting of six members classified according to the definitions stipulated in the Corporate Governance Regulation issued by the Capital Market Authority in the Kingdom of Saudi Arabia, who were appointed by the Transformational General Assembly held on 19 December, 2021. The term of membership of the Board members, including the Chairman of the Board, shall be 3-years as a maximum for each session. As an exception, the Transformational General Assembly shall appoint the first Board of Directors for 5-years. The current session of the Board of Directors commenced on 19 December, 2021 and ends on 18 December, 2026.

1.1 Current and previous positions, qualifications, and experiences of the Board members



Member name
Mr. Nasser Abdullah Al Bassam
Chairman of the Board - Non-Executive

Academic Qualification:

B.Sc. in Computer Science and Information Systems, King Saud University - Kingdom of Saudi Arabia, 1996.

Current Executive Positions:

2014 - present: Managing Director of Cloud Distribution Company, a limited liability company working in the field of information technology and services.

Previous Executive Positions:

2004 - 2020: General Manager of Perfect Presentation Company, a joint stock company working in the field of solutions and services for information technology.

2001 - 2004: Applications Development Manager at Alrajhi Bank, a joint stock company working in the field of banking.

1997 - 2001: Applications Development Supervisor at the Saline Water Conversion Corporation (SWCC), a government institution working in the field of seawater desalination and the delivery of desalinated water to the regions.

1996 - 1997: Invoicing Applications Support Engineer at Lucent Technologies Company, a joint stock company working in the field of telecommunication equipment.

Experiences:

28 years of experience in various fields:

- Telecommunication and information technology sector
- Financial services sector
- Project management sector



Member name
Dr. Tarek Abdullah Al Naeem
Deputy Chairman of the Board - Independent

Academic Qualification:

PhD in Information Systems, New South Wales University - Australia, 2006.

Master in Computer Science, King Saud University - Kingdom of Saudi Arabia, 2002.

B.Sc. in Computer Science, King Saud University - Kingdom of Saudi Arabia, 1996.

Current Executive Positions:

2021 - present: CEO of Water Transmission and Technologies Company, a company owned by the government that works in the field of developing, financing, and operating infrastructure projects in the water sector.

Previous Executive Positions:

2018 - 2020: CEO of MEDGULF Company, a listed joint stock company working in the field of insurance.

2016 - 2017: Board member at the Capital Market Authority, a government entity.

2014 - 2016: Undersecretary for Domestic Trade at the Ministry of Commerce

2012 - 2014: General Manager of the Strategic Group at Alrajhi Bank, a listed joint stock company that works in the field of banking

2007-2012: General Manager of Investment Assets Services at Tadawul Company, a listed company that works in the field of listing and trading of securities

2006-2007: Assistant Professor at Prince Sultan University, an academic institution that works in the field of education

1996-2006: Payment Systems Officer at the Saudi Central Bank, a government institution

Experiences:

More than 20 years of experience in various fields in the financial sector.



Member name
Mr. Yousef Mohammed Al Alkhelewi
Board member - Independent

Academic Qualification:

B.Sc. in Systems, King Saud University - Kingdom of Saudi Arabia, 1986.

Current Executive Positions:

2015 - present: Chief Governance Officer and Corporate Secretary at Bank Albilad, a listed joint stock company working in the field of banking.

Previous Executive Positions:

2010 - 2015: General Manager of Legal Affairs at Bank Albilad.

2007 - 2008: Owner of Yousef Al-Alkhelewi Law Office, sole proprietorship working in the field of law.

2003 - 2008: Assistant General Manager at Alrajhi Bank, a listed joint stock company working in the field of banking.

1999 - 2003: Manager of Debt Remedial Department at Alrajhi Bank.

1997 - 1999: Counsel at Saudi United Bank, a joint stock company working in the field of banking.

1994 - 1997: Manager of Debt Remedial Department at Riyadh Bank, a listed joint stock company working in the field of banking.

1992 - 1994: Manager of Debt Collection Follow Up Department at Riyadh Bank.

1986 - 1992: Counsel at Riyadh Bank.

Experiences:

30 years of experience in various fields in the banking sector:

- Legal
- Governance
- Debt and administrative affairs



Member name
Mr. Fahd Ibrahim Al Hussain
Board member - Independent

Academic Qualification:

Master in Electrical Engineering, California State University - USA, 1998.

B.Sc. in Physics, King Fahd University of Petroleum and Minerals - Kingdom of Saudi Arabia, 1988.

Current Executive Positions:

2018 - present: General partner of Sedford Partners, a company working in the field of investment management.

Previous Executive Positions:

2012 - 2022: CEO of the Saudi Technology Development and Investment Company (TAQNIA), a joint stock company working in the field of research investment and marketing solutions.

2008 - 2012: CEO of International Systems Engineering Company (ISE), a joint stock company working in the field of telecommunication and information technology.

2003 - 2008: CEO of Awal Net Company, a joint stock company working in the field of telecommunication and information technology.

Experiences:

24 years of experience in various fields:

- Telecommunication and information technology sector
- Partial capital fund sector
- Investment sector in emerging technology start-ups



Member name
Mr. Sulaiman Abdulrahman Fatani
Board member - Independent

Academic Qualification:

MBA, Aston University - United Kingdom, 2014.

B.Sc. in Financial Science, Prince Sultan University - Kingdom of Saudi Arabia, 2007.

Current Executive Positions:

2020 - present: Manager of the Investment Department at SABIC Investment and Local Content Development Company, a joint stock company working in the field of investment in Saudi industrial projects development.

Previous Executive Positions:

2017 - 2020: Assistant Vice President, Investment Banking at GIB Capital Company, a limited liability company working in the investment banking services sector.

2014 - 2017: Manger, Investment Banking at GIB Capital Company.

2012 - 2014: Senior Associate at Deloitte Financial Advisory Services Limited Company, a limited liability company working in the field of financial advisory for securities.

2007 - 2012: Senior Associate at Deloitte Corporate Finance Advisory, a special partnership working in the field of corporate finance advisory.

2006 - 2007: Business Analyst at Deloitte Management Consulting, a subsidiary of Deloitte and Touche and their partners working in the field of management consulting.

Experiences:

16 years of experience in various fields:

- Management and financial consulting sector
- Investment banking sector
- Private equity investment sector



Member name
Mr. Ehsan Adnan Doughman
Board member/Chief Executive - Executive

Academic Qualification:

B.Sc. in Technology and Applied Science, Al-Quds Open University - Palestine, 2007.

Current Executive Positions:

2020 - present: Chief Executive of Perfect Presentation Company, a joint stock company working in the field of information technology solutions and services.

Previous Executive Positions:

2019 - 2019: COO of Perfect Presentation Company.

2013 - 2019: Vice President and Chief Financial Officer at Perfect Presentation Company.

2011 - 2013: Project Manager at Saudi Arabic Computer System Company, a limited liability company working in the field of information technology solutions and services.

2008 - 2011: Project Manager and Marketing Specialist at Ipsos Company, a limited liability company working in the field of marketing.

2005 - 2007: Project Manager and Sales Coordinator at Al-Khaleej Computers and Electronic Systems, a limited liability company working in the field of technological services.

Experiences:

17 years of experience in various fields in the telecommunication and information technology sector.

1.2 Names of companies inside or outside the Kingdom in which a Board member of the Company is a member of their current or previous Board of Directors or one of its Managers

Member name

Mr. Nasser Abdullah Al Bassam

Names of companies inside or outside the Kingdom in which a Board member of the Company is a member of their current or previous Board of Directors or one of its Managers	Inside/Outside the Kingdom	Membership Capacity	Legal Entity
Sustainable Technology Company	Inside	Vice Chairman of the Board of Directors	Limited liability company
TAQNIA Company	Inside	Vice Chairman of the Board of Directors	Limited liability company
Madfootcom	Inside	Vice Chairman of the Board of Directors	Limited liability company
Al Amthal for Business and Commercial Investment Company	Inside	Chairman of the Board of Directors	Limited liability company

Member name

Dr. Tarek Abdullah Al Naeem

Names of companies inside or outside the Kingdom in which a Board member of the Company is a member of their current or previous Board of Directors or one of its Managers	Inside/Outside the Kingdom	Membership Capacity	Legal Entity
MEDGULF	Inside	Board member	Joint stock company
Leejam Company	Inside	Board member	Joint stock company
Depository Centre	Inside	Vice Chairman of the Board of Directors	Joint stock company
Credit Suisse Saudi Arabia	Inside	Board member	Joint stock company
Al Alamiya for Cooperative Insurance	Inside	Vice Chairman of the Board of Directors	Joint stock company
Bayan Credit Bureau	Inside	Vice Chairman of the Board of Directors	Joint stock company

Member name

Mr. Yousef Mohammed Al Alkhelewi

Names of companies inside or outside the Kingdom in which a Board member of the Company is a member of their current or previous Board of Directors or one of its Managers	Inside/Outside the Kingdom	Membership Capacity	Legal Entity
Bayan Credit Bureau	Inside	Board member	Joint stock company
Bayan Credit Bureau	Inside	Governance, Compliance, and Risks Committee member	Joint stock company
Bayan Credit Bureau	Inside	Nomination and Remuneration Committee member	Joint stock company
Thiqah Business Services	Inside	Audit Committee member	Limited liability company

Member name

Mr. Fahd Ibrahim Al Hussain

Names of companies inside or outside the Kingdom in which a Board member of the Company is a member of their current or previous Board of Directors or one of its Managers	Inside/Outside the Kingdom	Membership Capacity	Legal Entity
GCC Lab Company	Inside	Vice Chairman of the Board of Directors	Joint stock company
Sehaty Company	Inside	Board member	Joint stock company
Al Faisaliah Group	Inside	Board member	Closed joint stock company
AlMaarefa University	Inside	Board member	Closed joint stock company

Member name

Mr. Sulaiman Abdulrahman Fatani

Names of companies inside or outside the Kingdom in which a Board member of the Company is a member of their current or previous Board of Directors or one of its Managers	Inside/Outside the Kingdom	Membership Capacity	Legal Entity
Nusaned Investment Fund 2 for private equity	Inside	Board member	Joint stock company
Nusaned Investment Fund 2 for private equity	Inside	Investment Committee member	Joint stock company
Enjaz Payment Services Company	Inside	Board member	Closed joint stock company
Enjaz Payment Services Company	Inside	Head of Audit Committee	Closed joint stock company
Al Nazaer Company	Inside	Board member	Limited liability company

1.3 Board of Directors meetings for the first Board session during 2022

Member Name	First Meeting 21 February	Second Meeting 29 June	Third Meeting 14 September	Fourth Meeting 02 November
Mr. Nasser Abdullah Al Bassam	√	√	√	√
Dr. Tarek Abdullah Al Naeem	√	√	√	√
Mr. Yousef Mohammed Al Alkhelewi	√	√	√	√
Mr. Fahd Ibrahim Al Hussain	√	√	√	√
Mr. Sulaiman Abdulrahman Fatani	√	√	√	√
Mr. Ehsan Adnan Doughman	√	√	√	√
Attendance Percentage	100%	100%	100%	100%

2. Committees of the General Assembly and the Board of Directors

According to the requirements of the Corporate Governance Regulation issued by the Capital Market Authority and the Companies Law, the Company has prepared regulations and rules for selecting the Committees' members, their membership term, work mechanisms, and tasks and responsibilities of the Committees that were approved by the Board of Directors and the General Assembly of Shareholders according to the Articles of Association of the Company. The Company has formed several committees of the General Assembly and Board of Directors of the Company with the aim of enhancing and supporting the work of the Company's Management as follows: (1) Audit Committee (2) Nomination and Remuneration Committee (3) Investment Committee.

2.1 Audit Committee

The General Assembly of the Company formed the Audit Committee from three members, all of them are Independent, under the resolution of the General Assembly on 24 Shaaban 1443 AH (corresponding to 27 March, 2022).

2.1.1 Committee members

No	Name	Position	Brief
1	Mr. Sulaiman Abdulrahman Fatani	Head of the Committee	Please check section 1.1 to obtain more details in relation to the experiences, qualifications, current and previous positions of the Committee members.
2	Dr. Tarek Abdullah Al Naeem	Member	
3	Mr. Fahd Ibrahim Al Hussain	Member	

2.1.2 Specialisations, tasks, and responsibilities of the Committee

The Committee is concerned with monitoring the Company's business and verifying the integrity and fairness of the reports, financial statements, and internal control systems therein. The tasks of the Committee specifically include:

- 1- Financial reports
- 2- External audit
- 3- Internal audit
- 4- Ensuring compliance

The Audit Committee oversees the internal audit functions, examines their reports, and follows up the application of the corrective procedures for the notes mentioned therein, makes recommendations to the Board of Directors to appoint chartered accountants, their scope of work, suggests their annual fees, follows up their work, and studies their notes on the financial statements. The Committee also evaluates and studies the accounting policies used, expresses opinions regarding them, and makes recommendations to the Board of Directors about them. The responsibilities of the Committee also include evaluation and ensuring the existence of an effective internal control system that is prepared on a sound basis.

The Committee also reviews the interim and annual financial statements of the Company before presenting them to the Board of Directors. During the year, the Audit Committee audited the quarterly financial statements and the annual financial statements and made recommendations about them to the Board of Directors for approval. It has met with the external Auditor and made sure that the financial statements were prepared in accordance with accounting standards and that there are no important or material notes submitted by him/her on the financial statements.

The Audit Committee also discussed the report of the internal Auditor, which did not contain material notes, and submitted a report to the Board of Directors in this regard.

2.1.3 Recommendations of the Committee

The Audit Committee has not issued any recommendations that conflict with the resolutions of the Board of Directors. The Board has not rejected any recommendations submitted by the Committee about appointing or dismissing the Auditor of the Company, determining his/her fees, evaluating his/her performance, or appointing the internal Auditor.

2.1.4 Internal Audit

Perfect Presentation Company adheres to ensuring the existence of an effective internal control system to achieve the organisational goals, protection of assets, preparation of accurate internal and external reports, limit the risks, and compliance with the regulatory requirements. The Audit Committee oversees the works of internal audit, which periodically audit the efficiency and effectiveness of the internal control system to provide a continuous evaluation for the internal control system and its effectiveness. The Committee reviews the reports of the external Auditor, which may contain any deficit in the internal control that is observed by the internal Auditor as part of his/her evaluation of the internal controls.

2.1.5 Opinion of the Audit Committee

The following is the opinion of the Audit Committee in light of the work carried out by the Committee during the year 2022. The Audit Committee believes that the internal control system currently in place in the Company operates with satisfactory effectiveness, with the need to improve some aspects of the effectiveness of the internal control system for the past fiscal year, bearing in mind that any internal control system's implementation, no matter how soundly designed and effective, cannot provide absolute certainty.

2.1.6 Meetings of the Committee for the first session of the Board during 2022

Member Name	First Meeting 11 April	Second Meeting 14 June	Third Meeting 29 August	Fourth Meeting 09 October	Fifth Meeting 28 December
Mr. Sulaiman Abdulrahman Fatani	√	√	√	√	√
Mr. Fahd Ibrahim Al Hussain	√	√	√	√	√
Dr. Tarek Abdullah Al Naeem	√	√	√	√	√
Attendance Percentage	100%	100%	100%	100%	100%

2.2 Nomination and Remuneration Committee

The Board of Directors formed the Nomination and Remuneration Committee from three members under the resolution of the Board of Directors on 20 Rajab 1443 AH (corresponding to 21 February, 2022).

2.2.1 Committee members

No	Name	Position	Brief
1	Mr. Yousef Mohammed Al Alkhelewi	Head of the Committee	Please check section 1.1 to obtain more details in relation to the experiences, qualifications, current and previous positions of the Committee members.
2	Mr. Nasser Abdullah Al Bassam	Member	
3	Dr. Tarek Abdullah Al Naeem	Member	

2.2.2 Specialisations of the Committee

The Committee is concerned with making recommendations for nominations for membership of the Board of Directors and its Committees in accordance with the approved standards, the annual review of the skills required to fill the membership of the Board, reviewing the structure of the Board and making recommendations regarding the changes that can be made. The Committee is also concerned with determining the points of strength and weakness of the Board and how to address them in a way that serves the best interests of the Company as well as evaluating the performance of the Board members and the members of the Board Committees and ensuring the independence of the Independent members on an annual basis. It also sets clear policies for compensation and remuneration of Board members and senior Executives, taking into account performance-related standards. The Committee also prepares periodic and annual reports on the activities of the Committee and an annual disclosure according to the Articles of Association. These reports are submitted to the Board of Directors.

2.2.3 Evaluation of the Board of Directors' performance

Perfect Presentation Company evaluates the performance of the Board of Directors, its Committees, and its members with the purpose of determining the points of strength and weakness and suggesting how to address them in a way that is commensurate with the best interests of the Company. The evaluation process was conducted under the supervision of the Nomination and Remuneration Committee after presenting the mechanisms, methodology, and themes of the evaluation to the Board of Directors. It included the completion of a comprehensive questionnaire that covered the tasks and responsibilities of the Board and Committees, as well as the effectiveness of the meetings of these bodies which includes evaluating the effectiveness of participation and discussions during these meetings, and well-considered resolutions that enhance the Company's performance and achieves its goals. The performance of the Company's Board of Directors during 2022 was outstanding at all levels, as the Board and its Committees abided by the Corporate Governance Regulation and worked within approved policies and regulations. The Board and its Committees carried out their tasks and specialisations as required, and were committed to attending the meetings.

2.2.4 Meetings of the Committee for the first session of the Board during 2022

Member Name	First Meeting 23 March	Second Meeting 19 October
Mr. Yousef Mohammed Al Alkhelewi	✓	✓
Mr. Fahd Ibrahim Al Hussain	✓	✓
Dr. Tarek Abdullah Al Naeem	✓	✓
Attendance Percentage	100%	100%

2.3 Investment Committee

The Board of Directors formed the Investment Committee from four members under the resolution of the Board of Directors on 08 Rabi Al-Thani 1443 AH (corresponding to 02 November, 2022)

2.3.1 Committee members

No	Name	Position	Brief
1	Mr. Nasser Abdullah Al Bassam	Head of the Committee	Please check section 1.1 to obtain more details in relation to the experiences, qualifications, current and previous positions of the Committee members.
2	Mr. Fahd Ibrahim Al Hussain	Member	
3	Mr. Sulaiman Abdulrahman Fatani	Member	
4	Mr. Ehsan Adnan Doughman	Member	

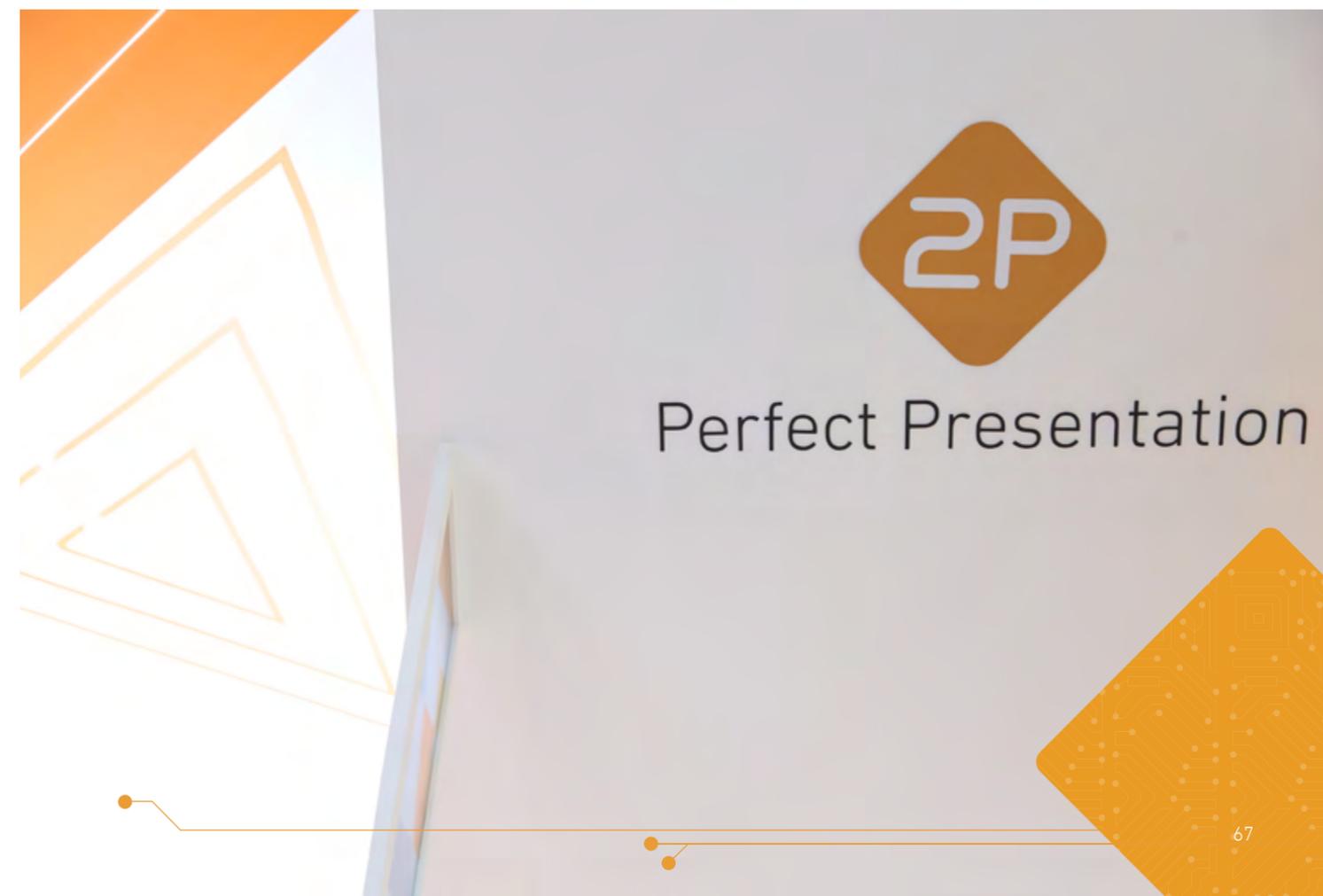
2.3.2 Specialisations of the Committee

The Investment Committee was formed to help the Board of Directors in strategic planning and providing optimal management of the Company's investments within the limits of the authorisations matrix of the Committee as authorised by the Board of Directors, which are:

Reviewing the general framework of the total capital provisions, the model and the structure adopted in implementing the investment activities of the Company and making recommendations to the Board of Directors regarding them. Reviewing the investment opportunity, acquisition and merger activities, and entering into partnerships. Reviewing the impact of proposed transactions and deals on the financial position of the Company, including the required financing and evaluating the impact on the liquidity and indebtedness percentages and making recommendations to the Board of Directors regarding them. Reviewing the progress of integration procedures and programmes that follow the merger or acquisition process of the activity acquired.

2.3.3 Meetings of the Committee for the first session of the Board during 2022

Member Name	First Meeting 20 December
Mr. Nasser Abdullah Al Bassam	✓
Mr. Fahd Ibrahim Al Hussain	✓
Mr. Sulaiman Abdulrahman Fatani	✓
Mr. Ehsan Adnan Doughman	✓
Attendance Percentage	100%



3. Executive Management

The senior Management of the Company consists of a team that has the necessary experiences and skills to manage the Company under the supervision of the Board of Directors. The Chief Executive runs the daily business of the Company according to the directions and policies determined by the Board of Directors to ensure that the Company achieves its goals set by the Board of Directors. The current senior Management team of the Company consists of eight employees:

1- Mr. Ehsan Adnan Doughman (Chief Executive)

Please check section 1.1 to obtain more details in relation to the experiences, qualifications, current and previous positions of the Chief Executive.

2- Mr. Maher Tawfik Bawadi

Current Positions:

Chief Financial Officer (CFO)

Appointment Date:

01 February, 2021

Academic Qualification:

B.Sc. in Business Administration and Accounting, Birzeit University - Palestine, 2001.

Previous Executive Positions:

2019 - 2021: CFO at Perfect Presentation Company.

2008 - 2018: Director of the Finance and Accounting Department at Drake & Scull International, a limited liability company working in the field of electrical contracting.

2005 - 2008: Financial Accountant at Al-Manahil Company, a limited liability company working in the field of education, culture, and entertainment.

2004 - 2005: Resource Planning Specialist at Netsoft Group, a limited liability company working in the field of software.

2002 - 2004: Accountant at the National Finance Company, a limited liability company working in the field of finance.

2001 - 2002: Accountant at Masharif Najd Establishment, an establishment working in the field of mechanical and electronic engineering.

Experiences:

21 years of experience in various fields in the financial sector.

3- Mr. Hussam Ahmed Dwairi

Current Position:

Executive Vice President for Technology and Digital Transformation

Appointment Date:

01 December, 2018

Academic Qualification:

B.Sc. in Information Systems, Yarmouk University - Hashemite Kingdom of Jordan, 2006.

Previous Executive Positions:

2015 - 2018: Business Unit Manager at Perfect Presentation Company.

2014 - 2015: Product Manager at Perfect Presentation Company.

2012 - 2014: Support Division Manager for Applications at Perfect Presentation Company.

2010 - 2012: Senior Software Developer at Perfect Presentation Company.

2007 - 2010: Software Developer at Perfect Presentation Company.

2006 - 2007: Software Developer at FreeSoft Company, a limited liability company established in Jordan working in the field of information technology.

Experiences:

16 years of experience in various fields in the information technology sector:

- Software development
- Product management
- Project management
- Sales engineering
- Applications performance and infrastructure

4- Mr. Mohammed Samih Abu Sheikha

Current Position:

Executive Vice President of Customer Accounts

Appointment Date:

01 January, 2020

Academic Qualification:

B.Sc. in Computer Science, Al-Ahliyya Amman University - Hashemite Kingdom of Jordan, 2001.

Previous Executive Positions:

2016 - 2019: Sales Manager at Perfect Presentation Company.

2008 - 2016: Sales Manager at Dawaer Technologies, a Saudi limited liability company working in the field of information technology and software solutions.

2002 - 2008: Sales Account Manager at Optimiza Technology Solutions Company - Amman, Jordan.

Experiences:

- 20 years of experience in various fields:
- Strategic planning
 - Sales management
 - Applications development

5- Mr. Mohammed Abdullah Eida

Current Position:

Executive Vice President of Project Management

Appointment Date:

01 August, 2019

Academic Qualification:

MBA, the American University - 2006

Previous Executive Positions:

2019 - 2023: Vice President of Project Management at Perfect Presentation Company.

2014 - 2019: Project Office Manager at Technology Control Company.

2013 - 2014: Senior Project Manager at Everteam Company.

2009 - 2013: Senior Project Manager at Arabic Computer Company.

2000 - 2009: Computer Trainer at New Horizons Company.

Experiences:

- 24 years of experience in various fields:
- Project management
 - Training

6- Ms. Zainab Mohammed Naqrash

Current Position:

Executive Vice President of Shared Services

Appointment Date:

01 February, 2021

Academic Qualification:

Master in Human Resources Management, Cambridge Training College - UK, 2020.

B.Sc. in Economics and Administrative Sciences, Imam Mohammed bin Saud Islamic University - KSA, 2013.

Previous Executive Positions:

2016 - 2019: COO at Perfect Presentation Company.

2014 - 2016: Human Resources Manager at Perfect Presentation Company.

2011 - 2013: Assistant Manager at Dxa, a limited liability company working in the field of software.

Experiences:

More than 11 years of experience in management.

7- Mr. Anas Abdul-Malik Al Sheikh

Current Position:

Legal Department Director

Appointment Date:

01 April, 2022

Academic Qualification:

Bachelor in Shariah, Imam Mohammad Ibn Saud Islamic University - KSA, 2011

Previous Executive Positions:

2020 - 2022: Founding Partner at Al Alshaiikh & Alowain Law Firm, a professional firm working in the field of law.

2019 - 2020: Founding Partner at Al Mubarak, Al Alshaiikh & Alowain Law Firm, a professional firm working in the field of law.

2018 - 2019: Licensed Lawyer and Legal Advisor at Sultan Bin Zahem Law Firm and Consultations, a professional firm working in the field of law.

2014 - 2017: Trainee Lawyer at Sultan Bin Zahem Law Firm and Consultations.

Experiences:

9 years of experience in the field of law.

8- Mr. Mohammed Qasim Al Hussain

Current Position:

Compliance Department Director

Appointment Date:

03 April, 2022

Academic Qualification:

B.A. in the English Language, King Faisal University - KSA, 2020

Experiences:

18 years of experience in the field of banks and corporate.

Previous Executive Positions:

2021 - 2022: Director of Compliance and Anti-Money Laundering and Counter Terrorist Financing Department at SHL Finance Company, a listed joint stock company working in the field of home financing.

2020 - 2020: Director of Compliance and Anti-Money Laundering, Counter Terrorist Financing, and Financial Crimes Department at BayanPay Company Limited, a limited liability company working in the field of payment technology.

2017 - 2020: Compliance and Anti-Money Laundering, Counter Terrorist Financing, and Financial Crimes Officer at Al-Amthal Finance Company, a joint stock company working in the field of financing.

2011 - 2017: Analytical Investigator for Anti-Money Laundering and Counter Terrorist Financing at the Arab National Bank, a listed joint stock company working in the field of banking.

2010 - 2010: Executive Assistant in the Compliance Department at Deutsche Bank, a listed joint stock company working in the field of banking.

2004 - 2010: Final Auditor at Samba Financial Group, a listed joint stock company working in the field of banking.

4. Profit Distribution Policy

The Board of Directors sets a clear policy regarding the dividends in accordance with Article No. (50) of the Company's Articles of Association. The annual net profits are distributed as follows:

- 10% of the net profits are set aside to form a statutory reserve, and the Ordinary General Assembly may stop setting aside such reserve, when the aforementioned reserve reaches 30% of the paid-up capital.
- The Ordinary General Assembly, based on a proposal by the Board of Directors, may set aside a percentage of the net profits to form a consensual reserve to be allocated for a specific purpose(s).
- The Ordinary General Assembly may decide to form other reserves, to the extent that achieves the interest of the Company or ensures the distribution of fixed profits as much as possible to the Shareholders. The said Assembly may also deduct from the net profits amounts to establish social institutions for the employees of the Company or to assist existing institutions.
- The Ordinary General Assembly may then distribute the remainder to the Shareholders of the Company, provided that the percentage of these profits shall not be less than 1% of the capital of the Company.

The Company may distribute interim profits to its Shareholders on a semi-annual or quarterly basis by a resolution of the Board of Directors based on an authorisation by the General Assembly of the Company, if the financial position of the Company allows this and it has liquidity in accordance with the controls and procedures set by the competent authority.

4.1 Percentages of profits distributed to Shareholders during the various periods of the fiscal year 31 December, 2022, and the total of these profits

Date	Percentage of Distributed Profits			Total Profits
	12 April, 2022	03 August, 2022	12 January, 2023	
Percentages	11.33%	6%	7%	24.33%
Total	17,000,000	9,000,000	10,500,000	36,500,000

5. Disclosure of Remuneration for Board Members, Committee Members and Executive Management

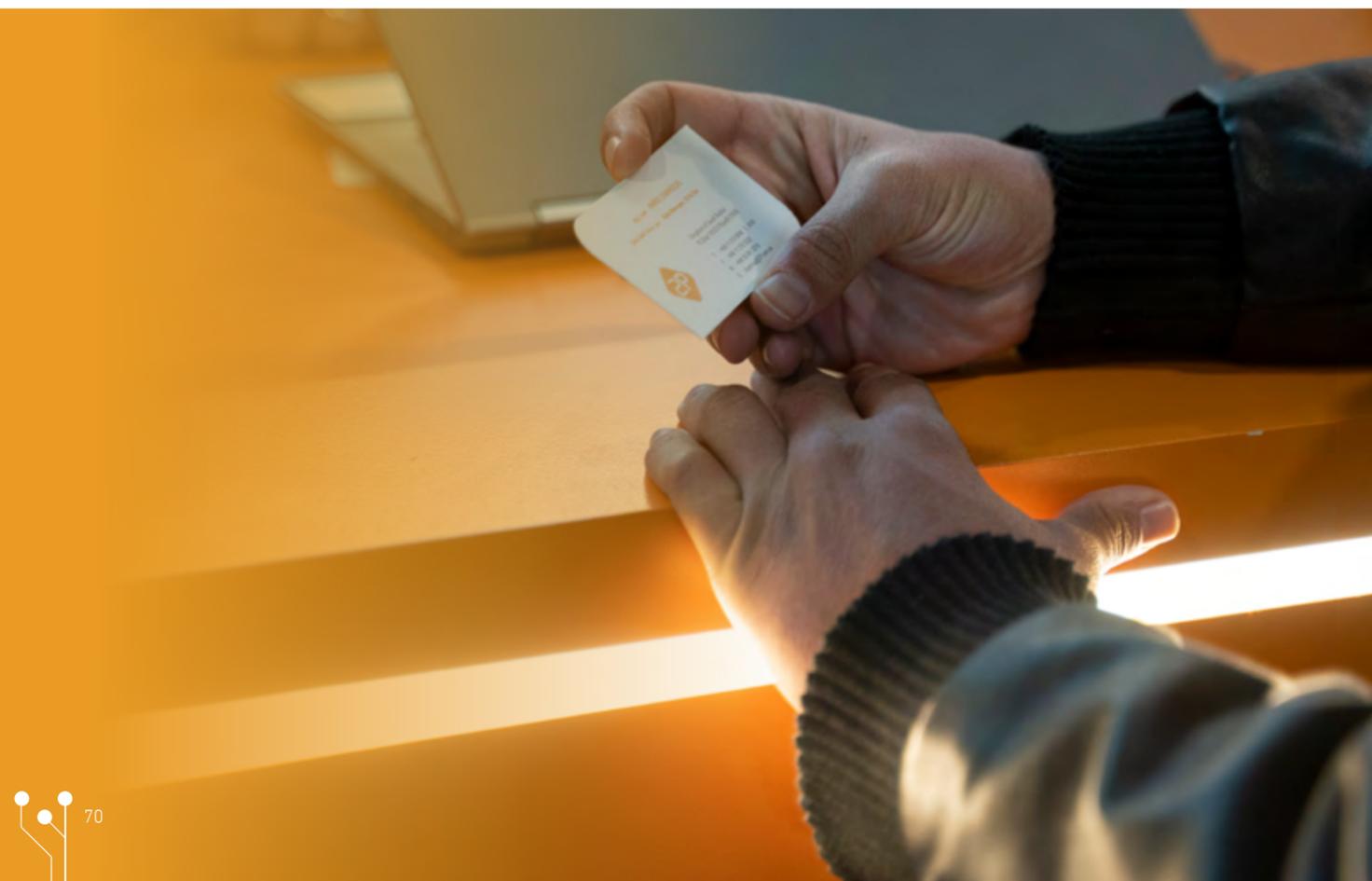
The "Remuneration Policy for the Board of Directors, its Committees, and the Executive Management of Perfect Presentation Company for Commercial Services" was prepared pursuant to the provisions of Paragraph (1) of Article (61) of the Corporate Governance Regulation issued by the Board of the Capital Market Authority, and approved by the General Assembly of the Company on 27 March, 2022, and the conformity of the remuneration granted to the Board members and senior Executives to the approved policy was taken into account.

5.1 Remuneration of Board members and Committee members

5.1.1 Remuneration policy for Board members and Committee members

In accordance with the policy of remuneration of the Board of Directors, its Committees and the Executive Management, the remuneration was approved by the decision of the General Assembly for the Company's shareholders on 08/24/1443 AH, corresponding to 27 March, 2022.

- 1- According to Article (23) of the Articles of Association of the Company, the remuneration of the Board members, if any, is determined by the Ordinary General Assembly, and this remuneration may be a specific amount or an allowance for attendance at the meetings, in-kind benefits, or a certain percentage of the net profits, and it is permissible to combine two or more of these benefits, in accordance with the official resolutions and instructions issued in this regard and within the limits stipulated in the Companies Law and its Regulations.
- 2- According to Paragraph (2) of Article (76) of the Companies Law, it indicated that if the remuneration is a specific percentage of the profits of the Company, then this percentage may not exceed 10% of the net profits, after deducting the reserves that were decided by the General Assembly in implementation of the provisions of Law and the Articles of Association of the Company and after distributing a profit to the Shareholders of not less than 5% of the paid-up capital of the Company, provided that the entitlement to this remuneration is proportionate with the number of sessions attended by the member, and any estimate contrary to that shall be null and void.
- 3- The sum of what a member of the Board of Directors receives in terms of financial or in-kind rewards and benefits does not exceed SAR 500,000 annually, according to the controls set by the competent authority.
- 4 - The remuneration of the Board members consists of a lump sum of SAR 150,000 for each member and shall be included in the report of the Board of Directors.
- 5- Each member of the Committees of the Board shall receive a remuneration of SAR 50,000, and the annual remuneration shall be calculated as of the date of the Board's approval of the member joining the Committee.
- 6 - A fee amounting to SAR 3,000 shall be paid as an attendance allowance for each meeting of the Board and its Committees.
- 7 - Taking into account that the remuneration of the Independent Board members is not a percentage of the profits achieved by the Company, or that it is based directly or indirectly on the profitability of the Company.
- 8 - The Board may review these remunerations when it deems appropriate and in a manner that does not contradict the Articles of Association of the Company and other relevant laws, and based on the appropriate recommendation of the Nomination and Remuneration Committee, provided that what has been paid and what is allocated to the Board member shall be presented in the report of the Board of Directors at the annual meeting of the General Assembly for approval.



5.1.2 Remuneration of the Board members

Detailing the remuneration paid to the Board members during the fiscal year 2022 (in their capacity as Board members): (SAR'000s)

Board of Directors' Members	Fixed Remuneration							Variable Remuneration						Total	Expense Allowance
	Specific Amount	Allowance for Attending Board Meetings	Total Allowance for Attending Committees Meetings	In-Kind Benefits	Remunerations for Technical, Managerial and Consultative Work	Remunerations of the Chairman, Managing Director or Secretary, if a Member	Total	Percentage of Profits	Periodic Remuneration	Short-Term Incentive Plans	Long-Term Incentive Plans	Granted Shares (value is entered)	Total		
First: Independent Members															
Tarek Abdullah Al Naeem	150	12					162								162
Yousef Mohammed Al Alkhelewi	150	12					162								162
Fahd Ibrahim Al Hussain	150	12					162								162
Sulaiman Abdulrahman Fatani	150	12					162								162
Total	600	48					648								648
Second: Non-Executive Members															
Nasser Abdullah Al Bassam	150	12					162								162
Total	150	12					162								162
Third: Executive members															
Ehsan Adnan Doughman	150	12					162								162
Total	150	12					162								162

5.1.3 Remuneration of the Committees

Detailing the remuneration paid to Committee members during the fiscal year 2022 (SAR'000s)

	Fixed Remuneration (Except attendance allowance)	Attendance of Meetings Allowance	Total
Audit Committee			
Sulaiman Abdulrahman Fatani	38.356	15	53.356
Fahd Ibrahim Al Hussain	38.356	15	53.356
Tarek Abdullah Al Naeem	38.356	15	53.356
Compensation and Remuneration Committee			
Yousef Mohammed Al Alkhelewi	43.013	6	49.013
Tarek Abdullah Al Naeem	43.013	6	49.013
Nasser Abdullah Al Bassam	43.013	6	49.013

	Fixed Remuneration (Except attendance allowance)	Attendance of Meetings Allowance	Total
Investment Committee			
Nasser Abdullah Al Bassam	8.219	3	11.219
Fahd Ibrahim Al Hussain	8.219	3	11.219
Sulaiman Abdulrahman Fatani	8.219	3	11.219
Ehsan Adnan Doughman	8.219	3	11.219

5.2 Executive Management Remuneration Policy

- The policy includes employees of all Executive and senior Management levels in the Company, so that the Nomination and Remuneration Committee determines annually the targeted Executive and administrative job positions (Executives).
- The remuneration is a lump sum to be paid to the Executive and senior Management positions in addition to the basic salary to reward performance and achievements in return for achieving set annual goals. In general, its aim is to achieve the following:
 - Attract and retain the best competencies.
 - Motivate and raise the level of employee performance to achieve the annual goals of the Company and to reflect and commensurate with the tasks and responsibilities.
 - Link employee performance to the annual goals of the Company.
 - Justice and fairness that the remuneration and the performance indicator associated with it be clear and measurable and related to the institutional performance as a whole and the personal performance of each of the employees, as remunerations are paid only on the basis of the results of a strict performance evaluation process.

5.2.1 Remuneration of senior Executives

Detailing remunerations paid to five senior Executives, who received the highest remunerations, including the Chief Executive and the Chief Financial Officer during the fiscal year 2022: (SAR'000s)

	Fixed Remuneration				Variable Remuneration								
	Salaries	Allowances	In-kind benefits	Total	Periodic Bonuses	Earnings	Short-Term Incentive Plans	Long-Term Incentive Plans	Shares awarded (value is entered)	Total	End-of-service benefits	Total	Total Executives' compensation and remuneration for the Board, if any
Total	2,133	867	246	3,246		3,720					227.5	7,193.5	

Clarifying the commitment of Perfect Presentation Company to the remuneration granted to senior Executives as a whole according to the statutory requirements mentioned in Sub-paragraph (B) of Article (93) of the Corporate Governance Regulation, but to protect the interests of the Company, its Shareholders and affiliates, and to avoid any harm that may result from disclosing separately according to the position, the details are not presented as contained in the Annex (A) of senior Executives from the Corporate Governance Regulation.

5.3 The relationship between the granted remuneration and the applicable remuneration policy

Based on the remuneration policy of the Board of Directors, its Committees, and the Executive Management, which was previously referred to in this report, and in light of the remunerations paid to the Board, Committees, and Executive Management, consistency with the approved policy of the Company is indicated without any material deviation from the aforementioned policy.

6. Business and Contracts

6.1 Transactions with related party companies

The related party transactions are either of a recurring or non-recurring nature. During the fiscal year 2022, some contracts continued, in which Perfect Presentation Company was a party, and in which there was an interest for some members of the Board of Directors. Some of these contracts were agreed upon in previous years and come as a continuation of continuous relationships that began before the fiscal year 2022. We summarise these contracts in the table below, as follows:

Contract Party	Nature of Business or Contract	Amount of Business or Contract (in SAR)	Business or Contract Term	Business or Contract Conditions	Name of related Board members or senior Executives or any person that has a relationship with any of them
IT Belt Company	Lease	483,000.00	Annual	There are no special conditions	Mr. Nasser Abdullah Al Bassam, Chairman of the Board
IT Belt Company	Work execution contract	27,700,000	3-years	There are no special conditions	Mr. Nasser Abdullah Al Bassam, Chairman of the Board
Cloud Distribution Company for Communication and Information Technology	Framework agreement	57,392,375.00	Limited term	There are no special conditions	Mr. Nasser Abdullah Al Bassam, Chairman of the Board
Sustainable Technology Company for Energy	Work execution contract	14,248.82	24 months	There are no special conditions	Mr. Nasser Abdullah Al Bassam, Chairman of the Board
Al-Taqnia Al-Rayesia Contracting Est.	Lease	105,750.00	Annual	There are no special conditions	Mr. Salih Ibrahim Al Mazrou, one of the major Shareholders
Perfect Presentation Company for Commercial Services (Egypt)	Framework agreement	10,131,988.00	Unlimited term	There are no special conditions	Mr. Nasser Abdullah Al Bassam, Chairman of the Board and Mr. Salih Ibrahim Al Mazrou, one of the major Shareholders
Al Alshaikh & Alowain Law Firm	Attorney's contract	540,000.00	2022	There are no special conditions	Mr. Anas Al-Sheikh, one of the senior Executives

6.2 Engagement in competitive works

According to what is stipulated in Article (27/2) of the Companies Law and Article (44) of the Corporate Governance Regulation regarding the engagement of a number of Board members of Perfect Presentation Company in competitive work, the below table details the Board members who were engaged in such work during the fiscal year ending on 31 December, 2022.

Company Name	Legal Form	Name of the Board members engaged in the works
IT Belt Company	Closed joint stock company	Mr. Nasser Abdullah Al Bassam, Chairman of the Board
Cloud Distribution Company for Communication and Information Technology	Limited liability company	Mr. Nasser Abdullah Al Bassam, Chairman of the Board
Sustainable Technology Company for Energy	Limited liability company	Mr. Nasser Abdullah Al Bassam, Chairman of the Board
Thiqah Business Services	Government company	Mr. Yousef Mohammed Al Alkhelewi

7. Financial Obligations

7.1 Borrowing

	Name of the Lender	Facilities Type	Principal Amount of the Loan	Loan Term	Amount Paid for the Repayment of the Loan during the year	Remaining Amount of the Loan	Total Indebtedness of the Company and its Subsidiaries
1	Riyadh Bank	Projects financing	304,954,026	360	170,753,725	134,200,301	
2	Saudi British Bank	Projects financing	178,925,223	150	165,996,385	12,928,838	
3	Arab National Bank	Projects financing	22,764,170	270	21,288,079	1,476,091	
4	National Bank of Bahrain	Projects financing	33,298,239	180	33,298,239	-	161,639,210
5	Saudi National Bank	Projects financing	10,224,922	120	10,224,922	-	
6	Emirates NBD	Projects financing	830,972	180	830,970	-	
7	Bank Aljazira	Projects financing	21,499,283	180	16,009,789	5,489,494	
8	National Bank of Bahrain	Long-term loan	10,801,043	1,800	3,256,555	7,544,487	

7.2 Statutory payments

Statement	2022		Brief Description	Reasons
	Paid (SAR)	Due at the end of the annual fiscal period and has not been paid (SAR)		
Zakat	3,089,868	4,836,260	Zakat provision for 2022	-
Tax	44,015,606	3,385,883	December 2022 acknowledgement	Payment order has not been issued on Etimad Platform+ December acknowledgement
General Organisation for Social Insurance	40,064,373	3,197,595	December 2022 invoice	December 2022 invoice
Costs of visas and passports	805,787	-	Visas for employees	Recruiting labour and exit and entry visas
Labour office fees	8,739,023	-	Residency for employees	Obtaining and renewing residency for employees

7.3 Penalties and violations

Sanction/ Penalty/ Precautionary Measure/ Entry/ Preventative Measure	Violation Reason	Entity Imposing the Violation	Violation Amount (SAR)	Ways to address it and prevent its occurrence in the future
Violation	The Company's non-compliance with the special conditions for providing the messaging service	Communications, Space and Technology Commission	50,000.00	The necessary measures were taken and the deficiencies that occurred were corrected by the Company to prevent the recurrence of this violation.

8. Ownership of the Company

On 24 Shaaban 1443 AH (corresponding to 27 March, 2022), the Extraordinary General Assembly of the Company approved increasing the capital of the Company from SAR 20,000,000 to SAR 150,000,000 and the disclosed information was based on the records of the Saudi Capital Market (Tadawul).

8.1 Major Shareholders and change in equity

The names, number of shares, and ownership percentage of the major Shareholders, who own 5% and more, and any changes during 2022 are mentioned in the below table:

Shareholder Name	Beginning of 2022		End of 2022		Changes	
	Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage	Number of Shares	Percentage
Al Amthal Commercial and Investment Company	652,000	32.60%	3,423,000	22.82%	(2,771,000)	(9.78)%
Mr. Nasser Abdullah Al Bassam	260,000	13.00%	1,365,000	9.10%	(1,105,000)	(3.90)%
Mr. Salih Ibrahim Al Mazrou	260,000	13.00%	1,365,000	9.10%	(1,105,000)	(3.90)%

Acknowledgment: in connection with the ownership movements of the major Shareholders in accordance with the listing rules, the Company confirms that it did not receive any written notice during the year 2022 from any of the major Shareholders to indicate any changes or movement in their percentage of ownership.

8.2 Percentage of share ownership and its change during 2022 for the Board members and senior Executives, their spouses, and minor children

8.2.1 Board members, their spouses, and minor children

The following table shows the number of Company shares owned by the Board members during the fiscal year 2022:

Shareholder Name	Beginning of 2022		End of 2022		Changes	
	Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage	Number of Shares	Percentage
Mr. Nasser Abdullah Al Bassam	260,000	13.00%	1,365,000	9.10%	(1,105,000)	(3.90)%
Dr. Tarek Abdullah Al Naeem	-	-	-	-	-	-
Mr. Yousef Mohammed Al Alkhelewi	-	-	-	-	-	-
Mr. Fahd Ibrahim Al Hussain	-	-	-	-	-	-
Mr. Sulaiman Abdulrahman Fatani	-	-	-	-	-	-
Mr. Ehsan Adnan Doughman	-	-	-	-	-	-

8.2.2 Senior Executives

The following table shows the number of Company shares owned by the senior Executives during the fiscal year 2022:

Shareholder Name	Beginning of 2022		End of 2022		Changes	
	Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage	Number of Shares	Percentage
Mr. Maher Tawfik Bawadi	-	-	2,500	0.02%	2,500	0.02%

9. Shareholders of the Company

9.1 Ordinary General Assembly

The Ordinary General Assembly was held twice during 2022, and the Ordinary General Assembly was held through modern technological means. Below is a statement of the dates of the General Assemblies of Shareholders held during 2022 and the names of the Board members who attended the meetings of these Assemblies:

Member Name	24 May	16 October
Mr. Nasser Abdullah Al Bassam	Attended	Attended
Dr. Tarek Abdullah Al Naeem	Did not attend	Did not attend
Mr. Yousef Mohammed Al Alkhelewi	Did not attend	Did not attend
Mr. Fahd Ibrahim Al Hussain	Did not attend	Did not attend
Mr. Sulaiman Abdulrahman Fatani	Did not attend	Did not attend
Mr. Ehsan Adnan Doughman	Did not attend	Did not attend

9.2 Extraordinary General Assembly

The Extraordinary General Assembly was held once in 2022 through modern technological means. Below is a statement of the date of the Extraordinary General Assembly of Shareholders held during 2022 and the names of the Board members who attended the meeting of this Assembly:

Member Name	27 March
Mr. Nasser Abdullah Al Bassam	Attended
Dr. Tarek Abdullah Al Naeem	Did not attend
Mr. Yousef Mohammed Al Alkhelewi	Did not attend
Mr. Fahd Ibrahim Al Hussain	Did not attend
Mr. Sulaiman Abdulrahman Fatani	Did not attend
Mr. Ehsan Adnan Doughman	Did not attend

9.3 Table for Shareholders Register requests

The register of Shareholders has been requested from the Securities Depository Centre Company (Edaa) nine times during 2022, and the following is a statement of the dates of the request and the reasons:

SN.	Request Date	Request Reason
1	11/15/2022	Underwriting correction
2	11/15/2022	Underwriting correction
3	11/15/2022	Underwriting correction
4	11/15/2022	Underwriting correction
5	11/16/2022	Underwriting correction
6	11/16/2022	Underwriting correction
7	11/22/2022	Underwriting correction
8	11/19/2022	Profits file
9	11/20/2022	Profits file

9.4 Most important resolutions of the Board during 2022

- 1- Making recommendation to the General Assembly for approval on discharging the Board of Directors from liability for the work conducted during the year ending on 31 December, 2021.
- 2- Approving and making recommendation to the General Assembly for approval of the external Auditor's report and the financial statements of the Company for the period ending on 31 December, 2021.
- 3- Approving and making recommendation to the General Assembly for approval on the report of the Board of Directors for the fiscal year ending on 31 December, 2021.
- 4- Approving and making recommendation to the General Assembly for approval on authorising the Board of Directors to distribute interim profits on a semi-annual or quarterly basis for the year 2021, if the financial position of the Company allows this and it has the necessary liquidity and it is in accordance with the controls and procedures set by the competent authority.
- 5- Approving and making recommendation to the Extraordinary General Assembly to increase the capital of the Company from SAR 20,000,000 to SAR 150,000,000, an increase amounting to SAR 130,000,000 divided into 13,000,000 shares, making the nominal value of each share SAR 10, through the capitalisation. The amount of increase in capital originates from the retained profits account in the Company.
- 6- Approving and making recommendation to the General Assembly to offer and list 4,500,000 ordinary shares of the Company's shares, which represent 30% of the Company's capital, in the main market of the Saudi Capital Market (Tadawul).
- 7- Approving and making recommendation to the General Assembly for approval on the proposed amendments to some of the articles of the Articles of Association of the Company.
- 8- Approving and making recommendation to the General Assembly for approval on the regulation of the Audit Committee, the Nomination and Remuneration Committee, policies of remuneration of the Board and the Committees, policies and standards of the Board of Directors' membership.
- 9- Approving the authorisation of the Board of Directors to distribute interim profits on a semi-annual or quarterly basis for the year 2022, if the financial position of the Company allows this and it has the necessary liquidity and it is in accordance with the controls and procedures set by the competent authority.
- 10- Unanimously approving the distribution of cash dividends to Shareholders for the first quarter of 2022 in the amount of SAR 17,000,000, representing 11.33% of the Company's capital, and the dividend of the share will be SAR 1.13, provided that eligibility will be given to the Shareholders who own shares in the Shareholders register of the Company.
- 11- Unanimously approving the distribution of cash dividends to Shareholders for the second quarter of 2022 in the amount of SAR 9,000,000, representing 6% of the Company's capital, and the dividend of the share will be SAR 0.6, provided that eligibility will be given to the Shareholders who own shares in the Shareholders register of the Company.

12- Approving and making recommendation to the General Assembly for approval on business and contracts conducted during 2022.

13- Unanimously approving the distribution of cash dividends to Shareholders for the third quarter of 2022 in the amount of SAR 10,500,000, representing 7% of the Company's capital, and the dividend of the share will be SAR 0.7, provided that eligibility will be given to the Shareholders who own shares in the Shareholders register at Securities Depository Centre Company (Edaa).

9.5 The measures taken by the Board of Directors to inform its members - especially Non-Executives - about the Shareholder's proposals and notes regarding the Company and its performance.

The Investor Relations Department of Perfect Presentation Company works in constant and continuous communication with all the Company's Shareholders through various communication channels. The Investor Relations Department is responsible for all communications with investors and Shareholders, and submits its reports to the Board of Directors by providing an update on Shareholders' notes periodically and the Stakeholders' views, which are of paramount importance to us.

10. Compliance with the Corporate Governance Regulation

The Board of Directors sets corporate governance rules that do not conflict with the mandatory provisions of the Corporate Governance Regulation, and it must monitor their implementation, verify their effectiveness, and amend them when needed.

SN.	Article No.	Article Provision	Non-Compliance Reasons
1	9 paragraph C	The Shareholder is entitled to a share of the profits in accordance with the decision of the General Assembly issued regarding the distribution of profits to Shareholders, or the decision of the Board of Directors to distribute interim profits, and the decision indicates the date of maturity and the date of distribution, provided that the decision is implemented in accordance with what is stipulated in the regulatory controls and procedures issued in the implementation of the private companies law listed joint stock companies.	The Board's decision did not stipulate the maturity date or the distribution date due to the Company's recent status as a listed company, as it was listed in the market shortly before the decision was issued. Noting that the Board of Directors was keen and verified the Company's compliance with the rest of the other controls, whether those mentioned in the Corporate Governance Regulations or otherwise (the Company also received a notice from the Authority in this regard).
2	70	Formation of Risks Committee	(Guiding Article) Risks Committee has not been assigned because it is not a mandatory committee by the Capital Market Authority. However, its powers have been added to the specialisations of the Audit Committee to be exercised by it.
3	87	Social responsibility	(Guiding Article) The policy has been set; it only needs the approval of the General Assembly.
4	95	Formation of Corporate Governance Committee	(Guiding Article) Corporate Governance Committee has not been assigned because it is not a mandatory committee by the Capital Market Authority. However, its powers have been added to the specialisations of the Board of Directors to be exercised by it.

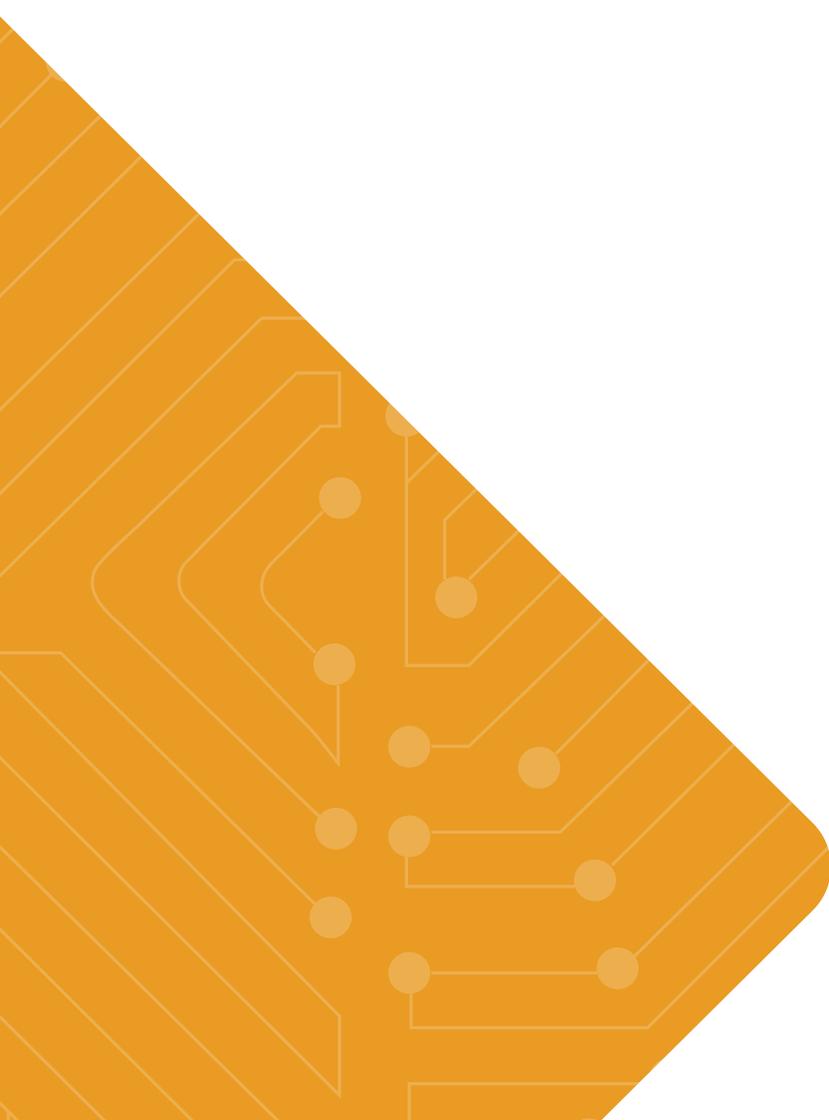
11. Notes on 2022

- a. There are no treasury shares at the Company.
- b. There are no debt instruments issued by the Company.
- c. There are no debt instruments for the Company, and there are no interests, contractual documents, or underwriting rights owned by the Board members, the Executive Management, or their relatives in its shares or any of its subsidiaries.
- d. The Company has not issued or granted any debt instruments convertible into shares, contractual securities, option rights, underwriting right notes or similar rights.
- e. The Company did not issue any bonds, and accordingly the Company did not redeem, purchase or cancel any redeemable debt instruments.
- f. There is no arrangement or agreement under which a Shareholder of the Company waives any rights to profits.
- g. There is no arrangement or agreement under which a member of the Board of Directors or a senior Executive in the Company waives any rights to profits.
- h. There are no other investments or reserves created for the benefit of the employees of Perfect Presentation Company.
- i. The consolidated financial statements have been prepared in accordance with international financial standards and in accordance with the Company's regulations and Articles of Association with regard to the preparation and publication of the financial statements.
- j. The Company does not have any transfer or subscription rights under any convertible debt instrument, contractual securities, guarantees or similar rights whether issued or granted.
- k. There is no difference from the approved accounting standards (IFRS) from the Saudi Organisation for Chartered and Professional Accountants.
- l. The Company did not receive any notes or opinions from the Shareholders regarding the Company or its performance.
- m. The external Auditor's report did not include any reservations on the annual financial statements.
- n. The Board did not decide or recommend the change of the Company's Auditor during the year.
- o. The Audit Committee recommended the appointment of a coordinator for the Internal Audit Department with the current internal Auditor (Echo Vest) to carry out coordination and follow-up work between the Perfect Presentation Company and the current internal Auditor (Echo Vest).

12. Acknowledgement of the Board of Directors

The Board of Directors of Perfect Presentation Company acknowledges the following:

1. The account records have been properly prepared.
2. The internal control system has been prepared on sound foundations and implemented effectively.
3. There is no doubt about the Company's ability to continue its activities.



www.2p.com.sa