



Prospectus of
EFSIM Facilities Management Company

EFSIM
FACILITIES MANAGEMENT COMPANY

A closed joint stock company registered with the Unified National Number (7001574883) dated 27/12/1429H (corresponding to 25/12/2008G) in Riyadh.

EFSIM Facilities Management Company (hereinafter referred to as the **"Company"**), the **"Issuer"** or **"EFSIM"**) is a closed joint stock company registered with the Unified National Number (7001574883) dated 27/12/1429H (corresponding to 25/12/2008G) in Riyadh, Kingdom of Saudi Arabia. The Company's head office is 6756 Prince Faisal bin Bandar bin Abdulaziz Street, 3604 Al Narijs Dist., 13328, Riyadh, Kingdom of Saudi Arabia.

The Company was originally incorporated by the Arab Company for Water and Power Development (now called Interration Vision Investment Company) (owning fifty-one percent (51%)), and Emcor Facilities Services Group Limited (owning forty-nine percent (49%)), as a limited liability company under the name Emcor Saudi Company, pursuant to the articles of association dated 23/12/1429H (corresponding to 23/12/2008G), and was registered under Commercial Registration No. 1010259920 dated 27/12/1429H (corresponding to 27/12/2009G) in Riyadh with a share capital of one million Saudi Riyals (SAR 1,000,000) divided into one hundred thousand (100,000) cash shares with a nominal value of one hundred Saudi Riyals (SAR 100) per share, fully paid in cash.

On 04/03/1433H (corresponding to 27/01/2012G), the notary public certified the partners' resolution whereby the two then-existing partners transferred part of their shares to a new partner, Mohammed Abdulrahman AlOthman Trading and Contracting Company, without any change in the share capital. The Arab Company for Water and Power Development transferred six thousand (6,000) shares, and Emcor Facilities Services Group Limited transferred four thousand (4,000) shares to the new partner in exchange for in-kind consideration (in consideration for business development services in the Kingdom). The ownership became as follows: (a) Arab Water and Energy Development Company – forty-five percent (45%); (b) Emcor Facilities Services Group Limited – forty-five percent (45%) and (c) Mohammed Abdulrahman AlOthman Trading & Contracting Company – ten percent (10%).

On 06/03/1437H (corresponding to 17/12/2015G), a partners' resolution was issued to record the entry and exit of partners in exchange for cash consideration, whereby the Arab Company for Water and Power Development fully exited the Company and new partners entered, namely, Lama Holding Company, Al Khafar Holding Company, Mr. Khalid Abdulrahman Abdullah AlKuwaiz, and Mr. Abderraouf Waleed Al-Bitar, without any change in the share capital. Accordingly, the Arab Company for Water and Power Development transferred its entire forty-five thousand (45,000) shares as follows: (a) eight thousand five hundred (8,500) shares to Lama Holding Company, (b) fifteen thousand (15,000) shares to Al Khafar Holding Company, (c) seven thousand (7,000) shares to Mr. Khalid Abdulrahman Abdullah AlKuwaiz, (d) four thousand five hundred (4,500) shares to Mr. Abderraouf Al-Bitar, and (e) ten thousand (10,000) shares to Emcor Facilities Services Group Limited. In addition, the name of Mohammed Abdulrahman Al-Othman Trading and Contracting Company was changed to First Star Company for Trading and Contracting, a limited liability company. On 12/09/1444H (corresponding to 03/04/2023G), the partners ratified an amendment to the articles of association to reflect the exit of Mr. Abderraouf Al-Bitar from the Company, by transferring his entire four thousand five hundred (4,500) shares to Lama Holding Company, without a consideration or any change in the share capital.

On 13/05/1445H (corresponding to 27/11/2023G), the partners resolved to amend the articles of association to reflect the change of the Company's name from Emcor Saudi Company to EFSM Facilities Management Company. On 21/05/1445H (corresponding to 01/07/2024G), the partners' resolution to transform the Company into a closed joint stock company was approved, and its shares were converted into ordinary shares of the same nominal value. Additionally, First Star Company transferred its entire ten thousand (10,000) shares to Career First Company without consideration. On 27/07/1446H (corresponding to 27/01/2025G), the extraordinary general assembly approved a share capital increase from ten million Saudi Riyals (SAR 10,000,000), divided into one hundred thousand (100,000) ordinary shares, to ninety million Saudi Riyals (SAR 90,000,000), divided into forty-five million (45,000,000) ordinary shares with a nominal value of two Saudi Riyals (SAR 2) per share. The increase in share capital was funded by a share capital increase effected through the conversion of one-for-one ratio of the share capital of twenty million Saudi Riyals (SAR 20,000,000) at a one-to-one ratio, in addition to the capitalization of sixty million Saudi Riyals (SAR 60,000,000) from retained earnings.

On 16/09/1446H (corresponding to 16/03/2025G), the shareholders resolved to approve the Offering and the Capital Increase from ninety million Saudi Riyals (SAR 90,000,000), divided into forty-five million (45,000,000) fully paid ordinary shares with a nominal value of two Saudi Riyals (SAR 2) each, to one hundred and twelve million Saudi Riyals (SAR 112,000,000), divided into fifty-six million (56,000,000) fully paid ordinary shares with a nominal value of two Saudi Riyals (SAR 2) each. The capital increase was effected through the issuance and public offering of eleven million (11,000,000) new ordinary shares. As of the date of this Prospectus, the Company's share capital is ninety million Saudi Riyals (SAR 90,000,000), divided into forty-five million (45,000,000) fully paid ordinary shares with a nominal value of two Saudi Riyals (SAR 2) per share. After the Offering and Capital Increase, the Company's capital will be one hundred twelve million (SAR 112,000,000) Saudi Riyals divided into fifty-six million (56,000,000) ordinary shares, with a fully paid nominal value of two Saudi Riyals (SAR 2) per share.

The initial public offering (the **"Offering"**) consist of the offer of sixteen million eight hundred thousand (16,800,000) ordinary Shares (collectively, the **"Offer Shares"** and each an **"Offer Share"**) through (1) the sale of five million eight hundred thousand (5,800,000) ordinary Shares by the Current Shareholders proportionally of their holding in the Company's shares, as follows: (i) the sale of EFS Facilities Services Group Ltd. ("**EFS Group**") of three million one hundred ninety thousand (3,190,000) Shares, representing

seven point one per cent. (7.1%) of the Company's share capital; (ii) the sale of **(Alkhafrah Company)** of eight hundred seventy thousand (870,000) Shares, representing one point nine per cent. (1.9%) of the Company's share capital; (iii) the sale of **(Lama Company)** of seven hundred fifty-four thousand (754,000) Shares, representing one point seven per cent. (1.7%) of the Company's share capital; (iv) the sale of **(Career First Company)** of five hundred eighty thousand (580,000) Shares, representing one point three per cent. (1.3%) of the Company's share capital; and (v) the sale of Khaled Abdulrahman Abdullah AlKuwaiz of four hundred six thousand (406,000) Shares, representing zero point nine per cent. (0.9%) of the Company's share capital (all together the **"Sale Shares"**); and (2) the issuance and offering of eleven million (11,000,000) new ordinary Shares (the **"New Shares"**). The Sale Shares represent twelve point nine per cent. (12.9%) and ten point four per cent. (10.4%), respectively, of the Company's share capital before and after the Offering and Capital Increase, and the New Shares represent twenty-four point four per cent. (24.4%) and nineteen point six per cent. (19.6%), respectively, of the Company's share capital before and after the Offering and Capital Increase. Together, this represents thirty-seven point three per cent. (37.3%) per cent. before the Offering and Capital Increase, and thirty per cent. (30%) of the Company's capital post the Offering and Capital Increase.

The Offering price will be [•] Saudi Riyals (SAR [•]) per Offer Share (the "**Offer Price**"), with each Offer Share carrying a fully paid nominal value of two Saudi Riyals (SAR 2) per Offer Share. The Offering is restricted to the following two groups of investors (collectively, the "**Investors**"):

Tranche (A) Participating Parties: Comprising the parties entitled to participate in the book-building process as specified under the Book-Building Instructions (as defined in Section (1) **(Definitions and Abbreviations)**) issued by the Capital Market Authority (the “CMA” (collectively referred to as the **“Participating Parties”** and each a **“Participating Party”**) (for further details, see Section (1) **(Definitions and Abbreviations)**). The number of Offer Shares to be provisionally allocated to the Participating Parties is sixteen million eight hundred thousand (16,800,000) Offer Shares, representing one hundred per cent. (100%) of the Offer Shares. The final allocation will be made after the end of the Individual Subscribers’ subscription (as defined in Tranche (B) below). The Financial Advisor has the right, if the Individual Subscribers subscribe for all Offer Shares allocated to them, and in coordination with the Company, to reduce the number of Offer Shares allocated to Participating Entities from sixteen million eight hundred thousand (16,800,000) Offer Shares, representing seventy per cent. (70%) of the Offer Shares. The number and percentage of Offer Shares to be allocated to Participating Parties will be determined by the Financial Advisor, in coordination with the Company, through discretionary allocation method. As such, some Participating Entities might not receive any allocation.

Tranche (B) Individual Subscribers: Individual Subscribers comprising Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit and in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children, as well as any GCC natural persons, or any Saudi natural persons, or any other natural persons who are domiciled in any of the GCC countries, in each case who has an investment account and an active portfolio with a Receiving Agent and the right to open an investment account with a Capital Market Institution (collectively, the **"Individual Subscribers"** and each an **"Individual Subscriber"**, and together with the Participating Entities, the **"Subscribers"**). A subscription for Offer Shares made by a person in the name of his subscribers shall be deemed invalid and the applicant shall be required to subscribe for the Offer Shares in his own name. If the applicant makes the second subscription will be considered void and only the first subscription will be accepted. A maximum of five million forty thousand (5,040,000) Offer Shares representing thirty per cent. (30%) of the total Offer Shares shall be allocated to Individual Subscribers. If the Individual Subscribers do not subscribe in full to the Offer Shares allocated to them, the Financial Advisor may in coordination with the Company reduce the number of Offer Shares allocated to Individual Subscribers in proportion to the number of Offer Shares subscribed by them. For further details, see Section 17 (**"Subscription Terms and Conditions"**).

The current substantial shareholders of the Company own all its share capital before the Offering. There are five current shareholders: (a) EFS Group, owning fifty-five per cent. (55%) of the Company's share capital, (b) Al-Nahraf Capital, owning fifteen per cent. (15%) of the Company's share capital, (c) Lama Company, owning thirteen per cent. (13%) of the Company's share capital, (d) Career First Company, owning ten per cent. (10%) of the Company's share capital, and (e) Khaled Abdulrahman Abdullah AlKuwaiz, owning seven per cent. (7%) of the Company's share capital (together, the "**Current Shareholders**" or "**Selling Shareholders**"). After the Offering and Capital Increase, the Current Shareholders will collectively own seventy (70%) of the Company's capital. For further details, see Table 4 (**Direct Ownership Structure of the Company Pre- and Post- Offering**).

The substantial shareholders will be subject to a Lock-Up Period during which they are prohibited from disposing of their shares for a period of six (6) months from the date when the Company's Shares commence trading on the Saudi Stock Exchange (hereinafter referred to as the "**Exchange**" or the "**Saudi Stock Exchange**") in accordance with the Rules on the Offer of Securities and Continuing Obligations, Khalid bin Abdulrahman bin Abdullah AlKuwaiz has also committed to the Lock-Up Period, despite not remaining a substantial shareholder following the Listing, and the SGP period is committed contractually to the Listing date and the Lock-Up Period. During the Lock-Up Period (as applicable for each shareholder), Current Shareholders are entitled to dispose of their Shares.

The Offering Proceeds, after deducting the Offering expenses (the "**Net Offering Proceeds**") will be (\$ 1,000,000) Saudi Riyals (SAR [x]), and this amount will be distributed/follows: (1) an amount of (\$ 1,000,000) Saudi Riyals (SAR [x]) will be distributed to the Selling Shareholders, each per its ownership in the Sale Shares, and (2) an amount of (\$ 1,000,000) Saudi Riyals (SAR [x]) from the Net Offering Proceeds of the Company, in which the Company intends to use it to finance its working capital, to invest in technology and equipment, to build or purchase workers accommodation and vehicle transportation, and general corporate purposes. For further information regarding the use of the Net Offering Proceeds, please refer to Section (9) (**Use of Proceeds**).

The Offering is fully underwritten by EFG Hermes KSA (the "Underwriter"). For further details, see Section (13) (Underwriting).

The Offering period will commence on Thursday 27/06/1447H (corresponding to 18/12/2025G) and will remain open for a period of five (5) calendar days up to and including the closing day on Monday 02/07/1447H (corresponding to 22/12/2025G) (the “**Offering Period**”). Subscription applications for the Offer Shares may be submitted by Individual Subscribers to any of the Receiving Agents listed in (viii) of this Prospectus through the websites and online platform of the Receiving Agents (hereinafter referred to as the “**Receiving Agents**”) during the Offering Period. For more information, please refer to Section (17) (**Subscription Terms and Conditions**). Participating Parties may also be able to find the Receiving Agents’ Bookending and Book Closing procedures, which will take place prior to the Offering of the Shares to Individual Subscribers. Upon provisional allocation to them, the Participating Entities subscribe through Subscription Forms during the Offering Period.

Each Individual Subscriber who subscribes to the Offer Shares must apply for a minimum of ten (10) Offer Shares. The maximum number of Offer Shares that can be subscribed to is seven hundred fifty thousand (750,000) Offer Shares. The minimum number of allocated Offer Shares will be ten (10) Offer Shares per Individual Subscriber and the remaining balance of the Offer Shares, if any, will be allocated on a pro rata basis based on the number of Offer Shares applied for by each Individual Subscriber. If the number of Individual Subscribers exceeds five hundred four thousand (504,000) Individual Subscribers, the Company will not guarantee the minimum allocation. In this case, the Offer Shares will be allocated at the discretion of the Financial Advisor in coordination with the Company. Excess subscription monies, if any, will be refunded to the Individual Subscribers without any charge or withholding by the relevant Receiving Agent. The announcement of the final allocation will be made no later than 05/07/1447H (corresponding to 25/12/2025G) and the refund of excess subscription monies, if any, will be made no later than 05/07/1447H (corresponding to 25/12/2025G). For further details, see **“Key Dates and Subscription Procedures”** on page (xvii) and Section (17) **“Subscription Terms and Conditions”**

The Company has one class of ordinary Shares. Each Share entitles its holder to one vote, and each shareholder (a **"Shareholder"**) has the right to attend and vote at general assembly meetings of the Company (the **"General Assembly"**) and each Shareholder is entitled to delegate another individual as their proxy except Board members. No Shareholder benefits from any preferential voting rights. The Offer Shares entitle their holders to receive dividends declared by the Company starting from the date of this Prospectus and for subsequent financial years based on the entitlement date of such dividends. For further details, see Section (8) **(Dividend Distribution Policy)**.

Prior to the Offering, there has been no public market for the Shares in the Kingdom or elsewhere. The Company has submitted an application for the registration of the Shares and the offering of the Offer Shares to the CMA, and an application for the listing of the Shares on the Exchange. This Prospectus has been approved and the required documents have been submitted to the relevant authorities. All of the requirements have been met and all of the relevant regulatory and corporate approval for the Offering have been obtained. It is expected that trading in the Shares will commence on the day the shares are listed on the Exchange. The Company warrants and the satisfaction of the necessary conditions and procedures. For further details, see **Key Dates and Subscription Procedures**, on page (XVIII).

After the registration the Listing of the Shares, Saudi natural persons, non-Saudi natural persons holding valid residence permits in the Kingdom, companies, banks, and investment funds established in the Kingdom, and the Capital Market Authority, Council for Arab States of the Gulf (the "GCC"), as well as legal persons which capital is majority owned by GCC nationals or governments and has the nationality of one of the GCC countries, will be permitted to trade in the Shares. Moreover, foreign investors will be permitted to trade in the Shares in accordance with the Rules for Foreign Investment in Securities (all as defined in Section (1) **(Definitions and Abbreviations)**). The categories of foreign investors allowed to trade are: Qualified Foreign Investors, Foreign Strategic Investor, clients of a Capital Market Institution authorised by the CMA (a "CMI") to conduct managing activities will be permitted to trade in the Shares in accordance with the Rules for Foreign Investment in Securities, provided that the Capital Market Institution has been appointed on conditions that enable it to make all investment decisions on the client behalf without obtaining prior approval from the client, and beneficiaries in swap arrangements (together the four categories being "**Foreign Investors**"). It is worth noting that in case of investment through a swap arrangement, the Shares will be registered in the name of the CMI and not the investor.

The subscription to the offering shares involves various risks and considerations. Prospective investors intending to invest in the offering shares should carefully review this prospectus, particularly the Section titled **"Important Notice"** on page (i) and Section 2 (b) (**"Risk Factors"**), prior to making any investment decision related to the offering.

EFG Hermes
An EFG Holding Company

This Prospectus includes information provided as part of the application for the registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom and the application for listing of securities in compliance with the requirements of the Listing Rules of the Saudi Stock Exchange Company. The Directors, whose names appear in this Prospectus, collectively and individually, accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The CMA and the Exchange do not take any responsibility for the contents of this Prospectus, do not make any representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

This Prospectus is an unofficial English translation of the official Arabic Prospectus and is provided for information purposes only. The Arabic Prospectus published on the CMA's website (www.cma.org.sa) remains the only official, legally binding version and shall prevail in the event of any conflict between the two language versions.

This Prospectus is dated 07/04/1447H (corresponding to 29/09/2025G).

This Red Herring prospectus will be made available to Participating Parties participating in the Book-building process, and does not include the Offer Price. The final version of this Prospectus which will include the Offer Price shall be published after the completion of the Book-building process and the determination of the Offer Price.

A man with a beard, wearing a white long-sleeved shirt and a high-visibility yellow safety vest, is kneeling and working on a vertical rebar. He is holding the rebar with his right hand. The background is dark, and there are large curved shapes in yellow and dark blue in the foreground.

Driving Excellence
in Facilities Management

Important Notice

This Prospectus contains detailed information about the Company and the Offer Shares. When submitting an application for the Offer Shares, Subscribers will be treated as applying solely on the basis of the information contained in this Prospectus, which is available at the websites of the Company (www.efsim.sa), the CMA (www.cma.org.sa), the Exchange (www.saudiexchange.sa), or the Financial Advisor and the Lead Manager (www.efghermesksa.com).

With respect to the Offering, the Company appointed EFG Hermes KSA as financial advisor (the “**Financial Advisor**”), the bookrunner (the “**Bookrunner**”), lead manager (the “**Lead Manager**”) and the underwriter (the “**Underwriter**”) in connection with the Offering.

This Prospectus includes information provided in accordance with the Rules on the Offer of Securities and Continuing Obligations (the “**ROSCOs**”). The Directors, whose names appear on page (v), collectively and individually, accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

While the Company has made all reasonable inquiries as to the accuracy of information contained in this Prospectus as at the date hereof, a substantial portion of information regarding the market and industry in which the Company operates is derived from external sources, estimates by the Company’s management and other sources including publicly available information, data and analyses from publications issued by data, information and news providers. While neither the Company nor any of its Directors or the Financial Advisor have any reason to believe that any of the market and industry information is materially inaccurate, neither the Company nor any of such advisors have independently verified such information. Accordingly, no representation or assurance is made with respect to the accuracy or completeness of any of this information.

The information contained herein is subject to change. In particular, the financial position of the Company and the value of Offer Shares may be adversely affected by future developments such as inflation factors, interest rates, taxation, any changes to the rules and regulations, or any economic or political factors or any other factors over which the Company has no control in addition to several other factors related to the market, the Company, and the Offering itself that may affect the information, the financial position and the value of Offer Shares. For more information, please refer to Section (2) (**Risk Factors**). Neither this Prospectus nor any verbal or written information in relation to the Offer Shares is intended to be or should be construed as or relied upon in any way as a promise, confirmation or representation as to the Company’s future earnings, results or events.

This Prospectus shall not be regarded as a recommendation on the part of the Company, the Current Shareholders, the Directors or any of the Company’s advisors to participate in the Offering. Moreover, the information provided in this Prospectus is of a general nature and has been prepared without taking into account the individual investment objectives, financial situation, or particular investment needs of prospective investors in the Offer Shares. Prior to making an investment decision, each recipient of this Prospectus is responsible for obtaining independent professional advice from a CMA licensed financial advisor in relation to the subscription for the Offer Shares and must rely on its own examination to evaluate the Company and the suitability of both the investment and the information herein with regard to the recipient’s individual objectives, financial situation and needs, including the merits and risks involved in the investment in the Offer Shares. An investment in the Offer Shares may be appropriate for some investors but not others, and prospective investors should not rely on another party’s decision and opinion as a basis for their own examination of the investment opportunity or such party’s circumstances.

The Offering is directed at, and may only be accepted by:

Tranche (A): Participating Parties comprising the parties entitled to participate in the book-building process as specified under the Book-Building Instructions issued by the CMA (for further details, see Section (1) (“**Definitions and Abbreviations**”).

Tranche (B): Individual Subscribers comprising Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit and in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children, as well as any GCC natural persons, or non-Saudi natural persons resident in, or were previously residents in the Kingdom or the GCC countries, in each case who has an investment account and an active portfolio with a Receiving Agent and the right to open an investment account with a Capital Market Institution. A subscription for Offer Shares made by a person in the name of his divorcee shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. For further details, see Section (17) (“**Subscription Terms and Conditions**”).

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offer Shares to any person in any jurisdiction in which the applicable law does not permit such offer or solicitation, and shall not be distributed in any jurisdiction where such distribution is illegal or require any action. All of the recipients of this Prospectus must inform themselves of any legal restrictions relevant to the Offering and the sale of Offer Shares and observe all such restrictions.

Both eligible Individual Subscribers and Participating Entities must read this Prospectus in full and seek advice from their legal advisors, financial advisors, and any professional advisors regarding statutory, tax, regulatory, and economic considerations related to their investment in the Offer Shares, and they will personally bear the fees associated with that advice derived from their legal advisors, accountants, and other advisors regarding all matters related to investing in the Offer Shares. There is no guarantee that any profits will be realised from an investment in the Offer Shares.

Market and Industry Information

The information and data related to the market contained in Section (3) (“**Market Overview**”) and Section (4) (“**Business Description**”) were obtained from the market consultant, Arthur D. Little Saudi Arabia (the “**Market Consultant**”) who provided the market report in August 2025G, exclusively to the Company. The Market Consultant is an independent third party that provides strategic market studies. For more information about the Market Consultant, please visit its website (www.adlittle.com). The Company believes that the information and data obtained from the Market Consultant can be relied upon, but neither the Company, the Directors, the Selling Shareholders nor the advisors (other than the Market Consultant) have independently verified the validity of such information and data, and therefore no obligation or guarantee can be made regarding the accuracy of this information or its completeness, and therefore none of the aforementioned bears any liability for the accuracy or completeness of said information.

The Market Consultant does not, nor its employees (who are amongst the team working for the Company) or their Relatives own any Shares or any interest of any kind in the Company or its Subsidiary. As at the date of this Prospectus, the Market Consultant has given and not withdrawn its written consent to the use of its name, logo, market information and data provided by it to the Company in the manner and form set out in this Prospectus.

Financial, Statistical and Other Information

The Company's audited financial statements for the financial years ended 31 December 2022G, 2023G, 2024G, the unaudited interim financial statements for the three-month period ended 31 March 2025G, the six-month period ended 30 June 2025G, and the nine-month period ended 30 September 2025G have been prepared in accordance with the International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA), and has been audited by Deloitte and Touche & Co. These financial statements have been annexed to this Prospectus in Section (19) (“**Financial Statements and Auditors' Report**”).

The figures contained in this Prospectus are presented in SAR. The figures included in the financial statements, if aggregated, may differ from those contained in this Prospectus as a result of rounding of figures. Accordingly, the financial information contained in this Prospectus may differ from the information contained in the financial statements. It should also be noted that some figures and percentages contained in this Prospectus are approximate figures and percentages. Therefore, the figures shown for the same category presented in different tables may be slightly different, and the figures shown as a total in some tables may not represent an arithmetic average or total of the previous figures.

Dates are presented in this Prospectus in both Gregorian and Hijri format. There could be a slight difference between the dates in Hijri and Gregorian given that converting the dates might not be fully accurate in the past or the future given the moon cycle affecting Hijri years.

The Company owns thirty-three percent (33%) of the share capital of The Agency LTD Entertainment Events Company, and therefore it is considered a Subsidiary in accordance with the CMA's rules, and has been referred to as a Subsidiary in certain sections of this Prospectus. It should be noted, however, that it does not qualify as a subsidiary under International Financial Reporting Standards (IFRS), and as such, it is not consolidated as a subsidiary in the Company's financial statements. Rather, it is classified as an “Associate Company”. Accordingly, recipients of this Prospectus should take note of this distinction and the reason for such differing references.

Non-IFRS Measures and Indicators

This Prospectus includes non-IFRS measures and indicators. The following table includes the key measures included in this Prospectus and the Company's calculation of them:

Measure	Definition or calculation
Adjusted EBITDA	Profits before finance costs, zakat and income tax expense, share of result of associate, depreciation of property and equipment, depreciation of right of use assets.
Adjusted EBITDA Margin	Adjusted EBITDA divided by Revenue
Net Profit Margin	Net Profit (loss) for the year (Period) / Revenue for the year
Net profit growth rate	Net Profit for the year (Period) growth over the Profit for the previous year (Period)
Days Sales Outstanding (DSO)	Trade receivables / Revenue * 365 days
Days payable outstanding (DPO)	Trade and other payables / (Cost of Revenue – Employee Costs) * 365 days
Net Debt	Total Bank Borrowings plus loan from shareholders minus cash and cash equivalents
Net Debt to Adjusted EBITDA	Net Debt (cash) / Adjusted EBITDA
Current ratio	Total current assets / Total current liabilities
Company debt-to-equity ratio	Debt plus loan from shareholders/ Total Shareholders' Equity
Return on assets	Net Profit for the year (Period)/ Total assets
Return on invested capital ratio	Net Profit (loss) for the year (Period)/ the sum of Total Shareholders' Equity, Total Bank Borrowings and Loan from Shareholders
Return on equity ratio	Net Profit (loss) for the year (Period)/ total Shareholders' equity
Cash Conversion Cycle	Days Sales Outstanding (DSO) (including contract assets) less days payable outstanding (DPO).
Earnings Before Interest and Taxes (EBIT)	Profit (loss) for the year (Period) before finance costs and taxes.
Interest Coverage Ratio	Earnings Before Interest and Taxes (EBIT) divided by finance costs on borrowings
Capital Expenditures (Capex)	Total purchases of property and equipment plus investment in an associate.

These measures are included as complementary information in relation to the financial or operational position of the Company, and are not intended as forecasts of the future results of the Company. These measures are not calculated based on IFRS standards nor presented according to IFRS, and are not reviewed or audited by an auditor. These measures are not calculated consistently by all companies, and as such the Company's method and presentation might differ from the methods used by other companies. As such, these non-IFRS measures should not be relied upon or compared to other measures used by other companies and should not be used as substitutes for IFRS measures. The recipient of this Prospectus should interpret these measures in conjunction with the Company's financial statements and other information in this Prospectus, and should consult a licensed financial adviser in interpreting and understanding these measures.

Definitions

To review the definition of certain terms and acronyms in this Prospectus, please review Section (1) (“**Definitions and Abbreviations**”).

Forecasts and Forward-Looking Statements

The forecasts set forth in this Prospectus have been prepared on the basis of certain assumptions. The future operations conditions might turn out different than those assumed. As such, there is no guarantee, warranty or assurance that any such estimates or forward looking statements are accurate or complete.

Certain statements in this Prospectus constitute “forward-looking statements”. Such statements can generally, but not always, be identified by their use of forward-looking words such as “plans”, “estimates”, “expects”, “considers”, “forecasts”, “may”, “possibly”, “will”, “would be” or the negative thereof or other variation of such terms or comparable terminology. The forecasts and forward-looking statements set forth in this Prospectus have been prepared on the basis of specific assumptions and future operating conditions may differ from the assumptions used and, consequently, no representation, assurance or warranty is made with respect to the accuracy or completeness of any of such forecasts and statements. These forward-looking statements reflect the current views of the Company and its management with respect to future events but are not a guarantee of future performance, as there are many factors that could cause the actual performance, achievements, or results of the Company to be significantly different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements. Some of the risks and factors that could have such an impact are described in more detail in other sections of this Prospectus, in particular Section (2) (“**Risk Factors**”). Should any one or more of these factors or risks materialize or any underlying assumptions prove to be inaccurate or incorrect, the Company’s actual results may vary materially from those described in this Prospectus.

Pursuant to the requirements of the ROSCOs, the Company shall submit a supplementary prospectus to the CMA if, at any time after the date of publication of this Prospectus and prior to the completion of the Offering, the Company becomes aware that: (a) there has been a significant change in material matters contained in this Prospectus, or (b) additional significant matters have become known which inclusion in this Prospectus would have been necessary.

Except for these two cases, the Company will not update or revise any information included in this Prospectus, whether as a result of new information, future events, updating its information or the information of contracts or licenses or otherwise. As a result of the foregoing and other risks, uncertainties and estimates, the forward-looking events and conditions described in this Prospectus may not occur as expected by the Company, or at all. Consequently, prospective investors should consider all forward-looking statements in light of these explanations and should not rely on forward-looking statements.

Type and Format of Numbers Used in this Prospectus

This Prospectus has been prepared using Arabic numerals (0, 1, 2, 3, 4, 5, 6, 7, 8, 9). Certain figures are presented in decimal form, whereby the decimal fraction appears to the right of the number after the decimal point. For example, the number (11.5) denotes eleven and five tenths.

Corporate Directory

The Company is managed by a Board of Directors comprised of nine (9) members in accordance with the Company's Bylaws, as is set out in the following table:

Table 1: Company's Board of Directors

#	Name	Position	Nationality	Status and Independence	Appointment Date ⁽¹⁾	Direct Share Ownership (%)		Indirect Ownership (%)	
						Pre-Of-fering	Post-Of-fering	Pre-Of-fering	Post-Of-fering
1.	Abdulraouf Waleed Abdulraouf Albitar ⁽²⁾	Chairman	Saudi	Non-Executive	08/08/1445H (18/02/2024G)	N/A	N/A	21.4%	15.0%
2.	Talal Jassim Mohammed Abdulrahman Albahar ⁽³⁾	Vice Chairman	Kuwaiti	Non-Executive	08/08/1445H (18/02/2024G)	N/A	N/A	2.0%	1.4%
3.	Tariq Mohammed Chauhan ⁽⁴⁾	Director	Indian	Executive	08/08/1445H (18/02/2024G)	N/A	N/A	4.0%	2.8%
4.	Taher Mustafa Jhanjharya	Director	Indian	Executive	08/08/1445H (18/02/2024G)	N/A	N/A	N/A	N/A
5.	Khalidon Abdullah Ali Alfakhri	Director	Saudi	Independent	01/09/1445H (01/03/2024G)	N/A	N/A	N/A	N/A
6.	Colin Patrick Caulfield	Director	British	Independent	01/09/1445H (01/03/2024G)	N/A	N/A	N/A	N/A
7.	Bandar Sulaiman Abdulaziz Aljarallah	Director	Kuwaiti	Independent	01/09/1445H (01/03/2024G)	N/A	N/A	N/A	N/A
8.	Saud bin Mubarak Abdullah Al Khafrah ⁽⁵⁾	Director	Saudi	Non-Executive	08/08/1445H (18/02/2024G)	N/A	N/A	7.5%	5.3%
9.	Abdullah Mohammed Abdulrahman Alothman ⁽⁶⁾	Director	Saudi	Non-Executive	08/08/1445H (18/02/2024G)	N/A	N/A	N/A	N/A
Total						N/A	N/A	34.9%	24.5%

Source: The Company

⁽¹⁾ The dates stated are the dates of appointment within the current term. The current term spans four (4) years, commencing on 08/08/1445H (corresponding to 18/02/2024G) and ending on 22/09/1449H (corresponding to 18/02/2028G).

⁽²⁾ Mr Abdulraouf owns (i) 13% of the Company indirectly through his ownership of 100% of Lama Company, which in turn owns 13% of the Company prior to the Offering, and (ii) 8.4% of the Company indirectly through his ownership of 100% of LHC Investments LLC, which in turn owns 15.34% of EFS Group, which in turn owns 55% of the Company prior to the Offering.

⁽³⁾ Mr. Talal owns 26.39% of Mad AlBahar Holding, which owns the entire capital of AlRana General Trading and Contracting Company, AlShamiya Investment Company, and Al-Dahiya Investment Company and Kuwait Holding Company, which (i) together own 14.98% of AlWafir Marketing Services Company, which owns 49% of AlAddan Real Estate which owns 37.18% of EFS Group and (ii) 11.4% in EFS Group directly through Kuwait Holding Company. As EFS Group owns 55% of the Company, this together represents indirect interest for 2.03% of the Company's shares before the Offering.

⁽⁴⁾ Mr. Tariq owns 7.36% of EFS Group., which in turn owns 55% of the Company prior to the Offering, through (i) direct ownership of 3.59%, and (ii) indirect holding through his 100% ownership in EFSIAN Commercial Brokerage LLC, which in turn owns 3.77% in EFS Group.

⁽⁵⁾ Mr. Saud owns 50% of AlKhafrah Company, which in turn owns 15% of the Company prior to the Offering. Mr. Saud's brother owns the remaining 50% of Al Khafrah Company.

⁽⁶⁾ It is worth noting that Mr. Abdullah's father, Mohammed Al Othman, owns 100% of Mohammed Al Othman Holding, which in turn owns 100% of Career First which owns 10% of the Company prior to the Offering. For more information regarding the ownership of Career First Company, please refer to Section (4.7.2.4) ("Career First Company").

In determining independence, the Corporate Governance Regulations were applied. Those Regulations provide that a board member shall not be considered independent if any of the following situations apply, including but not limited to:

1. The member owns five per cent (5%) or more of the Company's shares, or of the shares of any company within its group, or is a relative of anyone who owns that percentage.
2. The member is a relative of any board member of the Company or of any company within its group.
3. The member is a relative of any senior executive of the Company or of any company within its group.
4. The member serves as a board member in another company within the Company's group for which he is nominated to serve on the board.
5. The member is, or has been within the past two years, an employee of the Company or of any company within its group, or has held a controlling interest in the Company, or has been a counter-party to the Company or to any company within its group (such as external auditors or major suppliers) during the past two years.
6. The member has a direct or indirect interest in business dealings or contracts made for the benefit of the Company.
7. The member receives sums from the Company-other than the remuneration for board or committee membership-exceeding SAR 200,000 or exceeding 50% of the total remuneration received for board or committee membership in the previous year (whichever is lower).
8. The member engages in, or has a stake in, any activity that competes with the Company's business, or trades in any line of business pursued by the Company.
9. The member has served on the Company's board for more than nine (9) years in total, whether consecutive or non-consecutive.

Corporate Directory

The Issuer

EFSIM Facilities Management Company

6756 Prince Faisal bin Bandar bin Abdulaziz
3604 Al Narjis Dist., 13328, Riyadh
Kingdom of Saudi Arabia
Tel: +966 (11) 232 1661
Fax: +966 (11) 218 6999
Website: www.efsimsa
E-mail: ksa.investor@efsimsa



Company's Representatives

Tariq Mohammed Chauhan

Member of the Board of Directors and CEO
6756 Prince Faisal bin Bandar bin Abdulaziz
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Kingdom of Saudi Arabia
Tel: +966 (11) 232 1661
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Taher Mustafa Jhanjharya

CFO
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Fax: +966 (11) 218 6999
Website: www.efsimsa
E-mail: Taher.jhanjharya@efsimsa

Board Secretary

Bassel Jamaluddin Ghoubar

Board Secretary
6756 Prince Faisal bin Bandar bin Abdulaziz
3604 Al Narjis Dist., 13328, Riyadh
Kingdom of Saudi Arabia
Tel: +966 (11) 232 1661
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Stock Exchange

Saudi Exchange Company

King Fahad Road, Al Olaya 6897
Unit No 15
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Tel: + 966 (11) 92000 1919
Fax: + 966 (11) 218 9133
Website: www.saudiexchange.sa
E-mail: csc@saudiexchange.sa



Financial Advisor, Underwriter, Bookrunner and Lead Manager

EFG Hermes KSA

Third Floor, North Tower, Sky Towers
King Fahd Road, Al Olaya, Riyadh
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Fax: +966 (11) 293 8032
Website: www.efghermesksa.com
E-mail: EFG_ProjectGround@EFG-HERMES.com



Legal Advisor of the Issuer

Zeyad Sameer Khoshaim Law Firm (Professional Limited Liability Company)

17th Floor, Tower B, Olaya Towers, Olaya District
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Legal Adviser to the Financial Advisor, Underwriter, Bookrunner and Lead Manager

White and Case for Advocacy and Legal Consultations

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WHITE & CASE

Financial Due Diligence Adviser

PricewaterhouseCoopers - Public Accountants

21st Floor, Kingdom Tower, King Fahd Road
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 Kingdom of Saudi Arabia
 Tel: +966 (11) 211 0400
 Fax: +966 (11) 211 0250
 Website: www.pwc.com
 E-mail: mer_project_ground@pwc.com



Market Consultant

Arthur D. Little

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 Riyadh 13519
 Kingdom of Saudi Arabia
 Tel: +966 (11) 293 0023
 Fax: +966 (11) 293 0490
 Website: www.adlittle.com
 Email: ProjectGround@adlittle.com

ARTHUR D LITTLE

Company's Auditor for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the Three-Month Period Ended 31 March 2025G, the Six-Month Period Ended 30 June 2025G, and the Nine-Month Period Ended 30 September 2025G

Deloitte and Touche & Co.

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 Kingdom of Saudi Arabia
 Tel: +966 (11) 508 9001
 Fax: N/A
 Website: www.deloitte.com
 Email: dmedtco@deloitte.com

Deloitte.

Note: All the above Advisors and Auditor have given and not withdrawn their written consent to the publication of their names and logos in the Prospectus and the inclusion of their statements in the form and content appearing herein. Moreover, they do not, nor their employees (who are amongst the team working for the Company) or their Relatives have any shareholding or interest of any kind in the Company or its Subsidiary as at the date of this Prospectus that would impact their independence.

Receiving Agents

EFG Hermes KSA

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Al Rajhi Capital

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SAB Invest

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Alinma Capital

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Alistithmar for Financial Securities and Brokerage Company

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Riyad Capital

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Yaqeen Capital

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ANB Capital

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Alkhabeer Capital

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الخبير المالية
Alkhabeer Capital

**Derayah Financial Company**

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**Sahm Capital Financial Company**

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**GIB Capital**

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**Musharaka Capital Company**

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Fax: +966 138818412
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**Awaed Alosool Capital**

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Offering Summary

This Offering Summary is intended to provide a brief overview of the information contained in this Prospectus. As such, it does not contain all of the information that may be important to prospective investors and which should be taken into account prior to making a decision to invest in the Offer Shares. Accordingly, this summary must be read as an introduction to this Prospectus, and prospective investors should read this entire Prospectus in full. Any decision to invest in the Offer Shares by prospective investors should be based on a consideration of this Prospectus as a whole and not be based solely on this summary.

In particular, it is important to carefully consider the “**Important Notice**” Section on page (i) and Section (2) (“**Risk Factors**”) prior to making any investment decision with respect to the Offer Shares.

Issuer Name, Description and Establishment Information	EFSIM Facilities Management Company is a mixed closed joint stock company registered with the Unified National Number (7001574883) dated 27/12/1429H (corresponding to 25/12/2008G) in Riyadh, Kingdom of Saudi Arabia. The Company's head office is 6756 Prince Faisal bin Bandar bin Abdulaziz, 3604 Al Narjis Dist., 13328, Riyadh, Kingdom of Saudi Arabia. The Company was originally incorporated by the Arab Company for Water and Power Development (owning fifty-one percent (51%)) and Emcor Facilities Services Group Limited (owning forty-nine percent (49%)), as a limited liability company under the name Emcor Saudi Company, pursuant to the articles of association dated 23/12/1429H (corresponding to 23/12/2008G), and was registered under Commercial Registration No. 1010259920 dated 27/12/1429H (corresponding to 25/12/2008G) in Riyadh, with a share capital of ten million Saudi Riyals (SAR 10,000,000) divided into one hundred thousand (100,000) cash shares with a nominal value of one hundred Saudi Riyals (SAR 100) per share, fully paid in cash. On 04/03/1433H (corresponding to 27/01/2012G), the notary public certified a partners' resolution whereby the two then-existing partners transferred part of their shares to a new partner, Mohammed Abdulrahman Al-Othman Trading and Contracting Company, without any change in the share capital. The Arab Company for Water and Power Development transferred six thousand (6,000) shares, and Emcor Facilities Services Group Limited transferred four thousand (4,000) shares to the new partner in exchange for in-kind consideration (in consideration for business development services in the Kingdom). The ownership became as follows: (a) Arab Water and Energy Development Company – forty-five percent (45%); (b) Emcor Facilities Services Group Limited – forty-five percent (45%); and (c) Mohammed Abdulrahman Al-Othman Trading & Contracting Company – ten percent (10%). On 06/03/1437H (corresponding to 17/12/2015G), a partners' resolution was issued to record the entry and exit of partners in exchange for cash consideration, whereby the Arab Company for Water and Power Development fully exited the Company and new partners entered, namely: Lama Company, Al Khafrah Company, Mr. Khalid Abdulrahman Abdullah AlKuwaiz, and Mr. Abderraouf Waleed Al-Bitar, without any change in the share capital. Accordingly, the Arab Company for Water and Power Development transferred its entire forty-five thousand (45,000) shares as follows: (a) eight thousand five hundred (8,500) shares to Lama Company, (b) fifteen thousand (15,000) shares to Al Khafrah Company, (c) seven thousand (7,000) shares to Mr. Khaled Abdulrahman Abdullah AlKuwaiz, (d) four thousand five hundred (4,500) shares to Mr. Abderraouf Al-Bitar, and (e) ten thousand (10,000) shares to Emcor Facilities Services Group Limited. In addition, the name of Mohammed Abdulrahman Al-Othman Trading and Contracting Company was changed to First Star Company for Trading and Contracting, a limited liability company. On 12/09/1444H (corresponding to 03/04/2023G), the partners ratified an amendment to the articles of association to reflect the exit of Mr. Abderraouf Al-Bitar from the Company, by transferring his entire four thousand five hundred (4,500) shares to Lama Company, without a consideration and without any change in the share capital. On 13/05/1445H (corresponding to 27/11/2023G), the partners resolved to amend the articles of association to reflect the change of the Company's name from Emcor Saudi Company to EFSIM Facilities Management Company. On 20/07/1445H (corresponding to 01/07/2024G), the partners' resolution to transform the Company into a closed joint stock company was approved, and its shares were converted into ordinary shares of the same nominal value. Additionally, First Star Company transferred its entire ten thousand (10,000) shares to Career First Company without consideration. On 27/07/1446H (corresponding to 27/01/2025G), the extraordinary general assembly approved a share capital increase from ten million Saudi Riyals (SAR 10,000,000), divided into one hundred thousand (100,000) ordinary shares, to ninety million Saudi Riyals (SAR 90,000,000), divided into forty-five million (45,000,000) ordinary shares with a nominal value of two Saudi Riyals (SAR 2) per share, including a share split at a fifty-for-one ratio. The share capital increase was effected through the conversion of a shareholder loan amounting to twenty million Saudi Riyals (SAR 20,000,000) at a one-to-one ratio, in addition to the capitalization of sixty million Saudi Riyals (SAR 60,000,000) from retained earnings. On 16/09/1446H (corresponding to 16/03/2025G), the shareholders resolved to approve the Offering and the Capital Increase from ninety million Saudi Riyals (SAR 90,000,000), divided into forty-five million (45,000,000) fully paid ordinary shares with a nominal value of two Saudi Riyals (SAR 2) each, to one hundred and twelve million Saudi Riyals (SAR 112,000,000), divided into fifty-six million (56,000,000) fully paid ordinary shares with a nominal value of two Saudi Riyals (SAR 2) each. The capital increase was effected through the issuance and public offering of eleven million (11,000,000) new ordinary shares. For more information on the history of the Company, please refer to Section (4.7.5) titled (“Historical Capital and Shareholding Development”).

Company's Activities	EFSIM Facilities Management Company is a leading provider of integrated facilities management services across various regions of the Kingdom of Saudi Arabia. The Company primarily provides facilities-management services, including cleaning, operations, and maintenance through the provision of more than 75 diversified services to specialized sectors, such as aviation, education, and oil and gas. The Company has built its success on a strong track record of achievements, services, established and prominent corporate clients, deep-rooted trust, and credibility. The Company organizes its business sectors as follows: Giga Projects, Aviation, Oil and Gas, Diverse Commercial Operations, International Operations, Education, and Temporary Solutions.						
	In accordance with the Bylaws, the Company's activities consist of the following:						
	1. Integrated facilities support activities.						
	2. General cleaning of buildings.						
	3. Other food service activities.						
	4. Other building and industrial cleaning activities.						
	5. Collection of non-hazardous waste.						
	6. Collection of hazardous waste.						
	7. Treatment and disposal of non-hazardous waste.						
	8. Construction of buildings.						
	9. Construction of roads and railways.						
	10. Construction of utility projects.						
	11. Construction works related to other civil engineering projects.						
	12. Electrical installation works.						
	13. Plumbing, heating, and air-conditioning installation						
	14. Other construction installation works.						
	15. Building completion and finishing works.						
	16. Sea and coastal water passenger transport.						
	17. Storage activities.						
18. Landscape care and maintenance services.							
19. Mandatory social security activities.							
In accordance with the Company's CR, the Company's activities are diverse and include general building cleaning, external building cleaning, disinfection and fumigation activities for pest and rodent control, maintenance and care of parks and public gardens, operation of storage facilities, catering contractor services, among others.							
For further details, see Section (4.1) ("Overview of the Company and its Business").							
Substantial Shareholders	The following table sets out the names of the Current Shareholders, all of whom are Substantial Shareholders (i.e., own 5% or more), and their ownership in the Company pre- and post-Offering						
	Table 2: Substantial Shareholders and Their Ownership in the Company Pre- and Post-Offering						
	Shareholder	Pre-Offering			Post-Offering		
		Number of Shares	Ownership (%)	Overall Nominal Value (SAR)	Number of Shares	Ownership (%)	Overall Nominal Value (SAR)
	EFS Group	24,750,000	55%	49,500,000	21,560,000	38.5%	43,120,000
	AlKhafrah Company	6,750,000	15%	13,500,000	5,880,000	10.5%	11,760,000
	Lama Company*	5,850,000	13%	11,700,000	5,096,000	9.1%	10,192,000
	Career First Company	4,500,000	10%	9,000,000	3,920,000	7%	7,840,000
	Khaled Abdulrahman Abdullah AlKuwaiz **	3,150,000	7%	6,300,000	2,744,000	4.9%	5,488,000
	Public	N/A	N/A	N/A	16,800,000	30%	33,600,000
Total	45,000,000	100%	90,000,000	56,000,000	100%	112,000,000	
* Lama Company is wholly owned by Mr. Abdulaouf Al-Bitar, who in turn indirectly holds 8.4% of the Company's shares through his 100% ownership of LHC Investment LLC. LHC Investment LLC owns 15.34% of EFS Group, which, prior to the Offering, owns 55% of the Company's shares. Other than the foregoing, the major shareholders named above do not hold any indirect shareholdings in the Company.							
** Mr. Khaled Abdulrahman Abdullah AlKuwaiz will not be considered a substantial shareholder post the Offering as his ownership will fall below 5%. Accordingly, he will be considered part of the Public post the Offering.							

Company's Share Capital (before the Offering and the Capital Increase)	Ninety million (SAR 90,000,000) Saudi Riyals.
Company's Share Capital (after the Offering and the Capital Increase)	One hundred twelve million (SAR 112,000,000) Saudi Riyals.
Total Number of Issued Shares (before the Offering and the Capital Increase)	Forty-five million (45,000,000) Ordinary Shares.
Total Number of Issued Shares (after the Offering and the Capital Increase)	Fifty-six million (56,000,000) Ordinary Shares.
Nominal Value per Share	Two Saudi Riyals (SAR 2) per Share.
Offering	The Offering consist of the offer of sixteen million eight hundred thousand (16,800,000) ordinary Shares through (1) the sale of five million eight hundred thousand (5,800,000) ordinary Shares by the Current Shareholders proportionally of their holding, as follows: (i) the sale of EFS Group of three million one hundred ninety thousand (3,190,000) Shares, representing seven point one per cent. (7.1%) of the Company's share capital; (ii) the sale of AlKhafrah Company of eight hundred seventy thousand (870,000) Shares, representing one point nine per cent (1.9%) of the Company's share capital; (iii) the sale of Lama Company of seven hundred fifty four thousand (754,000) Shares, representing one point seven per cent. (1.7%) of the Company's share capital; (iv) the sale of Career First Company of five hundred eighty thousand (580,000) Shares, representing one point three per cent. (1.3%) of the Company's share capital; and (v) the sale of Khalid Abdulrahman Abdullah AlKuwaiz of four hundred six thousand (406,000) Shares, representing zero point nine per cent. (0.9%) of the Company's share capital; and (2) the issuance and offering of eleven million (11,000,000) new ordinary Shares. The Sale Shares represent twelve point nine per cent. (12.9%) and ten point four per cent. (10.4%), respectively, of the Company's share capital before and after the Offering and Capital Increase, and the New Shares represent twenty-four point four per cent. (24.4%) and nineteen point six per cent. (19.6%), respectively, of the Company's share capital before and after the Offering and Capital Increase. Together, this represents thirty-seven point three per cent. (37.3%) before the Offering and Capital Increase, and thirty per cent. (30%) of the Company's capital post the Offering and Capital Increase.
Total Number of Offer Shares	Sixteen million eight hundred thousand (16,800,000) Shares.
Percentage of Offer Shares to the Total Number of Issued Shares	The Offer Shares represent thirty-seven point three per cent. (37.3%) of the share capital of the Company before the Offering and Capital Increase, and thirty per cent. (30%) after the Offering.
Offer Price	[●] Saudi Riyals (SAR [●]) per Offer Share.
Total Value of Offering	[●] Saudi Riyals (SAR [●]).
Use of Proceeds	The net proceeds of the Offering, after deducting the Offering expenses, are expected to amount to [●] ([●]) Saudi Riyals. An amount of [●] ([●]) Saudi Riyals of the net proceeds will be distributed to the selling shareholders pro rata based on their ownership in the sale shares, and [●] ([●]) Saudi Riyals will be allocated to the Company, which intends to use the proceeds to finance its working capital, invest in new technologies and equipment, construct or acquire employee housing and transportation, and for general corporate purposes. For further information regarding the use of the Net Offering Proceeds, please refer to Section (9) ("Use of Proceeds").
Total Number of Shares Underwritten	Sixteen million eight hundred thousand (16,800,000) Shares.
Total Offering Amount Underwritten	[●] Saudi Riyals (SAR [●]).
Categories of Targeted Investors	Subscription to the Offer Shares is restricted to two groups of Investors, namely: - Tranche (A) Participating Parties: Comprising the parties entitled to participate in the book-building process as specified under the Book-Building Instructions. Please refer to Section (1) ("Definitions and Abbreviations"). - Tranche (B) Individual Subscribers comprising Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit and in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children, as well as any GCC natural persons, or non-Saudi natural persons resident in, or were previously residents in the Kingdom or the GCC countries, in each case who has an investment account and an active portfolio with a Receiving Agent and the right to open an investment account with a Capital Market Institution. A subscription for Offer Shares made by a person in the name of his divorcee shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted.

The Total Number of Shares Offered for Each Category of Targeted Investors

The Number of Shares Offered for the Participating Parties	Sixteen million eight hundred thousand (16,800,000) Shares, representing one hundred per cent. (100%) of the Offer Shares. If there is sufficient demand from Individual Subscribers and the Participating Entities subscribe to all of the Offer Shares allocated to them, the Financial Advisor in coordination with the Company, have the right to reduce the number of the Offer Shares allocated to the Participating Entities to eleven million seven hundred sixty thousand (11,760,000) Offer Shares, representing seventy per cent. (70%) of the Offer Shares. Initially, five million forty thousand (5,040,000) Ordinary Shares (representing thirty 30% of the total Offer Shares) will be allocated to public funds, noting that in the event there is sufficient demand by Individual Investors, the Financial Advisor shall have the right to reduce the number of Offer Shares allocated to public funds to a minimum of three million five hundred twenty eight thousand (3,528,000) Ordinary Shares representing twenty one per cent. (21%) of the total Offer Shares, after completion of the Individual Investors Subscription. In all cases, the percentage allocated to public funds shall decrease to the extent actually covered by them.
Number of Offer Shares Available to Individual Subscribers	Five million forty thousand (5,040,000) Offer Shares, representing thirty per cent. (30%) of the Offer Shares of the total offering shares.

Subscription Method for Each of the Targeted Investors' Categories

Subscription Method for Participating Parties	The Participating Parties may apply for participation in the book-building process by completing a Bidding Participation Application that will be provided by the Bookrunner for the Participating Parties during the book-building process period. After the provisional allocation, the Participating Entities shall complete the Subscription Application Forms that will be made available to them by the Bookrunner in accordance with the instructions mentioned in Section (17) (" Subscription Terms and Conditions ").
Subscription Method for Individual Subscribers	Individual Subscribers who intend to subscribe to the Offer Shares shall submit a Subscription Application Form electronically through the Receiving Agents' websites and platforms that provide this service or through any other means provided by the Receiving Agents through which Individual Subscribers will be able to subscribe to the Company's Shares during the Offering Period. For further details, please refer to Section (17) (" Subscription Terms and Conditions ").

Minimum Number of Offer Shares to be Applied for by Each of the Targeted Investors' Categories

Minimum Number of Offer Shares to be Applied for by Participating Entities	Fifty thousand (50,000) Offer Shares.
Minimum Number of Offer Shares to be Applied for by Individual Subscribers	Ten (10) Offer Shares.

Minimum Subscription Amount for Each of the Targeted Investors' Categories

Minimum Subscription Amount for Participating Entities	● Saudi Riyals (SAR ●).
Minimum Subscription Amount for Individual Subscribers	● Saudi Riyals (SAR ●).

Maximum Number of Offer Shares to be Applied for by Each of the Targeted Investors' Categories

Maximum Number of Offer Shares to be Applied for by Participating Entities	Two million seven hundred ninety-nine thousand nine hundred ninety-nine (2,799,999) Offer Shares, and in respect of public funds, no more than the maximum number of Offer Shares to be calculated for each participating public fund pursuant to the Book-Building Instructions.
Maximum Number of Offer Shares to be Applied for by Individual Subscribers	seven hundred fifty thousand (750,000) Offer Shares.

Maximum Subscription Amount for Each of the Targeted Investors' Categories

Maximum Subscription Amount for Participating Entities	● Saudi Riyals (SAR ●).
Maximum Subscription Amount for Individual Subscribers	● Saudi Riyals (SAR ●).

Allocation and Refund of Excess Subscription Monies Method for Each of the Targeted Investors' Categories	
Allocation of Offer Shares to Participating Entities	The initial allocation of the Offer Shares will be made as the Financial Advisor deem appropriate, in coordination with the Company, using the discretionary share allocation mechanism. It is possible that certain Participating Parties will not be allocated any shares, as deemed appropriate by the Company and the Financial Advisor. The number of Offer Shares to be provisionally allocated to Participating Entities is sixteen million eight hundred thousand (16,800,000) Shares, representing one hundred per cent. (100%) of the Offer Shares. If there is sufficient demand by Individual Subscribers for the Offer Shares, the Financial Advisor, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to Participating Entities to eleven million seven hundred sixty thousand (11,760,000) Offer Shares as a minimum, representing seventy per cent. (70%) of the Offer Shares. Initially, five million forty thousand (5,040,000) Shares (representing thirty 30% of the total Offer Shares) will be allocated to public funds, noting that in the event there is sufficient demand by Individual Investors, the Financial Advisor shall have the right to reduce the number of Offer Shares allocated to public funds to a minimum of three million five hundred twenty eight thousand (3,528,000) Ordinary Shares representing twenty one per cent. (21%) of the total Offer Shares, after completion of the Individual Investors Subscription. In all cases, the percentage allocated to public funds shall decrease to the extent actually covered by them.
Allocation of Offer Shares to Individual Subscribers	A maximum of five million forty thousand (5,040,000) Offer Shares, representing thirty per cent. (30%) of the Offer Shares will be allocated to the Individual Subscribers. The allocation of the Offer Shares to Individual Subscribers is expected to be completed no later than on 05/07/1447H (corresponding to 25/12/2025G). The minimum allocation per Individual Subscriber is ten (10) Offer Shares, and the maximum allocation per Individual Subscriber is seven hundred fifty thousand (750,000) Offer Shares, with the remaining Offer Shares, if any, being allocated on a pro-rata basis of the number of Offer Shares applied for by that Individual Subscriber to the total Offer Shares. If the number of Individual Subscribers exceeds five hundred four thousand (504,000) Individual Subscribers, the Company will not guarantee the minimum allocation. In this case, the Offer Shares will be allocated at the discretion of the Financial Advisor in coordination with the Company.
Refund of Excess Subscription Monies	The Lead Manager and the Receiving Agents, as applicable, will notify the subscribers of the final number of the offer shares allocated to each of them, along with the amounts to be refunded. Excess subscription monies, if any, will be refunded to the Subscribers without withholding any charge or commission by the Lead Manager or the Receiving Agents, as applicable. The announcement of the final allocation will be made no later than on 05/07/1447H (corresponding to 25/12/2025G) and refund of excess subscription monies, if any, will be made no later than on 05/07/1447H (corresponding to 25/12/2025G). For further details, see "Key Dates and Subscription Procedures" on page (xvii) and Section (17) ("Subscription Terms and Conditions").
Offering Period for Individual Subscribers	The Offering will commence on Thursday, 27/06/1447H (corresponding to 18/12/2025G) and will remain open for a period of five (5) calendar days up to and including the Offering closing date which is Monday, 02/07/1447H (corresponding to 22/12/2025G). For further details, see ("Key Dates and Subscription Procedures") on page (xvii).
Entitlement to Dividends	The Offer Shares will entitle their holders to receive their portion of any dividends declared by the Company starting from the date of this Prospectus and for subsequent financial years based on the entitlement date of such dividends. For further details, see Section (8) ("Dividend Distribution Policy").
Voting Rights	The Company has one class of Shares only. None of the Shares carries any preferential voting rights. Each Share entitles its holder to one vote and each Shareholder has the right to attend and vote at the meetings of the General Assembly. A Shareholder has the right to delegate another person, but not a Director of the Company, to attend the General Assembly meetings. For further details, see Section (12.8) ("Summary of the Company's Bylaws") and Section (12.7) ("Description of Shareholder Rights").
Restrictions on the Shares (Lock-up Period)	The Substantial Shareholders, are subject to a Lock-up Period of six (6) months from the date on which trading of the Offer Shares on the Exchange commences, in accordance with the Rules on the Offer of Securities and Continuing Obligations (the ROSCOs). Khalid bin Abdulrahman bin Abdullah AlKuwaiz has undertaken to observe this Lock-Up Period, notwithstanding that he will not be a Substantial Shareholder following the Listing, and the EFS Group has also committed contractually to a two-year Lock-Up Period starting from the Listing Date. They may not dispose of any of their Shares during such period. Following the end of the Lock-up Period, the Current Shareholders may dispose of their Shares (subject to each of their respective lock-up periods). For further details regarding Current Shareholders, see Table 2 ("Substantial Shareholders and Their Ownership in the Company Pre- and Post-Offering").
Listing of Shares	Prior to the Offering, the Shares have not been listed in the Kingdom or elsewhere. An application has been made by the Company to the CMA for the registration of the Shares and offer of the Offer Shares in accordance with the ROSCOs. The Company has also submitted an application to the Exchange for the listing of its Shares on the Exchange in accordance with the Listing Rules. All of the relevant approvals required to conduct the Offering have been granted, and all of the supporting documents requested by the CMA and Tadawul have been submitted. It is expected that the trading of the Shares on the Exchange will commence after the final allocation of the Offer Shares (for further details, see ("Key Dates and Subscription Procedures") on page (xvii)).
Risk Factors	There are certain risks related to the investment in the Offer Shares. These risks can be categorised into: (i) risks related to the activities and operations of the Company; (ii) risks related to the market, industry and regulatory environment; and (iii) risks related to the Offer Shares. These risks are described in Section (2) ("Risk Factors") and should be considered carefully prior to making an investment decision with respect to the Offer Shares.
Offering Expenses	The expenses associated with the Offering are estimated at approximately twenty-one million Saudi Riyals (SAR 21,000,000) and include the regulatory fees, fees of the Financial Advisor, the Lead Manager, the Bookrunner, the Underwriter, the Legal Advisor, the Legal Advisor to the Financial Advisor, the Financial Due Diligence Advisor, the Receiving Agents and the Market Consultant, and other advisers, as well as marketing, regulatory fees and other costs and expenses relevant to the Offering. The Company and the Selling Shareholders will bear the offering expenses, pro rata to their ownership in the Offer Shares, and these expenses will be deducted from the Offering Proceeds.

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Note: The ("Important Notice") Section on page (i) and Section (2) ("Risk Factors") should be read thoroughly prior to making an investment decision with respect to the Offer Shares pursuant to this Prospectus.

Key Dates and Subscription Procedures

Table 3: Expected Offering Timetable

Event	Date
Bidding and Book-Building Period for Participating Parties	A period of seven (7) calendar days commencing on Monday, 10/06/1447H (corresponding to 01/12/2025G), until the end of Sunday, 16/06/1447H (corresponding to 07/12/2025G)
Deadline for Submission of Subscription Application Forms Based on the Number of the Offer Shares Provisionally Allocated for each of the Participating Entities	Tuesday 25/06/1447H (corresponding to 16/12/2025G)
Subscription Period for Individual Subscribers	period of five (5) calendar days commencing on Thursday, 27/06/1447H (corresponding to 18/12/2025G) until the end of Monday, 02/07/1447H (corresponding to 22/12/2025G)
Deadline for Payment of the Subscription Amount by Participating Entities Based on their Provisionally Allocated Offer Shares	Thursday 27/06/1447H (corresponding to 18/12/2025G)
Deadline for Submission of Subscription Application Forms and Payment of the Subscription Amount by Individual Subscribers	Monday, 02/07/1447H (corresponding to 22/12/2025G)
Announcement of the Final Allocation of the Offer Shares	No later than Thursday 05/07/1447H (corresponding to 25/12/2025G)
Refund of Excess Subscription Monies (if any)	No later than Thursday 05/07/1447H (corresponding to 25/12/2025G)
Expected Commencement Date for Trading the Shares on the Exchange	Trading of the Company's Shares on the Exchange is expected to commence after the completion of all of the relevant legal requirements and procedures. The trading commencement date of the Shares will be announced in Tadawul's website (www.saudiexchange.sa).

Note: The above timetable and dates therein are indicative and subject to change. Actual dates will be posted by the Financial Advisor on the websites of the Exchange (www.saudiexchange.sa), and the Financial Advisor (www.efghermesksa.com)

How to Apply for the Offer Shares

Subscription to the Offer Shares is restricted to the following two groups of Investors:

- a. **Tranche (A):** Participating Parties: comprising the parties entitled to participate in the book-building process as specified under the Book-Building Instructions (for further details, see Section (1)) (“**Definitions and Abbreviations**”).
- b. **Tranche (B):** Individual Subscribers comprising Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit and in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children, as well as any GCC natural persons, or non-Saudi natural persons resident in, or were previously residents in the Kingdom or the GCC countries, in each case who has an investment account and an active portfolio with a Receiving Agent and the right to open an investment account with a Capital Market Institution. A subscription for Offer Shares made by a person in the name of his divorcee shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted.

Participating Parties

Participating Parties may apply for participation in the book-building process by completing the Bidding Participation Application that will be provided by the Bookrunner during the book-building process period and obtain the Subscription Application Forms from the Bookrunner after provisional allocation. The Bookrunner shall, after the approval of the CMA, offer the Offer Shares to the Participating Parties only during the book building period. Subscriptions by the Participating Entities shall commence during the Offering Period, which also includes the Individual Subscribers, according to the terms and conditions detailed in the Subscription Application Forms. A signed Subscription Application Form must be submitted to the Bookrunner representing a legally binding agreement between the Company, the Selling Shareholders and the relevant Participating Entity submitting the same.

Individual Subscribers

Individual Subscribers who intend to subscribe to the Offer Shares shall submit a Subscription Application Form electronically through the Receiving Agents' websites and platforms that provide this service or through any other means provided by the Receiving Agents through which Individual Subscribers will be able to subscribe to the Company's Shares during the Offering Period, provided that:

- a. the Individual Subscriber has an investment account with a Receiving Agent which offers such services; and
- b. there have been no changes in the personal information or data of the Individual Subscriber since his subscription in a recent initial public offering.

Subscription Application Forms must be filled out by each applicant according to the instructions mentioned in Section (17) (“**Subscription Terms and Conditions**”). An applicant must complete all of the relevant sections in the Subscription Application Form. The Company and the Lead Manager reserve the right to reject any Subscription Application Form, in part or in whole, if any of the subscription terms and conditions are not met. After being submitted, the Subscription Application Form cannot be amended or withdrawn. If the Subscription Application Form is submitted twice, the second submission shall be considered null and void, and only the first submission shall be considered. Upon submission, the Subscription Application Form shall be considered to be a legally binding agreement by the relevant Subscriber, the Selling Shareholders and the Company. Excess subscription monies, if any, will be refunded to the primary Individual Subscriber's account held with the Receiving Agent from which the subscription amount has been debited in the first place, without withholding any charge or commission. Excess subscription monies will not be refunded in cash or to third party accounts. For further details regarding subscription by Individual Subscribers and the Participating Entities, see Section (17) (“**Subscription Terms and Conditions**”).

Summary of Key Information

This summary of key information is intended to give an overview of the information contained in this Prospectus. However, it does not contain all of the information that may be important to prospective investors. Therefore, a subscriber's decision should not be based solely on this summary. It must be treated as an introduction to this Prospectus, and persons wishing to subscribe for the Offer Shares are advised to read the entire Prospectus in full to ensure that any decision to invest in the Offer Shares by prospective investors is based on the consideration of this Prospectus as a whole. In particular, it is important for an investor to carefully consider the ("Important Notice") Section on page (i) and Section (2) ("Risk Factors") prior to making an investment decision with respect to the Offer Shares and should not base his/her decision solely on this summary.

Overview of the Company

Overview of the Company's Business

EFSIM Facilities Management Company is a leading provider of integrated facilities management services across the Kingdom of Saudi Arabia. For over 16 years, the Company has distinguished itself by delivering high-quality services to some of the largest local and international companies including Oxagon, JEDCO, Saudi Entertainment Ventures company (SEVEN), Umm Al Qura for Development and Construction company (Masar), Baker Hughes, and others. The Company has a proven track record by demonstrating integrity, quality and partnership in its operations, evidenced by a client retention rate exceeding 90% over the past 10 years.

The Company focuses on providing innovative, high-quality service and continuous efforts to satisfy its clients, which contributed to its stellar reputation. The Company's portfolio includes prominent clients from government agencies, giga projects, and top blue-chip clients. Offering over 75 services for specialized sectors, including aviation, education and oil and gas, the Company built its success on a proven track record, distinguished services, deep trust, and reliability. As of 31 March 2025G, the Company maintains 118 ongoing projects. The Company segments its business by a market focus to: **giga projects**, with SAR 394.5 million and SAR 109.2 million revenue; **aviation**, with SAR 176.5 million and SAR 44.8 million revenue; **oil and gas**, with SAR 72.4 million and SAR 16.6 million revenue; **commercial (assorted)**, with SAR 75.1 million SAR 26.7 million revenue; **international**, with SAR 45.2 million and SAR 13.0 million revenue; **education**, with SAR 19.4 million and SAR 7.1 million revenue; and **event staffing solutions**, with SAR 19.8 million and SAR 1.7 million revenue (all for the year ended 31 December 2024G, and the three-month period ended 31 March 2025G).

The Company's diversified business model aims to ensure financial resilience and reduce dependency on any single client or sector. The Company is led by an industry-renowned CEO and a seasoned management team with 120+ years of combined facilities management expertise, driving innovation, operational efficiency, and strategic growth. The Company has embedded a People-First Philosophy, prioritizing employee well-being, professional growth, and workforce empowerment. This commitment is reinforced through a dedicated Centre of Excellence in the Kingdom and specialized programs for developing Saudi nationals in the facilities management sector across the Kingdom. As of 31 March 2025G, the Company had over 8,000 deployed resources cross the Kingdom (including employed by it or utilized through manpower or services companies).

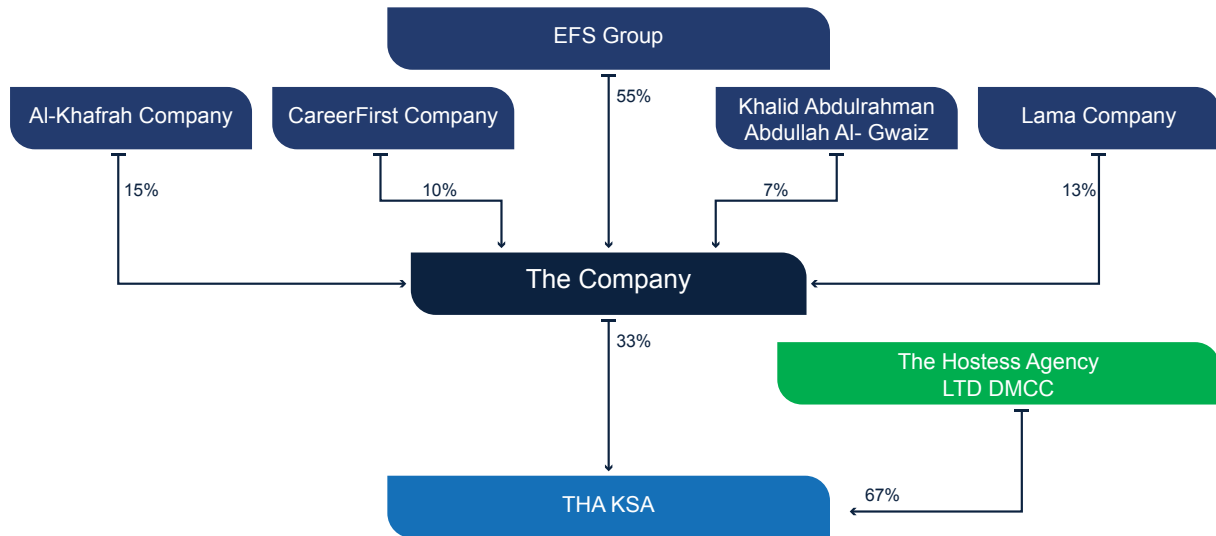
The Company has a proven track record of strong financial performance, with revenue of SAR 337.5 million, SAR 520.4 million, SAR 802.9 million, and SAR 219.1 million for the years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. The profit for the year for the same periods was SAR 17.1 million, SAR 27.8 million, SAR 51.6 million, and SAR 13.2 million, respectively.

The Company secured new contracts worth SAR 3.6 billion over the financial years 2022G - 31 March 2025G, achieving a backlog of SAR 1.8 billion as of 31 March 2025G, managing 32+ million square meters of facilities nationwide.

Ownership Structure

The graph below shows the structure of the Group.

Exhibit (1): The Structure of the Group as of the Date of this Prospectus



Source: The Company

As of the date of this Prospectus, the share capital of the Company is ninety million Saudi Riyals (SAR 90,000,000), divided into forty-five million (45,00,000) ordinary shares, with a fully paid nominal value of two Saudi Riyals (SAR 2) per share. Post-Offering, the capital of the Company will be one hundred twelve million Saudi Riyals (112,000,000), divided into fifty-six million (56,000,000) ordinary shares, with a fully paid nominal value of two Saudi Riyals (SAR 2) per share. The following table sets out the ownership structure of the Company pre- and post-Offering.

Table 4: Direct Ownership Structure of the Company Pre- and Post- Offering

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Ownership (%)	Overall Nominal Value (SAR)	Number of Shares	Ownership (%)	Overall Nominal Value (SAR)
EFS Group	24,750,000	55%	49,500,000	21,560,000	38.5%	43,120,000
AlKhafrah Company	6,750,000	15%	13,500,000	5,880,000	10.5%	11,760,000
Lama Company	5,850,000	13%	11,700,000	5,096,000	9.1%	10,192,000
Career First Company	4,500,000	10%	9,000,000	3,920,000	7%	7,840,000
Khalid Abdulrahman Abdullah AlKuwaiz*	3,150,000	7%	6,300,000	2,744,000	4.9%	5,488,000
Public	N/A	N/A	N/A	16,800,000	30%	33,600,000
Total	45,000,000	100%	90,000,000	56,000,000	100%	112,000,000

* Mr. Khaled Abdulrahman Abdullah AlKuwaiz will not be considered a substantial shareholder post the Offering as his ownership will fall below 5%. Therefore, he will be considered part of the Public post the Offering.

Vision, Mission, and Strategy

Vision

To be the preferred facilities management service provider of choice across the Kingdom.

Mission

To ensure superior service delivery by engaging stakeholders to take ownership and build a sustainable enterprise.

Strategy

The Company's growth strategy is built on its deep market expertise, operational excellence, and forward-looking business model, reinforcing its position as a premier provider of integrated facilities management services in Saudi Arabia. The Company is focused on leveraging its established presence, advanced technology integration, and workforce-centric approach to drive sustainable expansion. The Company's strategy revolves around:

- Leveraging its market position to meet the growing demand for facility management services: by focusing on expanding its portfolio of services, deepening its presence in high-growth sectors, and securing high-value contracts.
- Utilizing technology to drive operational efficiencies and excellence in customer service.
- "Employees First": enhancing employee well-being and retention rates through a dedicated approach.
- Building strategic partnerships and diversifying business: to enter joint ventures, execute high-impact acquisitions, expand into new markets and economic zones, and strengthen specialized facility management capabilities.

Strengths and Competitive Advantages of the Company

- Broad addressable market underpinned by a favourable economy and strong facilities management industrial fundamentals
- A distinguished IFM provider with a first-mover advantage and a strong operational moat allowing it to capitalize on market trends
- Track record of delivering high-quality facilities management solution across multiple sectors further adding to the business resilience
- Pan-Saudi presence serving prestigious local and international blue-chip clients and flagship projects supported by a robust service delivery infrastructure
- Outstanding retention rates coupled with sizeable new awards translating to a substantial backlog with high visibility
- Stellar financial performance on the back of a contracted and growing top line and sustainable operating margins
- Highly experienced team with a clear vision for future growth and commitment to innovation

Market Overview

KSA Macroeconomic outlook

KSA, the largest economy in the Gulf Cooperation Council ("GCC"), is embarking on a transformative journey through its Vision 2030 strategy. In 2023G, KSA's real Gross Domestic Product ("GDP") was recorded at SAR 3,469 billion. The GDP is forecast to grow at a 3.9% Compound Average Growth Rate ("CAGR") over the next five years, supported by substantial investments from both the public and private sectors. Inflation has remained relatively low, expected to decrease marginally from 2.3% in 2023G to 2.0% in 2029G. Population dynamics also play a key role, with a reported CAGR of 2.2% from 2019G to 2023G, bringing the population to 32.8 million. The population is expected to grow at a 2.0% CAGR, reaching nearly 37 million by 2029G.

The labor market is undergoing significant changes due to Saudization efforts, which aim to increase the presence of Saudi nationals in the workforce. Over the last five years, Saudi participation in the labor force rose from 40% to 52.5%. Programs like the Human Capital Development Program are designed to equip Saudi workers with advanced skills and focus on achieving 40% Saudization in high-skilled roles by 2025G, driving economic competitiveness.

Projects like NEOM, Diriyah Gate, and Qiddiya drive demand for advanced facility management services, including sustainable solutions, smart operations, and innovative technologies throughout their construction and operational phases. From efficient maintenance systems to cutting-edge energy management, the FM sector will play a pivotal role in ensuring the smooth operation, sustainability, and longevity of these landmark projects.

FM market overview

The FM market in the Kingdom of Saudi Arabia is valued at approximately SAR 108.9 billion in the year 2024G, positioning it as the largest market among the GCC countries. The market is projected to grow at a CAGR of 7.0%, reaching SAR 152.7 billion by the year 2029G. This growth is attributed to large-scale infrastructure projects, the expansion of logistics zones, increased tourism activity, and rising demand for smart FM solutions.

The FM market in KSA is segmented into output-based and input-based FM based on the services delivery model:

- Output-based FM is a performance-driven approach focused on achieving measurable outcomes. Providers are assessed on their ability to meet Service Level Agreements ("SLAs") and Key Performance Indicators ("KPIs").
- Input-based FM is a traditional model based on pre-defined, dedicated tasks and resources, often aligned with operations and maintenance contracts.

Output-based FM, the core market for the Company, is projected to grow at a CAGR of 12.0% from 2024G to 2029G and reach SAR 49.2 billion by 2029G. This growth is driven by the increasing preference for performance-driven solutions that emphasize measurable outcomes, offering customers the flexibility to optimize operations while reducing overhead costs.

As the FM market in KSA continues to evolve, there is a clear shift towards performance-based contracts, long-term partnerships, and IFM services designed to streamline processes and improve scalability. Customers are placing greater emphasis on achieving measurable results, leveraging smart technologies like IoT and AI, and adopting sustainable practices that align with Environmental, Social, and Governance ("ESG") goals, creating opportunities for providers with advanced output-based and IFM capabilities. The Company is expected to benefit from key market trends, due to its strong focus on IFM/output-based FM sector, technological rigor, and dedicated focus on compliance and adopting industry best practices.

Output-based FM Market Overview

The output-based FM market, valued at SAR 28.0 billion (26% of the total FM market), represents a fast growing segment focused on performance-driven solutions. Providers in this segment are evaluated based on their ability to achieve measurable outcomes, such as meeting SLAs and KPIs. Within this market, the IFM sector accounts for SAR 16.2 billion, offering centralized management of FM services under a unified structure to enhance efficiency and alignment with client goals.

The output-based FM market is projected to grow at a 12.0% CAGR over the next five years, fuelled by the rising adoption of the IFM model, with IFM market revenues projected to expand at a 13.7% CAGR during the same period. Businesses in KSA are increasingly seeking solutions that reduce complexity, optimize costs, and deliver seamless operations, while also prioritizing the improvement of end-user experience and the longevity of asset life cycles. Additionally, the expansion of Giga Projects such as NEOM, the Red Sea Development, and Qiddiya is significantly driving demand for performance-driven FM services.

The output-based FM market in KSA is highly fragmented, with the top 10 players, including the Company, Safari Group, Zahran, and Initial Saudi Group, collectively accounting for just 25-30% of the market. Despite intense competition, only a limited number of providers can handle large-scale, outcome-driven contracts, giving established players a competitive edge.

In 2024G, the Company captured 2-3% of the output-based FM market, driven by its strong presence in sectors such as Giga Projects, aviation, and commercial facilities. This share reflects its ability to leverage growth opportunities in high-demand segments while maintaining a competitive edge in the evolving market landscape.

Summary of Financial Information and Key Performance Indicators

The Company's financial information set out below was derived from the audited financial statements for the financial years ended 31 December 2022G, 2023G, 2024G and the unaudited financial statements for the three-month period ended 31 March 2025G, prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed in the Kingdom and other standards and pronouncements issued by the Saudi Organisation for Certified Public Accountants (SOCPA). The Company's selected financial information and key performance indicators set out below should be read together with the information provided in Section (2) ("Risk Factors") and Section (6) ("Management's Discussion and Analysis of Financial Position and Results of Operations") and the audited financial statements for the financial years ended 31 December 2022G, 2023G, 2024G and the unaudited financial statements for the three-month period ended 31 March 2025G, as included in Section (19) ("Financial Statements and Auditors' Report"), as well as the financial information set out in any other part of this Prospectus.

Table 5: Summary of the Company's Statement of Financial Position for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G

Currency: SAR'000	Financial Year Ended 31 December			The Three-Month Period Ended 31 March 2025G
	2022G Audited	2023G Audited	2024G Audited	Unaudited
Total Current Assets	167,914	307,434	451,316	464,258
Total Non-current Assets	32,734	48,712	80,061	80,215
Total Assets	200,648	356,145	531,377	544,473
Total Current Liabilities	127,004	227,492	344,479	327,804
Total Non-Current Liabilities	17,819	44,376	48,537	50,087
Total Liabilities	144,823	271,868	393,017	377,891
Total Equity	55,825	84,277	138,360	166,582
Total Equity and Liabilities	200,648	356,145	531,377	544,473

Source: The audited consolidated financial statements for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G.

Table 6: Summary of the Company's Statement of Profit or Loss and other Comprehensive Income for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G

Currency: SAR'000	Financial Year Ended 31 December			The Three-Month Period Ended 31 March	The Three-Month Period Ended 31 March
	2022G Audited	2023G Audited	2024G Audited	2024G Unaudited	2025G Unaudited
Revenue	337,518	520,413	802,912	169,125	219,125
Cost of Revenue	(300,079)	(462,758)	(692,207)	(152,596)	(187,969)
Gross Profit	37,439	57,655	110,705	16,529	31,156
General and Administrative Expenses	(13,574)	(19,507)	(37,994)	(8,675)	(13,181)
Operating Profit	23,865	38,149	72,712	7,854	17,975
Finance Costs	(3,932)	(6,300)	(13,986)	(2,748)	(2,608)
Share of Results from Associate Company	-	-	724	-	(124)
Profit Before Zakat and Income Tax	19,933	31,849	59,449	5,106	15,244
Zakat and Income Tax Expenses	(2,833)	(4,002)	(7,817)	(783)	(2,022)
Net Profit for the Year	17,100	27,847	51,633	4,323	13,222
Other Comprehensive Income					
Items Not to be Reclassified Subsequently to Profit or Loss:					
Loss on Re-measurement of Employee Defined Benefit Obligations	(900)	(3,702)	(3,331)	-	-
Deferred Tax Asset Recognized in Other Comprehensive Income	181	365	366	-	-
Total Comprehensive Income for the Year	16,381	24,510	48,668	4,323	13,222

Source: The audited consolidated financial statements for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G.

Table 7: Summary of the Company's Statement of Cash Flows for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G

Currency: SAR'000	Financial Year Ended 31 December			The Three-Month Period Ended 31 March	The Three-Month Period Ended 31 March
	2022G Audited	2023G Audited	2024G Audited	2024G Unaudited	2025G Unaudited
Net Cash Generated from / (used in) Operating Activities	11,102	(57,476)	57,158	(1,675)	(51,992)
Net Cash Used in Investing Activities	(13,833)	(22,893)	(31,218)	(4,699)	(4,729)
Net Cash generated from financing activities	20,052	77,307	17,126	4,585	7,363
Cash and Cash Equivalents at beginning of the year / period	7,609	24,930	21,868	21,868	64,934
Cash and Cash Equivalents at the end of the year / period	24,930	21,868	64,934	20,079	15,575

Source: The financial statements for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G.

Table 8: The Company's Key Performance Indicators for the Financial Years Ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G

Currency: SAR'000	Financial Year Ended 31 December			The Three-Month Period Ended 31 March	The Three-Month Period Ended 31 March
	2022G Audited	2023G Audited	2024G Audited	2024G Unaudited	2025G Unaudited
Gross Margin (%)	11.1%	11.1%	13.8%	9.8%	14.2%
Adjusted EBITDA (SAR million)	29.6	48.6	93.3	12.4	24.9
Adjusted EBITDA margin (%)	8.8%	9.3%	11.6%	7.3%	11.4%
Operating Margin (%)	7.1%	7.3%	9.1%	4.6%	8.2%
Net Profit Margin (%)	5.1%	5.4%	6.4%	2.6%	6.0%
Days Sales Outstanding (DSO) (Days)	90	124	106	97 ⁽¹⁾	105 ⁽¹⁾
DSO (Including Contract Assets) (Days)	124	182	159	152 ⁽¹⁾	164 ⁽¹⁾
Days Payable Outstanding (DPO) (Days)	121	111	110	86 ⁽¹⁾	111 ⁽¹⁾
Cash Conversion Cycle (Days)	3	71	49	66	53
Return on Assets (ROA) (%)	8.5%	7.8%	9.7%	Not applicable	11.1% ⁽²⁾
Return on Equity (ROE) (%)	30.6%	33.0%	37.3%	Not applicable	36.3% ⁽²⁾
Return on invested capital (%)	19.9%	14.2%	18.5%	Not applicable	20.3% ⁽²⁾
Debt-to-Equity Ratio	0.54	1.33	1.02	1.34	0.79
Net Debt to Adjusted EBITDA	0.2	1.9	0.8	Not applicable	1.2 ⁽³⁾
Current ratio	1.3	1.4	1.3	1.4	1.42
Revenue growth rate (%)	151.4%	54.2%	54.3%	Not applicable	29.6% ⁽⁴⁾
EBIT (Earnings Before Interest and Taxes)	23.9	38.1	73.4	7.9	17.9
Interest Coverage Ratio	6.9	7.0	6.0	3.1	8.0
Capital Expenditures	13.8	22.9	31.2	4.7	4.7

⁽¹⁾ The number of days in the period ended 31 March 2025G, was calculated based on 90 days instead of 365 days, and the number of days for the period ended 31 March 2024G has been calculated on the basis of 91 days instead of 365 days, in alignment with the actual length of the period.

⁽²⁾ Return indicators—Return on Assets, Return on Equity, and Return on Invested Capital, for the period ended 31 March 2025, were calculated using net profit for the last twelve months instead of the profit for the period, to ensure consistency with the period's duration. The unaudited interim condensed statement of profit or loss and other comprehensive income for the twelve months ending 31 March 2025, was derived by subtracting the unaudited interim condensed statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2024, from the audited statement of profit or loss and other comprehensive income for the year ended 31 December 2024, and then adding the unaudited interim condensed statement of profit or loss and other comprehensive income for the period ended 31 March 2025.

⁽³⁾ The Net Debt to Adjusted EBITDA ratio for the period ended 31 March 2025, was calculated using the adjusted EBITDA for the last twelve months, to align with the period's length. The unaudited interim condensed statement of profit or loss and other comprehensive income for the twelve months ending 31 March 2025, was derived by subtracting the unaudited interim condensed statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2024, from the audited statement of profit or loss and other comprehensive income for the year ended December 31, 2024, and then adding the unaudited interim condensed statement of profit or loss and other comprehensive income for the period ended 31 March 2025.

⁽⁴⁾ It is worth noting that this ratio was calculated in comparison to the same period of the previous year, i.e., the three-month period ended 31 March 2024G.

Source: The Company.

Summary of Risk Factors

Prior to making an investment decision with respect to the Offer Shares, prospective investors should carefully consider all the information contained in this Prospectus, particularly the risks stated below, which are described in detail in Section (2) (**Risk Factors**). The following are its headings.

Risks Related to the Company's Business and Operations

- Risks related to recruiting and maintaining skilled workforce and managing workforce utilization
- Risks relating to concentration of revenue in certain sectors
- Risks related to client concentration, attracting and maintaining clients and material clients' contracts
- Risks related to accounting for contract assets
- Risks related to revenue recognition under the percentage-of-completion method Risks related to decreased government spending on construction and infrastructure
- Risks related to the wide distribution of geographical services
- Risks related to subcontracting and the outsourcing of specialized services and reliance on third parties to provide them
- Risks related to new partnerships, joint ventures and acquisitions
- Risks related to infrastructure and the impact of weak infrastructure on the Company's services and cost
- Risks related to delayed payments by clients and cash management, and default or bankruptcy of clients
- Risks relating to lump sum contracts, guaranteed maximum price contracts and unit cost contracts.
- Risks related to cost-plus contracts
- Risks related to procurement of contracts and awarding projects
- Risks related to the relationship with EFS Group and the use of its services
- Risks related to health and safety of workers and third parties
- Risks related to the provision of a wide range of services, and inability to control quality and specialization
- Risks related to reputation and client satisfaction
- Risks related to disputes and legal cases
- Risks related to the Company's Zakat and tax status
- Risks related to financing arrangements
- Risks related to effectively managing backlog and new projects to maintain profitability and utilization rate
- Risks related to workforce concentration from specific countries, relationship of the Kingdom with these countries and ability to obtain visas and work permits and risks relating to recruitment
- Risks related to the increase in employee cost
- Risks related to employing and sponsoring non-Saudi employees
- Risks related to leasing properties and equipment
- Risks related to the housing and transportation of the workforce
- Risks related to liability arising from workforce mistakes, errors and low performance
- Risk related to technological changes, IT and cybersecurity failure
- Risks related to Related Party transactions
- Risks related to contracts and businesses in which the members of the Board of Directors have an interest
- Risks related to Directors engaging in businesses that compete with the Company's business
- Risks related to insurance coverage
- Risks related to licensing and compliance with the evolving legal landscape
- Risks related to reliance on key personnel, changes in executive and senior management team, operating structure, and the ability to effectively transfer knowledge during periods of transition
- Risks related to achieving the Company's long-term growth strategy
- Risks related to the Board and management's lack of experience in managing a publicly listed company
- Risks related to compliance with governance requirements and the implementation of new governance and compliance policies and systems
- Risks related to protection of intellectual property rights

Risk Related to Market, Sector and Regulatory Environment

- Risks related to economic conditions
- Risks related to the adverse changes in interest rates
- Risks related to the political and economic stability in the region
- Risks related to demand on the Company's services
- Risks related to the changes in the regulatory regime, including in tax regulations, new Companies Law and new Civil Transactions Law
- Risks related to changes in employment and recruitment regulations, policies and cost
- Risks related to force majeure events, including the outbreak of infectious diseases or other serious public health concerns, earthquakes, lock downs and other interruptions
- Risk related to compliance with Saudization requirements
- Risks related to the facilities management industry being competitive and subject to price competition
- Risks related to acquiring clients and maintaining relationship with existing repeating clients
- Risks related to exchange rate fluctuations
- Risks related to market awareness of facility management services

Risk Related to the Offer Shares

- Risks related to control by the Substantial Shareholders after the Offering
- Risks related to fluctuation in the market price of the shares
- Risks Related to selling a large number of shares on the market and issuance of new shares
- Risks related to the absence of a prior market for the shares
- Risks related to the Company's ability to distribute dividends
- Risks related to research about the Company
- Risks of investing in emerging markets
- Risks relating to the use of the Offering proceeds

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1. Definitions and Abbreviations

1. Definitions and Abbreviations

Accounting Standards Accepted in the Kingdom (SOCPA)	Accounting standards generally accepted in the Kingdom of Saudi Arabia and approved by the Saudi Organisation for Chartered and Professional Accountants.
Admission	Admission of the Shares to full listing on the Exchange in accordance with the Listing Rules and, where the context requires, an application to the Exchange for listing of securities.
Advisors	The Advisors of the Company in relation to the Offering, whose names appear on pages (vi) and (vii) of this Prospectus.
Affiliate	A person who controls another person, or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
Audit Committee	The Audit Committee of the Company.
Auditor	Deloitte and Touche & Co., for the Company's audited financial statements for the financial years ended 31 December 2022G, 2023G, 2024G, and the [unaudited interim financial statements for the] three-month period ended 31 March 2025G.
AED	The United Arab Emirates Dirham, which is the lawful currency of the United Arab Emirates.
Backlog	Total value of contracted work that a facilities management company has secured but has not yet completed, referred to in Saudi Riyals. This standard is used to measure the anticipated revenues from projects by service providers.
Bidding Participation Application	The application submitted by the Participating Parties to the Bookrunner for participation in the book-building process, to be submitted no later than the last day of the book-building process period. This term includes, when applicable, the appended applications when and if the price range is changed.
Board of Directors or Board	The Board of Directors of the Company.
Book-Building Instructions	The Instructions for Book-Building Process and Allocation Method in Initial Public Offerings, issued pursuant to CMA Board Resolution No. 2-94-2016, dated 15/10/1437H (corresponding to 20/07/2016G), as amended from time to time.
Bookrunner	EFG Hermes KSA.
Business Day	Any day (other than Fridays, Saturdays and official holidays) on which the Receiving Agents are open for business in the Kingdom.
Bylaws	The Bylaws of the Company, which are summarised in Section (12.8) (" Summary of the Company's Bylaws ").
Capital Market Institution	A capital market institution authorised by the CMA to practice securities business.
Capital Increase	Increasing the Capital of the Company from ninety million Saudi Riyals (SAR 90,000,000), divided into forty-five million (45,000,000) fully paid ordinary shares with a nominal value of two Saudi Riyals (SAR 2) each, to one hundred and twelve million Saudi Riyals (SAR 112,000,000), divided into fifty-six million (56,000,000) fully paid ordinary shares with a nominal value of two Saudi Riyals (SAR 2) each.
Chairman	The Chairman of the Board of Directors.
Chief Executive Officer or CEO	The Chief Executive Officer of the Company.
Chief Financial Officer or CFO	The Chief Financial Officer of the Company.
CMA	The Capital Market Authority of the Kingdom.
CML	The Capital Market Law issued pursuant to Royal Decree M/30 dated 2 Jumada al-Akhirah 1424H (corresponding to 31 July 2003G), as amended.
Committees	The Audit Committee and the Nomination and Remuneration Committee of the Company.
Companies Law	The Companies Law issued pursuant to Royal Decree no. M/132 dated 01/12/1443H (corresponding to 30/06/2022G), as amended.
Company or Issuer	EFSIM Facilities Management Company.
Control	The ability to, directly or indirectly, influence the acts or decisions of another person, individually or collectively with a relative or affiliate, through any of the following: (i) holding thirty per cent. or more of the voting rights in the Company; or (ii) the right to appoint thirty per cent. or more of the administrative staff. The word "controller" shall be construed accordingly.
Corporate Governance Regulations or CGRs	The Corporate Governance Regulations issued pursuant to CMA's board resolution no. 8-16-2017 dated 16/05/1438H (corresponding to 13/02/2017G), as amended.

Cost-Plus Contracts	A contract that reimburses the contractor for actual expenses incurred plus an additional fee, allowing for flexibility in projects with uncertain scopes.
Director(s)	The members of the Company's Board of Directors, whose names appear in Table 1 (" Company's Board of Directors ").
Exchange or the Saudi Stock Exchange	The Saudi stock exchange, the market in which Saudi securities (such as shares) are traded, which is managed and supervised by the CMA and the Saudi Exchange.
Extraordinary General Assembly	An Extraordinary General Assembly of the Company's Shareholders convened in accordance with the Bylaws.
Financial Advisor	EFG Hermes KSA.
Financial Due Diligence Advisor	PricewaterhouseCoopers Public Accountants.
Financial Year	The Company's financial year starting from 1 January to 31 December of each calendar year.
FM	Facilities management.
Foreign Strategic Investors	A foreign legal entity that aims to own a direct percentage in a listed company's shares for a period of not less than two years, for the purpose of contributing in promoting the financial or operational performance of that listed company.
Foreign Investors	The categories of foreign investors allowed to trade are: Qualified Foreign Investor, Foreign Strategic Investor, clients of a CMI to conduct managing activities will be permitted to trade in the Shares in accordance with the Rules for Foreign Investment in Securities, provided that the CMI has been appointed on conditions that enable it to make all investment decisions on the client behalf without obtaining prior approval from the client, and beneficiaries in swap arrangements.
G	The Gregorian calendar.
GASTAT	The General Authority for Statistics, a Government agency in the Kingdom responsible for the implementation of statistical works, including conducting national surveys.
GCC	The Cooperation Council for the Arab States of the Gulf, consisting of the Kingdom of Bahrain, the State of Kuwait, the Sultanate of Oman, the State of Qatar, the Kingdom of Saudi Arabia and the United Arab Emirates.
GCC Countries	The Gulf Cooperation Council countries.
GDP	Gross Domestic Product, a quantitative measure of a nation's total economic activity, which represents the monetary value of all goods and services produced within a nation's geographical borders over a specified period of time.
GDP per Capita	GDP per capita is a measure of average income per person in a country (it divides the GDP by the population).
General Assembly	An Extraordinary General Assembly and/or an Ordinary General Assembly of the Company's Shareholders.
Giga-projects	Large-scale initiatives designed to stimulate the economy and whose impact is expected to extend well beyond real-estate development and infrastructure, thereby helping to diversify the economy away from oil dependency through their sheer magnitude. Examples include NEOM, Diriyah, ROSHN, Al-Ula, King Salman Park, Qiddiya, Murabba, King Abdullah Financial District, and other comparable projects.
GOSI	The General Organisation for Social Insurance in the Kingdom.
Government	The Government of the Kingdom (and " Governmental " shall be interpreted accordingly).
Government Entities	The bodies that form part of the Government's structure and are responsible for carrying out public functions, enforcing laws, providing services, or overseeing the implementation of regulations on the Government's behalf.
Government-Owned Entities	The legal entities established by the government for the purpose of conducting commercial activities on its behalf.
Group	The Company and its Subsidiary.
H	The Hijri calendar.
IASB	The International Accounting Standard Board.
IFM	Integrated facilities management.
IFM or Integrated Facilities Management	The coordinated management of multiple facilities services under a single contract to enhance efficiency and reduce costs.
IFRS	The International Financial Reporting Standards issued by the IASB as endorsed in the Kingdom and other standards and pronouncements issued by SOCPA, which include standards and technical publications related to issues not covered by IFRS, such as Zakat.
Implementing Regulation of the Companies Law	The Implementing Regulation of the Companies Law for Listed Joint Stock Companies issued pursuant to the CMA's board resolution no. 8-127-2016 dated 16/01/1438H (corresponding to 17/10/2016G), as amended.

Individual Subscribers	Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit and in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children, as well as any GCC natural persons, or non-Saudi natural persons resident in, or were previously residents in the Kingdom or the GCC countries, in each case who has an investment account and an active portfolio with a Receiving Agent and the right to open an investment account with a Capital Market Institution.
Input-based FM	FM that follows a traditional model that emphasizes predefined tasks, processes, and allocated resources. Rooted in fixed scopes of work and standardized procedures, this approach often aligns more closely with traditional Operations and Maintenance (O&M) contracts.
Investors	The Participating Parties and Individual Subscribers.
JEDCO	Jeddah Airports Company (JEDCO).
KAIA	King Abdul Aziz International Airport (KAIA).
KAUST	King Abdullah University of Science and Technology.
Kingdom	The Kingdom of Saudi Arabia.
KPIs	Key performance indicators.
Labour Law	The Labour Law issued pursuant to royal decree no. M/51 dated 23/08/1426H (corresponding to 27/09/2005G), as amended.
Lead Manager	EFG Hermes.
Legal Advisor	Zeyad Sameer Khoshaim Law Firm (Professional Limited Liability Company)
Listing Rules	The Listing Rules issued pursuant to the CMA's board resolution no. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), as amended.
Lock-up Period	The period during which the current shareholders are restricted from disposing of their shares, which extends for six (6) months, and two (2) years for the EFS Group, starting from the date the Company's shares commence trading on the Exchange.
Lump-Sum Contracts	A fixed-price agreement where a contractor completes a defined scope of work for a predetermined total cost.
Guaranteed Maximum Price Contracts	Contracts with a similar structure to cost-plus contracts but with a maximum ceiling on the total costs.
Unit Cost Contracts	Contracts for non-recurring services under which a specified price is agreed for the unit of work to be provided
Main Market	The market in which the registered and offered shares are traded under Part IV of the ROSCOs.
Market Consultant	Arthur D. Little.
Market Study	The market study provided in August 2025G, and prepared exclusively for the Company by the Market Consultant.
MHRSD	The Saudi Arabian Ministry of Human Resources and Social Development.
MISA	The Saudi Arabian Ministry of Investment.
MoC	The Saudi Arabian Ministry of Commerce.
Net Offering Proceeds	The Offering Proceeds net of expenses related to the Offering.
New Shares	The Offer Shares to be issued by the Company and offered in the Offering, which are eleven million (11,000,000) Shares.
Offer Price	SAR [●] per Share.
Offer Shares	Sixteen million eight hundred thousand (16,800,000) shares representing thirty per cent. (30%) of the share capital of the Company after the Offering (and representing thirty-seven point three per cent. (37.3%) before the Offering and Capital Increase).

Offering	The offer of sixteen million eight hundred thousand (16,800,000) ordinary Shares through (1) the sale of five million eight hundred thousand (5,800,000) ordinary Shares by the Current Shareholders proportionally of their holding, as follows: (i) the sale of EFS Group of three million one hundred ninety thousand (3,190,000) Shares, representing seven point one per cent. (7.1%) of the Company's share capital; (ii) the sale of AlKhafrah Holding of eight hundred seventy thousand (870,000) Shares, representing one point nine per cent. (1.9%) of the Company's share capital; (iii) the sale of Lama Company of seven hundred fifty four thousand (754,000) Shares, representing one point seven per cent. (1.7%) of the Company's share capital; (iv) the sale of Career First Company of five hundred eighty thousand (580,000) Shares, representing one point three per cent. (1.3%) of the Company's share capital; and (v) the sale of Khaled Abdulrahman AlKuwaiz of four hundred six thousand (406,000) Shares, representing zero point nine per cent. (0.9%) of the Company's share capital; and (2) the issuance and offering of eleven million (11,000,000) new ordinary Shares. The Sale Shares represent twelve point nine per cent. (12.9%) and ten point four per cent. (10.4%), respectively, of the Company's share capital before and after the Offering and Capital Increase, and the New Shares represent twenty-four point four per cent. (24.4%) and nineteen point six per cent. (19.6%), respectively, before and after the Offering and Capital Increase. Together, this represents thirty-seven point three per cent. (37.3%) per cent. before the Offering and Capital Increase, and thirty (30%) of the Company's capital post the Offering and Capital Increase.
Offering Expenses	The expenses and costs associated with the Offering are estimated at approximately [●] Saudi Riyals (SAR [●]) and include the regulatory fees, fees of the Financial Advisor, the Lead Manager, the Bookrunner, the Underwriter, the Legal Advisor, Legal Advisor to the Financial Advisor, the Lead Manager, the Bookrunner, the Underwriter, the Financial Due Diligence Advisor, the Receiving Agents and the Market Consultant, and other advisers, as well as marketing, regulatory fees and other costs and expenses related to the Offering.
Offering Period	A period of five (5) calendar days starting from Thursday, 27/06/1447H (corresponding to 18/12/2025G), until the end of Offering on Monday, 02/07/1447H (corresponding to 22/12/2025G).
Offering Proceeds	The total value of the Shares subscribed for in the Offering.
Ordinary General Assembly	An Ordinary General Assembly of the Company's Shareholders convened in accordance with the Bylaws.
Operational services	Third-party services that are essential for maintaining the Company's day-to-day business operations and ensuring uninterrupted service delivery to customers. They span a broad range of supporting activities, including procurement of consumables, logistics, and other general expenditures associated with routine operational functions.
Output-based FM	A performance-driven approach focused on achieving measurable outcomes. Providers are assessed on their ability to meet SLAs and KPIs, offering tailored, flexible, and accountable solutions. This model includes two service delivery types: single/bundled FM and IFM. Single/bundled FM involves offering specific services individually or as a group under one contract, optimizing coordination and efficiency. IFM consolidates all FM services under a unified framework, aligning strategically with client goals to deliver seamless, measurable outcomes.
Participating Entities	Entities involved in the book-building process from amongst the Participating Parties.
Participating Parties	In accordance with the Book-Building Instructions, parties entitled to participate in the Book-Building Process, as follows: 1. public and private funds that invest in securities listed on the Exchange, if permissible under the terms and conditions of such funds, in compliance with the provisions and restrictions set forth in the Investment Funds Regulations and the Book-Building Instructions; 2. Capital Market Institutions authorised by the CMA to trade in securities as principals, in compliance with the provisions of the Prudential Rules upon the submission of a bidding participation form; 3. clients of a Capital Market Institution authorised by the CMA to conduct management activities in accordance with the provisions and restrictions set forth in the Book-Building Instructions; 4. legal persons allowed to open an investment account in the Kingdom, and an account with the depositary center, including foreign legal persons who are allowed to invest in the market where the shares of the issuer are to be listed, with regards to the conditions of listing companies investments in listed securities stipulated in the Authority's circular number (6/05158) dated 11/08/1435H corresponding to 09/06/2014G based on the Capital Market Authority's board resolution number (9-28-2014) dated 20/07/1435H corresponding to 19/05/2014G; 5. Governmental entities, any supranational authority recognised by the CMA, the Exchange, or any other stock exchange recognised by the CMA or the Securities Depository Center; 6. Government-owned companies, whether investing directly or through a portfolio manager; and 7. GCC companies, and GCC funds if permissible under the terms and conditions of such funds.
Person	A natural or a legal person under the laws of the Kingdom.
Prospectus	This document prepared by the Company in relation to the Offering.

Public	Persons other than the following: 1. affiliates of the Issuer; 2. Substantial Shareholders of the Issuer; 3. Directors and Senior Executives of the Issuer; 4. directors and senior executives of the Issuer's affiliates; 5. directors and senior executives of the Issuer's Substantial Shareholders; 6. any relatives of the persons referred to in paragraphs 1, 2, 3, 4, or 5 above; 7. any company controlled by any person referred to in paragraphs 1, 2, 3, 4, 5 or 6 above; or 8. Persons acting in concert, with a collective shareholding of five per cent. or more of the class of shares to be listed.
Qualified Foreign Investors or QFIs	A foreign investor qualified in accordance with the provisions of Part 3 of the Rules for Foreign Investment in Securities to invest in shares listed on the Main Market.
QAR	The Qatari Riyal, which is the lawful currency of the State of Qatar.
Receiving Agents	The Receiving Agents listed on page (viii) of this Prospectus.
Related Party	Means any of the following: 1. Affiliates of the Issuer except for wholly owned companies. 2. Substantial Shareholders of the Issuer. 3. Directors and Senior Executives of the Issuer. 4. Directors of an Affiliate of the Issuer. 5. Directors and Senior Executives of the Issuer's Substantial Shareholders. 6. Any relatives of the persons described in paragraphs 1, 2, 3 or 5 above. In this context, "relative" means parents, spouse and children. 7. Any company Controlled by any person described in paragraphs 1, 2, 3, 5 or 6 above.
Relatives	For the purposes of the Corporate Governance Regulations, it means: 1. parents, grandparents and their ancestors; 2. children, grandchildren and their descendants; 3. siblings, maternal and paternal half-siblings; and 4. spouse(s). For other purposes, spouse and minor children.
Remuneration and Nomination Committee	The Remuneration and Nomination Committee of the Company emanating from the Board of Directors.
Risk factors	A group of potential risks that should be understood and considered prior to making an investment decision in relation to the Offer Shares.
ROSCOs	The Rules on the Offer of Securities and Continuing Obligations issued pursuant to the CMA's board resolution no. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), as amended.
Rules for Foreign Investment in Securities	The Rules for Foreign Investment in Securities issued pursuant to CMA's board resolution no. 2-26-2023, dated 05/09/1444H (corresponding to 27/03/2023G), as amended.
SAIBOR	The Saudi Arabian Interbank Offered Rate.
Sale Shares	The five million eight hundred thousand (5,800,000) Offer Shares to be sold by the Selling Shareholders, pro rata to their ownership, in the Offering.
SAR	The Saudi Arabian Riyal, which is the lawful currency of the Kingdom.
Saudisation	Nationalisation requirements applicable in the Kingdom in relation to the labour market.
Secretary	The Secretary of the Board of Directors.
Selling Shareholders / Current Shareholders	The five existing shareholders, namely: (a) EFS Group; (b) Al Khafrah Company; (c) Lama Company; (d) Career First Company; and (e) Khalid Abdulrahman Abdullah AlKuwaiz.
Senior Executives / Executive Management	Persons who manage the Company's day-to-day activities, who are the CEO and persons reporting directly to the CEO or the Board.
Shareholder	Any holder of Shares in the Company.
Shares	Any ordinary share of the Company from time to time.
SLAs	Service level agreements.
SOCPA	The Saudi Organisation for Chartered and Professional Accountants.

Specialized services	Services outsourced to an external party that holds accreditations, licences, or technical expertise not available in-house, including engagements required to meet equipment-manufacturer requirements or warranty conditions.
Subscribers	The Participating Entities and Individual Subscribers participating in the Offering.
Subscription Application Form	The subscription application form to be used by Participating Entities and Individual Subscribers (as the case may be) to subscribe for the Offer Shares.
Substantial Shareholder	Each Shareholder who individually owns five (5) per cent. or more of the Issuer's shares.
THA KSA	The Agency LTD for Entertainment Events Company, a limited liability company incorporated in Riyadh and registered under Commercial Registration No. 1010926185 dated 18/03/1445H (corresponding to 03/10/2023G), of which the Company owns thirty-three percent (33%) of its share capital.
EFS Group	EFS Facilities Services Group Limited, a limited liability company registered in the Jebel Ali Free Zone with the commercial register under number (OF2057) dated 12/04/2006G, with a share capital of AED 9,803,922 divided into 9,803,922 shares with a nominal value of AED 1 each, and it owns 55% of the Company's share capital as at the date of this Prospectus.
Al Khafrah Company	Al Khafrah Holding Company, a Saudi limited liability company registered in the Commercial Register under number 1010289167 dated 18/06/1431H (corresponding to 01/06/2010G), with a share capital of SAR 10,000,000 divided into 100,000 shares with a nominal value of SAR 100 per share, and it owns 15% of the Company's share capital as at the date of this Prospectus.
Lama Company	Lama Holding Company (single-shareholder company), a Saudi limited liability company registered in the Commercial Register under number 1010274224 dated 07/10/1430H (corresponding to 26/09/2009G), with a share capital of SAR 1,000,000, divided into 500 shares with a nominal value of SAR 2,000 per share, and it owns 13% of the Company's share capital as at the date of this Prospectus.
Career First Company	Career First Company (single-shareholder company), a Saudi limited liability company registered in the Commercial Register under number 1010387887 dated 09/11/1434H (corresponding to 15/09/2013G), with a share capital of SAR 1,000,000, divided into 1,000 shares with a nominal value of SAR 1,000 per share, and it owns 10% of the Company's share capital as at the date of this Prospectus.
Underwriter	EFG Hermes KSA.
Underwriting Agreement	The Underwriting Agreement to be entered into between the Company, the Selling Shareholders and the Underwriter in connection with the Offering.
Value Added Tax or VAT	Value added tax applied in the Kingdom, currently at fifteen percent. (15%).
Zakat	Zakat imposed under applicable Saudi laws.
ZATCA	The Zakat, Tax and Customs Authority in the Kingdom.

2. Risk Factors

2. Risk Factors

Prospective investors should carefully consider all information provided in this Prospectus, including the following risk factors, prior to deciding to invest in the Offer Shares.

The risks and uncertainties described below do not necessarily constitute all the risks affecting the Company or associated with an investment in the Offer Shares. There may be additional risks and uncertainties that are not currently known to the Company, or that the Directors currently believe to be immaterial. The occurrence of any such risks may materially and adversely affect the Company's business, financial condition, results of operations and its future prospects. This may result in a decline in the trading price of the shares and adversely affect the Company's ability to distribute dividends, which could lead to investors losing all or part of their investment in the shares. If any of the risks referred to below, or any other risks not identified by the Directors or not currently considered material, occur or become material, the Company's business, financial condition, results of operations, and its future prospects may be materially and adversely affected, the Company may not be able to pay dividends, the Share price may decrease, and investors may lose all or portion of their investment in the Shares.

As a result of these risks or other factors that may affect the Company's business, the expected future events and circumstances that are described in this Prospectus may not occur in the way the Company and/or the Directors expect, or at all. Therefore, investors should consider all forward-looking statements contained in this Prospectus in light of this explanation and should not rely on such statements. For more information, please see the Page (i) ("**Important Notice**").

The Directors confirm that, to the best of their knowledge and belief, there are no other material risks as at the date of this Prospectus - other than as disclosed in this Section - that may materially affect investors' decisions to invest in the Offer Shares.

All prospective investors who wish to subscribe to the Offer Shares should assess the risks related to the Company, the Offer Shares and the Offering in general and the economic, political and regulatory environment in which the Company operates. An investment in the Offer Shares involves significant risks and is only appropriate for those investors who are able to evaluate the risks of such investment and who have sufficient resources to bear any loss resulting from such investment. Prospective investors who have doubts about what actions to take regarding the Offer Shares, should consult a financial advisor duly licensed by the CMA for advice prior to investing in the Offer Shares.

The risks described below are not arranged in order of priority based on their importance or expected effect on the Company. Where a risk factor may be categorized in more than one category such as risks relating to the Company's operations or the market, such risk factor may appear only in the most relevant category, but this should not be read to limit the effect or impact of such risks.

2.1 Risks Related to the Company's Business and Operations

2.1.1 Risks related to recruiting and maintaining skilled workforce and managing workforce utilization

The Company's business relies on the workforce that the Company has, their skills and their efficiency. As of 31 March 2025G, the Company's headcount amounted to 8,432 personnel, which included 5,866 direct employees employed by the Company, 1,794 full-time outsourced employees from manpower companies, and 772 personnel working under service agreements entered into with specialized service providers.

The Company's success to date has depended, and will continue to depend, on the Company's ability to attract and retain its workforce, including technical workforce with skills that align with continuing changes in the facilities management sector, evolving industry standards, and changing customer demands. The Company's profitability also depends on its ability to effectively utilize personnel with the right mix of skills and experience to support the Company's business. The Company's retention rate for its employees reached 92%, 91%, 90%, and 98% for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. There is competition for professionals with the skills necessary to support the Company's business, particularly in the Kingdom, and finding employees with the right skill set for the Company's business, at the right time, might be challenging. If the Company is unable to attract and retain qualified employees, its ability to develop new business and effectively lead its current projects could be materially affected. In addition, the processes and costs associated with recruiting, training, and retaining employees place significant pressure on the Company's resources which could adversely impact the Company's operations and financial performance.

Further, the Company's financial performance and operational efficiency depend significantly on its ability to recruit workforce in time and with the right mix required for each project. The Company does not hire and maintain idle workforce. Rather, it hires employees upon the award of each project. As such, the Company is subject to the risk of inability to hire employees within the required mobilization time, and the risk of incurring additional unforeseen costs to do so. During the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively, the Company hired 1,168 new hirings (representing 28.6% of its total workforce at year-end), 2,530 new hirings (representing 45.2% of its total workforce at year-end) and 2,514 new hirings (representing 31.3% of its total workforce at year-end) and 560 new hirings (representing 6.6% of its total workforce at the end of the period).

The Company is also subject to the risk of its ability to accurately forecast demand and plan hiring resources for its projects and clients. Challenges such as delays in project execution, misalignment of workforce skills with client requirements, or unanticipated fluctuations in client needs may lead to inefficient workforce deployment. In the event that the Company is unable to maintain optimal workforce utilization, it may incur higher operating costs, experience reduced profitability, and face challenges in meeting client expectations. Prolonged inefficiencies in workforce management, including inability to provide replacements in case of sickness or absence, could also erode the Company's competitive position. The occurrence of any of these factors would have a material negative impact on the Company's financial performance, prospects, and market position.

2.1.2 Risks relating to concentration of revenue in certain sectors

The Company provides facilities management services for multiple business segments, including giga projects, aviation, oil and gas, and education. For more details about the Company's business segments, please refer to Section (4.8) ("**Business Segments**").

The revenue contribution from giga projects reached SAR 104.8 million (31.0% of revenue), 183.8 million (35.3% of revenue) and 394.5 million (49.1% of revenue), and SAR 109.2 million (49.8% of revenue) for the financial years ended 31 December 2022G, 2023G, 2024G and the three-month period ended 31 March 2025G, respectively, and 93.9 million (27.8% of revenue), 155.2 million (29.8% of revenue) and 176.5 million (22.0% of revenue) and SAR 44.8 million (20.4% of revenue) for aviation for the same periods. As such, there is concentration in these two sectors, which together, they generated SAR 198.7 million (58.8% of revenue), SAR 339 million (65.1% of revenue), and SAR 571 million (71.1% of revenue) and SAR 154.0 million (70.3% of revenue) -for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively.

During those periods, the aviation segment served three (3), four (4), six (6), six (6), and seven (7) clients, while the giga-projects segment served seven (7), eight (8), nine (9), nine (9), and nine (9) clients for the same periods respectively, and as of 30 June 2025G.

This concentration exposes the Company to risks associated with economic fluctuations, regulatory changes, and market conditions within these sectors. In the case of giga projects, these initiatives often rely heavily on government funding and large-scale investments. Economic downturns or budget constraints can lead to project delays, reductions in scope, or even cancellations, directly affecting the Company's revenue streams. Additionally, changes in regulations, such as new environmental standards or labor laws, can complicate project management, potentially resulting in increased operational costs. The complexity inherent in managing such large-scale projects can also lead to inefficiencies and project overruns, which could harm the Company's reputation and financial standing. Furthermore, the reliance on a limited number of large contracts, which is the nature of this sector, means that losing any single client could significantly impact the Company's overall revenue. In the giga-projects segment, the Company held 12 contracts (out of 63 total) in the year ended 31 December 2022G, 24 contracts (out of 120) in the year ended 31 December 2023G, and 33 contracts (out of 106) in the year ended 31 December 2024G, and 26 contracts (out of a total of 118) during the period ended 31 March 2025G, and 28 contracts (out of a total of 122) as of 30 June 2025G. In the aviation segment, it held 4 contracts (out of 63) in the year ended 31 December 2022G, 4 contracts (out of 120) in the year ended 31 December 2023G, and 6 contracts (out of 106) in the year ended 31 December 2024G, and 8 contracts (out of a total of 118) during the period ended 31 March 2025G, and 8 contracts (out of a total of 122) as of 30 June 2025G. For more details about risks relating to concentration of clients and contracts, please refer to Section (2.1.3) ("**Risks related to client concentration, attracting and maintaining clients and material clients' contracts**").

Similarly, the aviation sector is highly sensitive to market volatility influenced by global economic conditions, fluctuations in fuel prices, and geopolitical events. A downturn in air travel can reduce the demand for facilities management services, thereby inducing clients to reduce the Company's scope or cancel contracts and thereby impacting the Company's revenue. The aviation industry is also subject to stringent regulations, and any changes regarding safety, security, or environmental compliance can lead to increased operational expenses. Additionally, the Company's performance may be affected by travel trends, such as shifts in consumer behaviour or public health crises, which can drastically alter passenger volumes and, consequently, the need for facilities services at airports. The competitive landscape within the aviation sector adds another layer of risk, as the Company may face pressure to lower prices or enhance service offerings to retain clients, potentially impacting profit margins.

If any of the above risks materializes, this would have a material adverse impact on the Company's business, financial performance, results of operations, and future prospects.

2.1.3 Risks related to client concentration, attracting and maintaining clients and material clients' contracts

A significant portion of the Company's revenue is derived from a limited number of key clients, one in the giga-projects segment and the other in the aviation segment. The Company's top two clients accounted for 49.1%, 58.4%, 66.4%, and 65.9% of the Company's revenue for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively (compared against the next top 3 clients who accounted for 19.6%, 13.0%, 8.6%, and 10.8% of the Company's revenue for the financial years ended 31 December 2022G, 2023G 2024G, and the three-month period ended 31 March 2025G, respectively). As of 30 June 2025G, the Company held twenty (20) contracts with these two major clients (eighteen (18) with the first client and two (2) with the second) at an average contract term of three (3) years overall.

This high client concentration exposes the Company to heightened risks, as any adverse changes in the relationship, performance, or contract terms with these clients could materially impact its business, financial condition, and results of operations. Further, both clients are government owned entities. Please refer to Section (2.1.6) (“**Risks related to decreased government spending on construction and infrastructure**”) for details about the risks associated with government owned entities.

The contracts with these two top clients, as with all of the Company’s material contracts, include terms that are generally favorable to clients, including terms that allow the client to vary the scope as they see fit and fair, grant the client discretion in accepting work and whether it complies with the standards agreed upon in the relevant contract, and grant the client the right of termination for convenience and to withhold or defer payment should the Company breach the contract. Further, these contracts allow renewal unilaterally by the client at the same prices, in some instances for periods extending to 36 months. These contracts, as with most of the Company’s material contracts, also allow novation by the client without the Company’s consent, and therefore the client may novate the contract to another party which the Company may not have the same level of relationship with or may not be of the same credit profile as the current client.

Additionally, certain operation and maintenance agreements stipulate that costs shall not exceed the initially agreed-upon limit. In the event that service costs exceed this threshold and clients refuse to pay the additional charges, the Company may be required to absorb the excess costs or resort to dispute resolution mechanisms. This could result in financial losses for the Company and may lead to legal disputes between the Company and its clients. Given the nature of the Company’s business, its material contracts grant the client the right to amend the scope of work as appropriate, whether by decrease or increase. In this regard, clients have generally reduced their scopes of work. This risk was present during the financial years ended 31 December 2022G, 2023G, and 2024G, as well as the three-month period ended 31 March 2025G, represented by a decrease in revenue compared to expected revenue based on backlog of 2%, 2%, 1% and 3% of the Company’s overall revenue in these periods, respectively. Such decreases are inherent in the business and could occur in the future at different degrees, and cannot be accurately estimated nor controlled.

In the event that the Company’s top clients terminate their agreements or elect not to renew them or renew them only with different terms, the Company may not be successful in renewing the contracts at the same or better terms and therefore may lose the revenue from such clients, may need to incur extra cost to maintain such contracts, and may not be able to secure new clients to replace the lost revenue.

Additionally, the Company operates in a competitive environment, where the ability to attract and retain clients is critical to sustaining growth. Factors such as price competitiveness, service quality, and compliance with changing regulatory requirements influence client retention. The failure to meet client expectations or deliver on contractual obligations could result in reputational damage, reduced client loyalty, and the loss of key contracts. Furthermore, securing new clients, particularly large-scale government contracts, often involves lengthy procurement processes and strict compliance requirements, which further make it difficult to win and maintain these contracts.

The loss of any major client or a significant reduction in service scope would require the Company to rely on smaller or more fragmented contracts, which may not fully offset the revenue loss or deliver comparable margins. Additionally, clients often have the right to assign or transfer their contracts to another party. Accordingly, if a client transfers the contract for any reason, such as ceasing operations or transferring them entirely to another entity, the Company’s relationship would shift to the new party. This new client may not have the same relationship with the Company, may not possess the same creditworthiness as the original client, or may not maintain the same goodwill. As a result, the Company may face additional challenges in dealing with or retaining such new clients. If the Company is unable to maintain strong relationships with its key clients, renew material contracts on favorable or equivalent terms, or effectively attract new clients, its business, financial condition, operating results, and growth prospects may be materially and adversely affected.

2.1.4 Risks related to accounting for contract assets

The Company recognizes “contract assets” in its statement of financial position. This item consists of two components: completed or ongoing work that has not yet been invoiced to the client, and the portion of unbilled revenue resulting from the application of the percentage-of-completion method. These components are presented in the table below for clarification.

Table 2.1: Contract Assets Balances

SAR (000's)	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G
Contract assets from actual work performed (unbilled)	64,298	79,395	105,626
Contract assets – arising from mobilization and preparation costs (percentage-of-completion method)	18,978	36,554	38,553
Total	83,276	115,949	144,179

Source: The Company

Note: Balances as of 31 December 2022G were not presented, as the impact of applying the percentage-of-completion method and the related accounting treatment for mobilization and preparation costs was limited during that period. The Company did not present these balances to clients. These changes were applied retrospectively to the financial statements of prior years, with the revised accounting treatment reflected starting from the financial statements for the year ended 31 December 2024G and the comparative figures for 2023G.

The following tables illustrate the proportion of each client category within the Company's contract assets, as well as the aging profile of the related receivables.

Table 2.2: Contract Assets as of 31 December 2022G, 2023G, and 2024G, and for the three-month period ended 31 March 2025G

Client Category	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
	Contract assets (SAR '000)	Share (%)	Contract assets (SAR '000)	Share (%)	Contract assets (SAR '000)	Share (%)	Contract assets (SAR '000)	Share (%)
Government Entities	4,003	12.6%	4,927	5.9%	2,817	2.4%	1,070	0.8%
Government-Owned Entities	22,240	70.0%	67,864	81.5%	86,040	74.2%	106,028	73.5%
Private Sector Entities	5,543	17.4%	10,484	12.6%	27,091	23.4%	37,081	25.7%
Total	31,786	100%	83,275	100%	115,948	100%	144,179	100%

Source: The Company

Table 2.3: Aging profile of contract asset receivables

Aging bucket	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
	Contract assets (SAR '000)	Share (%)	Contract assets (SAR '000)	Share (%)	Contract assets (SAR '000)	Share (%)	Contract assets (SAR '000)	Share (%)
Current	18,354	57.7%	70,680	84.9%	82,381	71.0%	87,518	60.7%
30–60 days	7,437	23.4%	8,532	10.2%	17,211	14.8%	22,619	15.7%
61–90 days	2,056	6.5%	2,594	3.1%	4,170	3.6%	9,283	6.4%
91–120 days	1,774	5.6%	754	0.9%	4,218	3.6%	4,103	2.8%
121–180 days	228	0.7%	50	0.1%	1,308	1.1%	10,892	7.6%
Over 180 days	1,937	6.1%	665	0.8%	6,660	5.7%	9,763	6.8%
Total	31,786	100%	83,275	100%	115,948	100%	144,179	100%

Source: The Company

As evident, out of the total contract asset balance of SAR 115.9 million as of 31 December 2024G and SAR 144.2 million as of 31 March 2025G, an amount of SAR 12.2 million (representing approximately 11% of the total) had aged beyond 90 days as of 31 December 2024G, and SAR 24.8 million (representing approximately 17% of the total) as of 31 March 2025G. Such aging of balances beyond 90 days is considered atypical for this type of account.

The Company does not allocate a specific provision for contract assets. Upon invoicing these amounts, the Company assesses the need to establish a provision based on its evaluation of the allowance for doubtful accounts. For further details on allowances for trade receivable, see Section (2.1.11) ("**Risks related to delayed payments by clients and cash management, and default or bankruptcy of clients**").

The Company does not currently allocate a specific provision for this item, nor does it conduct a precise assessment of expected credit loss provisions for aged balances. This may result in the recognition of credit losses if such assets are not recovered in full, on time, or at the expected amounts, this is particularly relevant to balances aged over 90 days, as such amounts may present a higher level of risk. Furthermore, should the Company establish a provision in the future, this would negatively impact profitability, as the provision would be recognized as a loss. For example, if the Company were to change its provisioning policy and apply a provision to contract assets aged over 120 days for the three-month period ended 31 March 2025G, representing a highly conservative approach that deviates from its historical practices, this would result in a loss of approximately SAR 20.7 million. The occurrence of any of the aforementioned scenarios would have a materially adverse impact on the Company's financial position, operating results, and cash flows.

2.1.5 Risks related to revenue recognition under the percentage-of-completion method

The Company recognizes facilities-management revenue over time in accordance with IFRS 15. It adopted the percentage-of-completion (PoC) method in the financial year ended 31 December 2024G to measure a significant share of revenue arising from long-term FM contracts that contain mobilization and set-up obligations, thereby aligning revenue more closely with the performance of those obligations for the client. Under PoC, revenue is recognized based on the ratio of costs incurred to date to total estimated contract costs, in line with IFRS 15. Setup and preparation costs are initial expenditures incurred prior to the commencement of service delivery and include system configuration, staffing, and procedural arrangements (such as manuals, workflows, and preliminary studies). These costs are considered part of the contractual performance obligations and vary depending on the terms of each contract. Prior to the financial year 2024G, revenue recognition was not aligned with the fulfillment of these obligations; instead, management amortized the related costs over a period consistent with the contract duration, recognizing them as part of operating expenses, while unamortized portions were classified as pre-operating expenses. Beginning in financial year 2024G, a change was implemented whereby the application of the percentage-of-completion method now incorporates the existence of setup and preparation obligations, requiring the Company to incur and recognize these costs at the inception of the contract.

Applying PoC requires substantial management judgment and estimation in key areas, including (i) identifying and assessing performance obligations, (ii) determining contract value-especially when consideration is variable or subject to client confirmation-and (iii) estimating total project costs. Changes or inaccuracy of any of these assumptions can materially affect both the amount and timing of revenue recognized and, consequently, profitability.

Roughly 61% and 61% of revenue for the financial year ended 31 December 2024G and the three-month period ended 31 March 2025G, respectively, was recognized using PoC, attributable to contracts that include mobilization and preparation obligations, which typically account for 5–7% of total contract costs. Any future revisions to cost estimates, contract values, or scope of work may lead to revenue adjustments and could reduce contract-asset balances if client approval is not obtained or services are not delivered as expected.

Accordingly, revenue and margin recognition under PoC is inherently uncertain and highly sensitive to estimation risk, creating the possibility that reported financial performance-particularly revenue and profitability-may exhibit material declines period-to-period volatility or be subject to subsequent adjustment if the underlying assumptions change or fail to materialize.

Furthermore, recognizing revenue based on the percentage-of-completion method carries the risk of premature revenue recognition relative to the actual progress of contract execution, particularly in the absence of a robust mechanism to align the completion percentage with actual setup and preparation obligations. In contracts involving multiple performance obligations, it may be challenging to determine whether such obligations meet the criteria for revenue recognition under the percentage-of-completion method, thereby increasing the risk of inaccurate estimates. Estimation risk may also arise from changes in the scope of work or expected costs, as any subsequent modifications to the contract scope or cost projections may necessitate a reassessment of the completion percentage, potentially resulting in fluctuations in recognized revenue. In addition, the Company may face challenges in substantiating the accuracy of the estimates and assumptions used in calculating the percentage of completion before auditors or regulatory authorities, which could lead to volatility in future revenue and earnings if such estimates are revised for any reason.

2.1.6 Risks related to decreased government spending on construction and infrastructure

The Company's revenue is highly concentrated in state-owned entities, which accounted for 62.1%, 69.9%, 74.1%, and 74.7% of the Company's revenue for the financial years ended 31 December 2022G, 2023G, 2024G, and for the three-month period ended 31 March 2025G, respectively. The other client segments are government accounting for 6.9%, 4.4%, 2.3%, and 0.4% of the Company's revenue for the financial years ended 31 December 2022G, 2023G, 2024G, and for the three-month period ended 31 March 2025G, respectively, and private enterprises, accounting for 31.0%, 25.7%, 23.6%, and 24.9% of the Company's revenue for the same periods, respectively. This distribution demonstrates the Company's focus on relationships with state-owned entities and reflects its strategic approach with respect to such clients.

Government spending is influenced by macroeconomic conditions, changes in policies or priorities and budgetary reviews. For example, a downturn in oil prices, which significantly impacts the Kingdom's financial policies, could lead to reduced allocation of funds for large-scale infrastructure projects, including those which the Company contracts with. This would not only limit growth opportunities but also result in increased competition among service providers for fewer projects, potentially exerting downward pressure on pricing and profit margins.

Government and government owned entities may adjust their budgets, postpone or cancel projects, or shift their procurement strategies due to economic conditions, policy changes, or geopolitical factors. A reduction in government spending or a shift in facilities management strategies could significantly impact the Company's revenue and cash flow. The concentration of revenue from a few government and government owned entities heightens the risk of revenue variability and financial instability in the event of contract terminations or other disruptions. Furthermore, decreased government spending on projects may reduce the demand from the private sector as well, given that it could generally impact the private sector's corresponding projects.

If government spending decreases or fluctuates, the Company may experience reduced revenue, intensified competition, and diminished growth prospects. Such factors could materially and adversely affect the Company's financial condition, business, and long-term strategy.

2.1.7 Risks related to the wide distribution of geographical services

The Company provides its services in many areas in the Kingdom, being Northern, Westerns, Central and Eastern regions. The following table showcases the revenue distribution geographically.

Table 2.4: Geographic Revenue Distribution

Region	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
	Revenue (SAR Million)	% of Revenue	Revenue (SAR Million)	% of Revenue	Revenue (SAR Million)	% of Revenue	Revenue (SAR million)	% of Revenue
Central Region	49.0	14.5%	93.7	18.0%	160.1	19.9%	45.1	20.6%
Eastern Region	51.0	15.1%	54.4	10.4%	78.2	9.7%	20.7	9.5%
Western Region	134.8	39.9%	200.0	38.4%	196.7	24.5%	48.9	22.3%
Northern Region	102.8	30.4%	172.3	33.1%	368.0	45.8%	103.1	47.1%
Southern Region	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	1.2	0.6%
Total	337.5	100.0%	520.4	100.0%	802.9	100.0%	219.1	100%

Source: The Company

Given that the Company's business is delivered on-the-ground and by its workforce, this vast coverage may cause inefficiencies and difficulties in mobilization if not managed efficiently. It could be difficult to mobilize the workforce and might be more costly to maintain accommodation and resources in many areas around the Kingdom compared to operating in certain designated areas.

If the Company does not manage its geographic distribution well, this could increase its costs and reduce its profit margin, which could have a material adverse impact on the Company's business, financial performance, results of operations, and future prospects.

2.1.8 Risks related to subcontracting and the outsourcing of specialized services and reliance on third parties to provide them

The Company subcontracts manpower and also subcontracts direct specialized services (including, inter alia, MEP maintenance, pest control, HVAC repairs and other specialized services). As of 31 March 2025G, the Company outsources 1,794 full-time employees and utilizes 772 personnel under service contracts, representing 30.4% of its total manpower. The Company's cost for manpower and specialized services for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively.

Table 2.5: Cost Distribution

Cost	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
	Cost (SAR million)	% of cost of revenue	Cost (SAR million)	% of cost of revenue	Cost (SAR million)	% of cost of revenue	Cost (SAR million)	% of cost of revenue
Manpower	34.7	11.6%	47.0	10.1%	70.8	10.2%	14.3	7.6%
Specialized services subcontracting	60.5	20.2%	80.3	17.4%	153.0	22.1%	45.4	24.2%
Other costs (Includes third-party costs such as consumables, equipment rental, accommodation, and other similar expenses)	42.1	14.0%	86.0	18.6%	125.1	18.1%	19.3	10.3%
Total	137.3	45.8%	213.3	46.1%	348.9	50.4%	79.0	42.1%

Source: The Company

The top 20 suppliers represented 29%, 28%, 29% and 24% of revenue costs for the financial years ended 31 December 2022G, 2023G and 2024G, and for the three-month period ended 31 March 2025G, respectively; the top 10 represented 23%, 21%, 21% and 18% for the same periods, respectively; and the top 5 represented 17%, 14%, 13% and 13% of total revenue costs, respectively. In addition, the Company's trade receivables amounted to SAR 51.7 million, SAR 81.4 million, SAR 131.8 million and SAR 136.0 million as at 31 December 2022G, 2023G and 2024G, and 31 March 2025G, respectively, with the top 20 suppliers and subcontractors accounting for 59%, 47%, 44% and 54% of that balance, respectively.

The Company is exposed to risks arising from the performance and reliability of third-party service providers. Errors, delays, or substandard performance by these providers may result in client dissatisfaction, reputational damage, and financial liabilities for the Company, as it remains liable for the quality of services delivered. If a third-party provider fails to meet agreed-upon service levels or compliance requirements, the Company may be required to undertake corrective actions at its own cost, which could negatively impact expenses and resources. In previous years, the Company discovered that two recruitment firms it was dealing with were engaging in unethical hiring practices. Although the Company terminated its relationship with them, such incidents may have a subsequent impact on the Company or may occur again in the future.

In addition, the Company is subject to risks associated with price increases by third-party providers. The Company could face higher costs for outsourced services based on various factors including increased labor or material costs or changes in market dynamics. If the Company is unable to manage these challenges, passing these increased costs on to its clients through price adjustments, it may experience margin compression, which could adversely affect its financial performance and profitability.

Further, under labor regulations in the Kingdom, outsourced employees must be registered with the Ajeer platform administered by the MHRSD. There may be delay in deployment and registration of such employees under Ajeer due to internal or external administrative processes and may result in a position of non-compliance. Moreover, the Company does not register the service personnel engaged under service agreements with specialized providers, totaling 575 individuals as of the year ended 30 April 2025G. If the Ministry of Human Resources and Social Development were to deem these individuals subject to the "Ajeer" regime, it could impose fines on the Company or on the service providers. Failure to issue Ajeer permits for any outsourced employees may result in fines and penalties on the Company, including a fine amount of up to SAR 10,000, multiplied according to the number of violations (i.e., number of employees without Ajeer permits), accordingly, a substantial fine may be imposed in the event of a high number of workers not registered in Ajeer., suspension of MHRSD services or other penalties. If such penalties were imposed, this could cause disruption to the Company's operations, the Company could be in breach of its key contracts giving the counterparty the right to terminate them, and its cost could increase significantly.

Further, the Company faces risks related to contractual agreements and supplier relationships in its reliance on third-party providers. The Company may face difficulties in identifying and onboarding new providers with the required expertise, capacity, or geographical reach in a timely manner. Additionally, the Company faces risks from third-party providers' compliance with applicable regulations and contractual standards. Non-compliance by a service provider could result in regulatory fines, penalties, or other legal liabilities for the Company, potentially harming its reputation and financial standing. Specifically, the company's contracts with these firms do not include provisions requiring them to obtain the necessary license. Accordingly, if any of the human resources service providers lose their license, the company may not be able to terminate the contract smoothly. In the event that the Company is unable to effectively manage its reliance on third-party providers, ensure their performance, or mitigate the impact of potential price increases, this would have a material negative impact on the Company's business, financial performance, results of operations, and future prospects.

2.1.9 Risks related to new partnerships, joint ventures and acquisitions

As part of its growth strategy, the Company constantly evaluates various growth opportunities. Depending on the right strategic fit and financial profile, the Company may decide to acquire, open or partner up with another entity in relation to new businesses, assets, technologies, services and products from time to time. While these acquisitions are intended to enhance the Company's market position and operational capabilities, they come with inherent risks, including but not limited to valuation and due diligence and accuracy of the same, integration challenges into the Company's systems and culture, managing the relationship with the partners and joint venture partners, realizing synergies (including reduced cost or revenue enhancement), employee retention, legal and contractual liabilities, and others.

These factors, individually or collectively, could divert management's attention, result in increased expenses and disrupt the Company's existing business operations, which could, in turn, have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company has a 33% equity interest in THA KSA, a limited liability company incorporated in 2023G in the city of Riyadh and started operations in 2024G. THA KSA's activities are focused on events management. If the strategy of the other shareholder in THA KSA (The Hostess Agency Ltd.) changes in a manner which does not align with the Company's strategy, the Company may not be able to control THA KSA's strategy, and it might be operated in a manner not in line with the Company's strategy (or even adverse to it). For further details about the subsidiary and its ownership, please refer to Section (4.7.3) ("**The Subsidiary**"). THA KSA began when the Company managed temporary-solutions contracts in partnership with The Hostess Agency Ltd. (LLC), under which the Company received 33% of contract profits and The Hostess received 67%. This arrangement later evolved into establishing THA KSA itself, with the same profit-sharing ratio, to administer these contracts going forward. During the year ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, the Company recognized revenue of SAR 7.9 million, SAR 20.0 million, SAR 19.8 million, and SAR 1.5 million from these contracts, respectively, with THA KSA, achieving profit margins of roughly 6%, and 23%, 9% and 5.5% approximately respectively for the same periods. The contracts are distinctive: they are short-term (less than 12 months) and tied primarily to specific events rather than recurring operations.

Consequently, they may not be renewed or replaced, and revenue at THA KSA, along with the profit margins generated from these contracts, could decline significantly. Because future revenue will accrue to THA KSA rather than directly to the Company, the Company's own revenue could be affected. Moreover, the expected synergies from forming a new vehicle for this purpose may not materialize, particularly given THA KSA's ongoing reliance on the Company and the other partner.

If any of the above risks materialize, this could have a material adverse impact on the Company's business, financial performance, results of operations, and future prospects.

2.1.10 Risks related to infrastructure and the impact of weak infrastructure on the Company's services and cost

The effectiveness of the Company's facilities management services is inherently linked to the quality of the infrastructure at client locations. Weak or deteriorating infrastructure can significantly hinder the Company's ability to perform services efficiently and effectively. The Company screens locations ahead of each project and assesses the relevant location's readiness and quality. If the Company's assessment does not capture all issues, inadequate electrical systems, plumbing issues, or poor building maintenance can lead to disruptions in service delivery, increased response times, and the potential for service failures, and may increase the Company's cost beyond what it has expected. These challenges not only affect client satisfaction but can also result in increased operational costs as the Company may need to allocate additional resources to address issues that arise from compromised infrastructure.

Furthermore, when infrastructure is lacking, the Company may face increased liabilities and risks associated with safety and compliance standards. Inadequate facilities may not meet regulatory requirements, leading to potential fines or legal challenges that could further strain the Company's resources. The need for frequent repairs or upgrades in response to infrastructure deficiencies can escalate costs, impacting profit margins and overall financial performance. As such, the reliance on client infrastructure, which is often beyond the Company's control, poses a risk that could adversely affect its operational efficiency and long-term viability. If any of these risks materialize, this could have a material adverse impact on the Company's business, financial performance, results of operations, and prospects.

2.1.11 Risks related to delayed payments by clients and cash management, and default or bankruptcy of clients

The Company's operations are exposed to risks associated with delayed payments from clients, which could materially impact its cash flow, working capital, and financial position, particularly because its ability to service its credit facilities hinges on receiving timely payments from its clients. A significant portion of the Company's revenue is derived from its top two government owned entities, which operate under extended payment cycles or require compliance with complex invoicing and administrative processes. Revenue from the largest client accounted for 21.8% of total revenue for the year ended 31 December 2022G, 29.2% for the year ended 31 December 2023G, and 45.3% for the year ended 31 December 2024G and 47.0% for the three-month period ended 31 March 2025G. Revenue from the second-largest client represented 27.3% of total revenue for the year ended 31 December 2022G, 29.2% for the year ended 31 December 2023G, and 21.1% for the year ended 31 December 2024G and 18.9% for the three month-period ended 31 March 2025G, it is noted that these two clients operate within the giga projects sector and the aviation sector.

Trade receivables from the largest client were SAR 6,043 thousand (7.3% of the Company's trade receivables) for the year ended 31 December 2022G, SAR 58,674 thousand (33.2%) for the year ended 31 December 2023G, and SAR 75,659 thousand (32.3%) for the year ended 31 December 2024G and SAR 111,337 thousand (representing 43.5% of the Company's trade receivable) for the three month period ended 31 March 2025G. For the second-largest client, trade receivables totalled SAR 30,772 thousand (37.0%) for the year ended 31 December 2022G, SAR 46,311 thousand (26.2%) for the year ended 31 December 2023G, and SAR 58,130 million (24.8%) for the year ended 31 December 2024G and 50,488 thousand (representing 20.0% of the company's trade receivable) for the three-month period ended 31 March 2025G.

Excluding these two clients, the aggregate trade receivables of the Company's next ten largest clients amounted to SAR 24.0 million (29.0% of total trade receivables) for the year ended 31 December 2022G, SAR 30.6 million (17.3%) for the year ended 31 December 2023G, and SAR 52.7 million (22.5%) for the year ended 31 December 2024G and SAR 39.6 million (representing 15.5% of the company's trade receivable) for the three-month period ended 31 March 2025G.

Delays in receiving payments from key clients may negatively impact cash flow and affect the Company's ability to meet its financial obligations.

The Company's trade receivables were SAR 83.0 million, SAR 176.8 million, SAR 234.0 million and SAR 256.1 million as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. Gross receivables over 90 days past due accounted for SAR 20.6 million, SAR 74.8 million, SAR 32.6 million, and SAR 62.4 million as of 31 December 2022G, 2023G and 2024G, respectively, representing 24.8%, 42.3%, 13.9%, and 24.4% of total trade receivables for the same periods. Please refer to Table (6.20) for further details on trade receivables. The balance of the provision for doubtful receivables amounted to SAR 1.1 million, SAR 1.8 million, SAR 3.3 million and SAR 3.3 million as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. This allowance is low relative to trade receivables outstanding for more than one year, especially given the existence of a balance of SAR 9.1 million of receivables aged over one year as at December 2024G (of which 36% is covered by the provision), and SAR 11.0 million as at March 2025G (of which only 30.2% is covered), and therefore may be insufficient to absorb potential credit losses. Write-offs amounted to SAR 1.0 million, SAR 0.3 million, SAR Nil, and SAR Nil as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively.

Total receivables overdue by more than 180 days amounted to SAR 7.4 million (representing 8.9% of total trade receivables), SAR 59.9 million (representing 33.9% of total trade receivables), SAR 17.3 million (representing 7.4% of total trade receivables), and SAR 31.4 million (representing 12.3% of total trade receivables) for the years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. The Company has three substantially delayed payments, and are not yet settled by the clients as of 31 March 2025G totalling SAR 9.5 million (representing 3.7% of total trade receivables). As of 31 March 2025G, there is SAR 4.2 million outstanding with a government client, and SAR 5.3 million with two state-owned enterprises. All clients have acknowledged the debt, and the Company did not write off the amounts. If the Company did not retrieve such amounts for any reason, it may result in a write off adversely affecting the Company's financial position.

Payment terms with government owned clients often exceed industry averages, with settlement periods sometimes extending to 90 days. Settlement periods in case of delays extend to 120 – 190 days. Additional delays include the approval of invoices, submission of required documentation, and resolution of client queries. Additionally, the majority of the Company's contracts grant the clients the right to withhold payments in the event of disputes over service level performance, contractual terms, claims of Company breach, or invoicing requirements, which could result in prolonged delays or non-payment. The Company currently calculates expected credit loss provisions based on historically low loss rates, despite the presence of aged trade receivable and contract assets. This approach may be considered relatively less conservative. A shift toward a more conservative methodology would have a direct impact on the income statement by increasing provisions and reducing profitability.

The Company relies on timely client payments to fund its operations, including payroll, supplier payments, and other fixed expenses. Any significant delays or defaults in payments could force the Company to secure additional financing to cover short-term liquidity needs, increasing borrowing costs and reducing financial flexibility, or potentially causing a disruption and suspension in the Company's operations. For example, a delay in payments from a major client could result in a liquidity shortfall, impacting the Company's ability to deliver services and maintain operations effectively. The concentration of revenue from a small number of key clients heightens the Company's exposure to payment delays. If one or more of these clients were to delay payments significantly or does not pay (including due to disputes over services), it could materially impact the Company's financial performance and business stability. The Company faces a certain risk for high-value contracts with government agencies, where payment cycles are tied to administrative and budgetary processes beyond the Company's control. If the Company is unable to effectively manage the risks associated with delayed payments or secure alternative funding sources, it may experience disruptions in operations, increased financial costs, and reduced growth prospects. The occurrence of those factors would materially and adversely affect the Company's business, financial condition, results of operations, and its future prospects. The Company's short-term financing structures and mobilization cost funding-particularly those related to progress payment finance, under the facility agreements with both the Banque Saudi Fransi and Emirates NBD are dependent on the timely collection of project receivables. Any delays or defaults by project clients may impair the Company's ability to meet scheduled or final payments, potentially resulting in breaches of these agreements or defaults under the facility terms.

Further, the Company is exposed to risks arising from the potential default or insolvency of its clients, which could have a material adverse effect on its business, financial condition, and results of operations. The default or insolvency of one or more major clients would result in the loss of revenue associated with those contracts, as well as an increase in trade receivable write-offs, negatively impacting the Company's cash flow and profitability. In the event of a client's default or insolvency, the Company may also incur additional costs related to collection efforts, legal actions, or asset recovery. Moreover, the sudden termination of a contract due to insolvency could result in operational disruptions, specifically where the client's project represents a significant portion of the Company's workforce or resources. If a major client defaults or becomes insolvent, the Company may experience material adverse effects on its cash flow, operational stability, and ability to fund growth initiatives.

2.1.12 Risks relating to lump sum contracts, guaranteed maximum price contracts and unit cost contracts

The Company's contracts are primarily either lump sum or cost-plus (see risk factor (2.1.13) ("**Risks related to cost-plus contracts**") below). Or through a guaranteed maximum price structure or unit cost contracts.

A lump sum contract is an agreement where one total price covers the entire scope of work on a project. This base contract price is set from the beginning and generally does not change later based on actual costs or overruns. A cost-plus contract is an agreement that does not include a fixed price; rather, the client is charged for the actual costs incurred during execution, in addition to a pre-agreed profit margin. Guaranteed Maximum Price Contracts follow the same structure as cost-plus contracts but include an upper limit on total costs. Finally, unit-cost contracts are agreements for non-repetitive services, in which a fixed rate is agreed upon for each unit of work to be provided.

As of 31 March 2025G, the Company has 115 lump sum contracts, guaranteed maximum price contracts, and unit cost contracts out of 118 ongoing contracts. The revenue from those contracts amounted to SAR 324.5 million (representing 96% of total revenue), SAR 505.8 million (representing 97% of total revenue), and SAR 752.6 million (representing 94% of total revenue) and SAR 189.7 million (representing 86.6% of total revenue) for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively.

Lump-sum contracts, guaranteed maximum price contracts, and unit-cost contracts involve similar risks. As the profit margin under these contracts is fixed and cannot be exceeded without the client's prior approval, it is not contractually agreed upon nor guaranteed, and may vary depending on the actual costs incurred. If the cost of services exceeds this threshold and clients refuse to pay the additional amount, the Company may be required to absorb the excess costs or resort to dispute resolution mechanisms, which could result in financial losses and potential legal disputes with clients. Accordingly, these contracts carry cost overrun risks that may lead to reduced profit margins or even losses. Key risks include: Incorrect assumptions related to costs,

scheduling estimates or future economic conditions, including with respect to the impacts of inflation on material needed for the relevant scope of work;

- Inaccurate estimates of costs, timelines, or future economic conditions, including the impact of inflation on materials required for project execution;
- Inaccurate representations of site conditions and unanticipated changes in the project execution plan;
- Insufficient or inadequate project execution tools and systems needed to record, track, forecast and control cost and schedule;
- Reliance on historical cost and/or execution data that is not representative of current economic and/or execution conditions;
- Unanticipated increases in the cost of workforce, components or equipment, including due to inflation or general increase in employee cost;
- Failure to properly assess and update appropriate risk mitigation strategies and measures;
- Difficulties related to the performance of clients, partners, subcontractors, suppliers or other third parties;
- Failure to properly manage and obtain advance written approval for client scope change requests including proceeding with change requests works based on verbal approvals;
- Delays or productivity issues caused by weather or other natural conditions; and
- Changes in laws or difficulties or delays in obtaining permits.

Moreover, the tendering process for these contracts is more competitive, driving stronger pressure for lower pricing. These contracts also face the risk of a cap on the profits that can be realized, since the consideration is fixed from the outset and therefore limits the Company's earnings to the agreed lump-sum or maximum amount.

The Company's failure to properly forecast, manage and perform lump sum contracts directly impact its cost and profit; all of which could have a material and adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.13 Risks related to cost-plus contracts

The Company's contracts are primarily either cost-plus or lump sum (see risk factor (2.1.12) ("**Risks relating to lump sum contracts, guaranteed maximum price contracts and unit cost contracts**") above). A cost-plus contract is a contract with no specific fixed value, rather where the Company bills the client for actual costs incurred plus an additional pre-negotiated amount for profit. With a cost-plus contract, the contract specifies "allowed" costs that the Company can bill. These contracts allow the client to design the scope as they go, and allows flexibility to change the scope of the project. As of 31 March 2025G, the Company has 3 cost plus contracts out of 118 ongoing contracts. The revenue from such contracts amounted to SAR 13.1 million (representing 4% of total revenue), SAR 14.6 million (representing 3% of total revenue), and SAR 50.3 million (representing 6% of total revenue) and SAR 29.4 million (representing 13.4% of total revenue) of the Company's revenue for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively.

Risks associated with these contracts include disputes over cost and whether they are "allowed" and therefore can be re-imbursed and billed, especially if the Company did not obtain pre-approval on a specific cost due to time constraints or otherwise. These contracts also include risks of cash flow management, as the Company cannot forecast its cost and backlog as the scope is set by the client, and carries risk of inability to manage resources if the scope significantly increases and/or includes unusual or unique work requiring specific resources not readily available.

The Company's failure to properly manage resources for cost-plus contracts could impact its cash flow and resources negatively, and any disagreement on scope can increase the Company's cost and decrease its profits; all of which could have a material and adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.14 Risks related to procurement of contracts and awarding projects

The Company's growth and financial performance are closely tied to its ability to successfully procure contracts and secure project awards in competitive bidding processes. During the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, the Company success rate (i.e., percentage of contracts awarded to contracts pitched) reached 57%, 30% 14% and 18%, respectively.

As of 30 June 2025G, the Company submitted bids for 53 projects which are not yet won or lost. If the Company wins all, most, or a large number of these bids, and it does not find enough resources, it might need to withdraw. If it does, this could impact its reputation or cause legal liability. Further, if the Company decides to take them on, the Company may face challenges in allocating sufficient resources, including skilled labor, materials, and management oversight, to each of these projects. This could lead to delays in project execution, increased costs, and potential contractual delay penalties for not meeting agreed timelines with the clients, resulting in a material adverse effect on the Company's business, results of operations, financial position, and future prospects. The strain on resources could also impact the quality of work delivered by the Company, leading to dissatisfied clients and damage to the Company's reputation.

Further, these procurement processes are highly competitive, requiring the Company to invest substantial time, effort, and financial resources in preparing technical proposals, meeting prequalification criteria, and submitting bids. Despite these efforts, the success rate in securing contracts is influenced by many factors beyond the Company's control, including pricing competitiveness, technical capabilities, and shifting client priorities.

The Company's revenue pipeline and operational planning can be materially disrupted by delays in the awarding of major projects. If major projects experience prolonged delays in the procurement and award phases due to factors such as budget approvals, shifts in client timelines, or changes in project scope. Such delays could result in misalignment between the Company's resource allocation and actual project needs, which leads to increasing costs and reducing operational efficiency. Please refer to Section (2.1.22) ("**Risks related to effectively managing backlog and new projects to maintain profitability and utilization rate**") for further details on the risks associated with managing contracted business.

As at 31 July 2025G, the Company submitted bids for 119 projects with an aggregate value of SAR 2.39 billion with contract durations ranging from one to ten years, of which 30 were awarded to the Company between April and July 2025G. Of these prospective projects, those awarded to the Company amount to SAR 730.9 million, projects under review by the client amount to SAR 1,044 million, and projects at the negotiation stage and not yet awarded amount to SAR 612.3 million. Further, the Company relies on the information provided by the clients during the procurement process, limited access to site visits, technical expertise of the team conducting the assessment of the project requirements and meetings with client's team where available to estimate the contract requirements which exposes the Company to potential risks where such assessments may differ from Client expectations including poorly defined or unrealistic performance expectations that may have not been assessed correctly leading to disruption or additional costs for the Company to meet its obligations in delivery of the services under the contracts.

Further, as the Company has a government clients' segment, this means the bidding with those clients is done under the Procurement Law. The Procurement Law has specific provisions protecting the client, which cannot be varied, and has various restrictions which may not accommodate for typical provisions in an FM contract.

The Company additionally incurs costs associated with participating in bidding processes, which did not exceed 1% of total revenue in each of the last three financial years. These costs include resources dedicated to preparing bids, hiring consultants, and addressing compliance requirements, which are incurred regardless of whether the bid is ultimately successful. These costs are inherent in the Company's business.

There is no guarantee that the Company will secure contracts at desired levels or within expected timelines. If the Company is unable to maintain its success rate in contract procurement, experiences significant delays in project awards, or incurs costs in the bidding process that is not offset by operations, its business, financial condition, and growth prospects could be materially and adversely affected.

2.1.15 Risks related to the relationship with EFS Group and the use of its services

The Company relies on its relationship with EFS Group - which currently owns 55% of the Company's shares - for a range of critical services and support, including technical assistance, licensing of the name, overseas recruitment assistance, and administrative services. Please refer to Section (4.17) ("**Relationship with EFS Group**") for further details on the Company's relationship with the EFS Group. The total fees that are charged by EFS Group amounted to SAR 8.9 million, SAR 13.2 million, SAR 16.4 million, and SAR 3.9 million for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively, representing 2.65%, 2.54%, 2.04% and 1.78% of the Company's annual revenues for the same periods.

The Company entered into the technical support agreement with EFS Group on 22 October 2008G, which is summarized in Section (12.3.3) "**Related Party Transactions and Contracts Involving Interests of Board Members**" ("**Related Party Transactions**"). Under this agreement, the Company received various services including:

1. **Technical Services:** EFS Group provides the Company with access to proprietary systems, operational expertise, and technology platforms that are integral to delivering its facilities management services. Accordingly, the Company's IT system continues to rely on EFS Group.
2. **Trademark Licensing and Marketing:** EFS Group also licenses the name and trademark "EFSiM" to the Company in the Kingdom, and charge marketing fees for the same and for the marketing cost in general. The fees received by EFS Group from the Company amounted to SAR 3.7 million, SAR 5.5 million, SAR 8.1 million and SAR 2.1 million for the financial years ended 31 December 2022G, 2023G and 2024G, and for the three-month period ended 31 March 2025G, respectively, and represented 1.1%, 1.1%, 1.0% and 1.0% of the Company's revenues for the same periods, respectively. Please refer to Section (2.1.39) ("**Risks related to protection of intellectual property rights**") for further details regarding the risks associated with trademark usage.
3. **Recruitment Support:** EFS Group supports the Company in sourcing skilled manpower from foreign markets. This includes leveraging its global recruitment outreach to meet the Company's staffing requirements.

Additionally, The Company has contracts which were sourced through EFS Group, where EFS Group has a global contract for a client and the Company performs the Saudi component of the work through an independent contract of employment between the Company and the client. Revenue from these contracts represent 2.6%, 5.4%, 5.6% and 5.9% of the Company's revenue for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. This service is not part of the technical support agreement, but is instead provided to the Company in its capacity as a member

in EFS Group.

The technical support agreement obligates EFS Group to provide the aforementioned services in accordance with the agreed-upon fees, and in the event of a partial or full exit by EFS Group, the agreement shall terminate under the following circumstances: (a) in the case of a material breach, following a cure period granted to the other party (six months in the event of a breach by the Company, or sixty days in the event of a breach by EFS Group); and (b) if either party becomes insolvent, is placed under judicial guardianship, enters into a settlement with its creditors, or is subject to a liquidation order.

The Company may fail to fulfill its obligations, most notably the payment of service and licensing fees, which grants EFS Group the right to terminate the agreement after a six-month period without cure. Alternatively, the agreement may be terminated if either party becomes insolvent or bankrupt. EFS Group may also fail to meet its obligations under the agreement, whether due to a change in its strategic direction or circumstances beyond its control, such as financial or operational conditions, and may not respond to requests to cure such breach. In the event the agreement is terminated, the Company may be unable to develop internal capabilities to meet its service needs or to procure such services from third parties on acceptable terms. If the Company is unable to do so, it will no longer be able to use these services or the associated trademark, which may adversely affect its business operations, its ability to retain customers, its market share, and its profitability.

Any financial or operational difficulties faced by EFS Group, including those outside of its control, could directly impact the availability and quality of the services provided to the Company. For example, if EFS Group experiences disruptions in its global recruitment network or technology platforms, the Company's ability to meet client demands may be adversely affected. Any interruption, termination, or adverse change in the terms of the arrangements with EFS Group could materially and adversely affect the Company's operations, financial condition, and future prospects.

Additionally, the agreement grants the Company the right to purchase the trademark and its associated rights at a fair market value determined by an independent certified appraiser, provided that the Company submits notice to the EFS Group at least one year prior to the intended purchase date. Should the Company choose to exercise this right and opt to acquire the trademarks rather than continue licensing them, this may result in additional costs and could negatively impact the Company's cash flow during the relevant period if cash flow is not properly managed. Furthermore, if the Company does not effectively manage its brand strategy, it may fail to capitalize on the acquired trademarks and may be unable to generate sufficient returns to offset the costs incurred from the purchase.

2.1.16 Risks related to health and safety of workers and third parties

The Company's operations expose its workforce and third parties, including clients and subcontractors, to various health, safety, and environmental (EHS) risks associated with facilities management services. These risks, if not effectively managed, could result in accidents, injuries, illnesses, or fatalities, which may have a material adverse effect on the Company's reputation, financial performance, and ability to maintain client relationships.

The nature of the Company's services, such as maintenance, cleaning, and hazardous material handling, involves exposure to physical, chemical, and environmental hazards. The occurrence of any workplace incidents, whether due to non-compliance with EHS standards, employee error, or unforeseen operational challenges, could lead to legal liabilities, regulatory penalties, reputational damage, breach of contracts and increased insurance costs. The Company recorded a total of 0 loss time injuries (LTI) over 6.6 million man-hours, 11.6 million man-hours, 18.1 million man-hours, and 5.1 million man-hours for the financial years 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively whilst reporting a Total Recordable Incident Rate (TRIR), a widely accepted metric that measures the number of injuries or incidents per 100 full-time employees over a one-year period, of 0.21, 0.27, 0.08, and 0.04 for the years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. The Company is required to comply with stringent health and safety regulations in the Kingdom pursuant to applicable laws and its contractual obligations. Failure to meet these requirements could result in fines, suspension of operations, reputational damage, or the right of the clients to terminate the contracts. Additionally, changing regulatory frameworks may impose new compliance obligations, requiring further investment in safety training, equipment, and monitoring systems. Third-party risks also contribute to the Company's exposure. Subcontractors and other external personnel working on Company-managed sites may not adhere to the same safety standards, or be subject to incidents, increasing the risk of incidents. The Company's reputation and legal obligations may be adversely affected if third parties are involved in safety violations or incidents while operating under the Company's supervision. Please refer to Section (2.1.27) ("**Risks related to the housing and transportation of the workforce**") for more details about health and safety risks related to housing accommodation.

The occurrence of serious EHS incidents could lead to service disruptions, legal claims, and increased scrutiny from regulators and clients. In the long term, these risks could impact the Company's ability to secure new contracts and maintain existing client relationships, as well as increase operational costs associated with safety measures and liability management. If the Company is unable to effectively manage health and safety risks, ensure compliance with regulations, or mitigate the impact of incidents, its business, financial condition, results of operations, and reputation may be materially and adversely affected.

2.1.17 Risks related to the provision of a wide range of services, and inability to control quality and specialization

The Company provides – directly or through subcontractors – a wide range of facilities management services, including cleaning, MEP maintenance, pest control, HVAC systems maintenance and repair, and other specialized offerings. The breadth of services allows the Company to address diverse client needs. However, it also introduces significant challenges related to maintaining

consistent quality standards, managing specialization, and ensuring operational efficiency. Any failure to manage these challenges effectively could materially and adversely affect the Company's business, financial condition, results of operations, and reputation.

The provision of a wide range of services requires the Company to maintain a workforce with a broad range of expertise and specialized skills. The Company needs to retain qualified employees in different service lines with proper training and experience. Any gaps in employee specialization or training could result in low-quality service delivery, leading to client dissatisfaction, loss of contracts, or reputational damage.

Additionally, managing quality control across multiple service categories and geographic locations presents inherent risks. Different operational practices, employee performance, or the complexity of specific projects may lead to inconsistent service quality. Failure to adhere to technical standards in HVAC maintenance or compliance requirements in pest control could result in client complaints, regulatory penalties, or even operational hazards.

If the Company is unable to consistently maintain high standards of service quality across its wide range of offerings or manage the complexities associated with specialization, its reputation, client relationships, and financial performance could be materially and adversely affected.

2.1.18 Risks related to reputation and client satisfaction

The Company's reputation and ability to maintain client satisfaction are critical to its success in the competitive facilities management industry. The Company's reputation is built on its track record of delivering reliable, high-quality services to a diverse range of clients, including public and private sector entities. Any event or series of events that damage the Company's reputation or erode client satisfaction could materially and adversely affect its business, financial condition, results of operations, and growth prospects.

A variety of factors influence client satisfaction, including service quality, responsiveness, adherence to contractual terms, and the Company's ability to meet client-specific requirements. Inconsistent service delivery, delays in project completion, or failure to meet performance standards may lead to dissatisfaction, complaints, or the loss of key contracts. For example, failure to meet the expectations of major clients could result in reputational damage that extends beyond the individual contract, affecting the Company's ability to secure future projects.

Under the majority of its contracts, the Company's performance is measured by the client based on a periodical scorecard and key performance indicators, pre-agreed during the contract award stage. Subject to the evaluation of such performance indicators, the Company might be exposed to performance-based deductions from its revenue and payments in accordance with such terms.

The Company is also exposed to risks arising from negative publicity, which could amplify the impact of service failures or operational incidents damaging the Company's reputation. Further, poor performance by subcontractors or third-party vendors could harm its reputation, even if the Company is not at fault.

Additionally, the Company's reputation and client relationships are closely tied to its ability to adapt to evolving client needs and market trends. Failure to innovate, adopt new technologies, or offer competitive pricing could result in the perception that the Company is unable to meet industry standards. The Company's reputation is also linked to the reputation of EFS Group, which is outside of the Company's control. Any factor impacting EFS Group, including decrease in performance, any misconduct or issue that becomes public, could reflect on the Company's reputation given that they are in the same group.

If the Company is unable to protect its reputation, address client concerns, or maintain strong client relationships, it may experience reduced client retention, difficulty in securing new contracts, and a decline in overall market competitiveness. This would have a material adverse effect on the Company's business, financial condition, results of operations, and long-term growth.

2.1.19 Risks related to disputes and legal cases

The Company and its Subsidiary are exposed to commercial lawsuits, as well as labour disputes that occur within the ordinary course of its business. On 31 August 2025G, the Company is the defendant in two cases: (1) one relating to legal fees in which a first-instance judgment was issued against the Company in the amount of SAR 200,000 and the Company intends to appeal; and (2) a case in the amount of SAR 2,340,037, which had previously been dismissed but was refiled by the claimant; accordingly, no provision has been recorded for this case. In addition, the Company is a defendant in two labor-related lawsuits filed against it as at 1 August 2025G, with a total claimed amount of SAR 100,990. The subsidiary has no outstanding legal disputes. Other than these disputes, the Company and the Subsidiary are not parties to any judicial dispute or claim or an ongoing investigation, which could have, individually or collectively, a material impact on the business of the Company or the Subsidiary or their financial position. Additionally, the Company is exposed to fines and penalties in the normal course of its operations. For more information, please see Section (2.1.34) ("**Risks Related to Licensing and Evolving Regulatory Compliance**").

Many aspects of the Company's business involve risks of potential disputes with its clients, employees, suppliers, or third parties. Such disputes may have a material impact on the Company and there can be no assurance that the results of such disputes will be in the Company's favour. Such disputes may be of material amounts and there can be no assurance that the results of such disputes will be in the Company's favour. Moreover, defending against such proceedings may be lengthy and costly to the Company. Therefore, the loss of the Company in any dispute or their failure to accurately assign provisions for the disputed amounts will have an adverse effect on the Company's business, results of operations, financial position and future prospects. Any dispute the Company becomes involved in, or the failure by the Company to accurately provision for such dispute may have

an adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.20 Risks related to the Company's Zakat and tax status

The Company is subject to Zakat and tax requirements in the Kingdom. Any increase in Zakat and/or tax requirements applicable to the Company may adversely affect its profitability. The Company currently pays Zakat at 2.5% on the higher of adjusted income or the Zakat base, based on Saudi shareholders' share of 45%. For non-Saudi shareholders (55%), income tax is applied at a rate of 20% on their share of net adjusted income, as per ZATCA requirements. The Company may make errors while implementing regulatory requirements, which may lead to the imposition of penalties by ZATCA in accordance with the relevant tax and Zakat rules, which would have a negative effect and material impact on the Company's business, results of operations, financial position and prospects. The Company has filed Zakat and tax returns since its inception and up to and including the financial year ended 31 December 2023G, obtained the relevant certificates for the same period, and has paid Zakat and tax dues within the required timeframes.

In 2022G, ZATCA issued assessments for the financial years ended 31 December 2016G, 2017, and 2018, asserting additional tax liabilities amounting SAR 396,265, SAR 3,095 and SAR 29,575, respectively, which the Company has accepted and settled. However, ZATCA has not yet issued final assessments for the financial years ended 31 December 2019G through 2024G. As ZATCA reserves the right to review any of the previous years, it may issue assessments for those years. The current shareholders will bear any future additional zakat amounts imposed by the ZATCA in relation to prior years up to the listing date, in proportion to their ownership.

As at 31 December 2022G, 2023G, 2024G, and the three month period ended 31 March 2025G, the total provision / liability for Zakat amounted to SAR 2,978,162, SAR 2,911,154, and SAR 5,299,029, and SAR 7,321,028, respectively.

The following tables shows the Zakat and tax expenses amounts for the financials years from 2020G to 2023G:

Table 2.6: Zakat and Tax Expenses 2020G - the three month period ended 31 March 2025G

Financial Year	Zakat at 2.5% - Saudi Shareholder	Tax at 20% - Foreign Shareholder	Deferred Tax Expense / (Reversal)	Net of re-assessment of prior years	Total (SAR)
the three-month period ended 31 March 2025G	359,060	1,662,933	-	-	2,021,993
2024G	1,277,064	6,525,532	13,913	-	7,816,509
2023G	949,726	3,063,559	126,973	(138,078)	4,002,180
2022G	773,900	2,204,262	(167,779)	22,721	2,833,104
2021G	645,663	732,152	534,062	-	1,911,877
2020G	577,257	746,516	(98,685)	-	1,225,088

Source: The Company and relevant financial statements

Any differences in ZATCA's assessment of the Company's Zakat or tax, and any change in Zakat and taxation rules and interpretations or practice, would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.21 Risks related to financing arrangements

A. Current Financing

The Company's business relies on appropriate working capital, and the Company may seek financing or assistance from third parties in securing funding for its operations and the deployment of workforce. The Company's external debt amounted to SAR 29.9 million, SAR 100.6 million, SAR 121.0 million, and SAR 131.9 million as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. The increase in debt was primarily required to finance the Company's operations, including running costs and mobilization expenses for key new contracts. Interest expense amounted to SAR 3.9 million (1.2% of revenue) for the year ended 31 December 2022G, SAR 6.3 million (1.2% of revenue) for the year ended 31 December 2023G, and SAR 14 million (1.7% of revenue) for the year ended 31 December 2024G, and SAR 2.6 million (1.2% of revenue) for the three-month period ended 31 March 2025G.

The Company has five financing arrangements with an aggregate maximum limit of SAR 528,796,034, and aggregate amounts drawn thereunder amounting, as at 31 March 2025G, to SAR 163,979,518, as follows: a maximum financing of SAR 149,997,034 from Banque Saudi Fransi, SAR 105,000,000 from Emirates NBD, and SAR 65,000,000 from Alinma Bank, and an amount of SAR 56,299,000 is held with The Saudi National Bank (which is still in the activation phase), and SAR 152,500,000 with Gulf International Bank. As of 31 March 2025G, the outstanding amounts under financing agreements include SAR 70,954,740 under the agreement with Banque Saudi Fransi, and SAR 60,933,705 in addition to SAR 32,091,073 to cover letters of guarantee issued by Emirates NBD.

1. The Company has a credit facility agreement with Banque Saudi Fransi dated 18/12/1445H (corresponding to 24/06/2024G) with a maximum limit of SAR 149,997,034, which provides a wide range of Sharia-compliant financial instruments, including bid bonds, advance payment guarantees, performance guarantees, and facilities. The amounts withdrawn under this facility as of 31 March 2025G amounted to SAR 70,954,740, in addition to the total issued letters of guarantee. The Company provided a promissory note amounting to SAR 149,997,034 as a guarantee, the Current Shareholders provided guarantees in proportion to their ownership in the Company, in addition to the Company's assignment of all revenues from the projects financed under the facilities as collateral. According to the agreement, the Company committed to a number of restrictions, including retaining 50% of the annual net profits in the Company and not distributing them, maintaining a debt-to-equity ratio not exceeding 3:1, a liquidity ratio of not less than 1:1, a coverage ratio of at least 125% for each financed project, the Bank's prior approval for any change to the Company's corporate structure, and compliance with Sharia principles applicable to the financed projects. In addition, the agreement considers a number of events, including matters beyond the Company's control, as breaches that give the lender the right to terminate the agreement and collect all amounts due immediately. These events include a material change in the Company's ownership structure or control without the lender's consent, the Company ceasing to carry out a significant part of its business or materially changing its scope of business, if any other indebtedness becomes due or is declared due before the specified maturity date, the Company being subject to bankruptcy or liquidation or any similar procedure, and in the event of the issuance of a law, judgment, or amendment that exempts the Company from fulfilling its obligations.
2. The Company has a credit facility agreement with Emirates NBD dated 28/10/1445H (corresponding to 07/05/2024G) with a maximum limit of SAR 105,000,000, which provides credit facilities, bid bonds, performance guarantees, stage payment financing, project start-up financing, in addition to a reserve credit limit that includes letters of credit, advance payment guarantees, and short-term financing. The amounts withdrawn under this facility as of 31 March 2025G amounted to SAR 60,933,705 in addition to SAR 32,091,073 to cover bonds. The Current Shareholders provided guarantees for the full limit in proportion to their ownership in the Company, in addition to the Company's assignment of all revenues from the projects financed under the facilities as collateral. According to the agreement, the Company committed to a number of restrictions, including retaining 50% of the annual net profits in the Company and not distributing them, maintaining a debt-to-equity ratio not exceeding 2:1, and a liquidity ratio of not less than 1:1, a 125% coverage for every financed project, not to alter the Company's legal status, merge with another entity, or effect any material structural changes without the Bank's prior written consent, and and compliance with Sharia principles applicable to the financed projects. In addition, the agreement considers a number of events, including matters beyond the Company's control, as breaches that give the lender the right to terminate the agreement and collect all amounts due immediately. These events include any inaccurate or incorrect presentation of data or guarantees by the Company, breach of any financial covenants or other conditions stipulated in the agreement, any material change in the Company's legal, structural, or financial status affecting its ability to meet its obligations, the Company declaring bankruptcy or being unable to pay its debts, or entering into negotiations to restructure its debts, and if any of the provided guarantees become invalid or unenforceable.
3. The Company has a facility agreement with Alinma Bank dated 21/04/1446H (corresponding to 24/10/2024G), with a maximum limit of SAR 65,000,000, which provides credit facilities, initial guarantees, final guarantees, invoice financing, regular documentary credit financing, flexible Murabaha, and deferred sale financing (direct payment to suppliers). The Company did not withdraw any amounts as of 30 June 2025G, only two letters of guarantee were utilized: one for SAR 1.6 million and another for SAR 3.3 million, the latter of which was subsequently cancelled. The Current Shareholders provided guarantees for the full limit in proportion to their ownership in the Company, in addition to the Company's assignment of all revenues from the projects financed under the facilities as collateral. According to the agreement, the Company committed to a number of restrictions, including retaining 50% of the annual net profits in the Company and not distributing them, maintaining a debt-to-equity ratio not exceeding 3:1, a liquidity ratio of not less than 1:1, and to maintain tangible net assets of at least SAR 84,000,000, together with compliance with Sharia principles governing the financed projects. In addition, the agreement considers a number of events, including matters beyond the Company's control, as breaches that give the lender the right to terminate the agreement and collect all amounts due immediately. These events include any inaccurate or incorrect presentation of data or guarantees by the Company, breach of any financial covenants or other conditions stipulated in the agreement, any material change in the Company's legal, structural, or financial status affecting its ability to meet its obligations, the Company declaring bankruptcy or being unable to pay its debts, or entering into negotiations to restructure its debts, and if any of the provided guarantees become invalid or unenforceable.
4. The company has a credit facility agreement with The Saudi National Bank effective from 23/07/1446H (corresponding to 23/01/2025G) with a maximum limit of SAR 56,299,000, which provides credit facilities, bid bonds, performance bonds, trade finance services, and payment orders. The company has not withdrawn any amounts as of 30 June 2025G, as the agreement is still under activation and the company is in the process of fulfilling the precedent conditions. The current shareholders have provided guarantees for the full limit proportionate to their ownership in the company, in addition to the company's assignment of all revenues from projects financed under the facility as collateral. According to the agreement, the company is committed to a number of covenants including retaining 50% of annual net profits within the company without distribution, maintaining a debt-to-equity ratio not exceeding 3:1, a liquidity ratio not less than 1.3:1, and tangible equity not less than SAR 84,000,000. In addition, the agreement considers a number of events, including matters beyond the company's control, as defaults that give the lender the right to terminate the agreement and demand immediate repayment of all outstanding amounts. These events include any inaccurate or incorrect representation of data or warranties by the company, breach of any financial or other covenants stipulated in the agreement, any material change in the company's legal, structural, or financial status affecting its ability to meet its obligations, declaration of bankruptcy or inability to repay debts, entering into debt restructuring negotiations, and in the event of the death of any shareholder in the company.
5. The company has a credit facility agreement with Gulf International Bank effective from 30/10/1446H (corresponding to 28/04/2025G) with a maximum limit of SAR 152,500,000, which provides contract financing and working capital,

bridge financing, and a credit card facility. The company has not withdrawn any amounts as of 30 June 2025G. The current shareholders have provided guarantees proportionate to their ownership in the company in a total amount of SAR 57,950,000, and with respect to EFS Group, the guarantee provided by it covers the full indebtedness but with a maximum limit of: (a) its proportional ownership in the company, or (b) 55% of the total outstanding indebtedness at the time (whichever is greater). According to the agreement, the company is committed to a number of covenants including that the ratio between total current assets and total current liabilities shall not be less than 1.2:1, the ratio between total liabilities and total net tangible shareholders' equity shall not exceed 3.25:1, and the net shareholders' equity shall not be less than SAR 125 million. In addition, the agreement considers a number of events, including matters beyond the company's control, as defaults that give the lender the right to terminate the agreement and demand immediate repayment of all outstanding amounts. These events include any inaccurate or incorrect representation of data or warranties by the company, breach of any financial or other covenants stipulated in the agreement, any material change in the company's legal, structural, or financial status affecting its ability to meet its obligations, declaration of bankruptcy or inability to repay debts, entering into debt restructuring negotiations, and in the event of material adverse changes.

For more details about the financings, please refer to Section (12.3.2) ("**Financing Agreements**").

The financing agreements require the lenders' consent on the Offering, which the Company has obtained.

The Company's financing arrangements, including any agreements the Company may conclude in the future, are subject to various conditions, obligations and restrictions. Any breach of its financing arrangements could restrict the Company's ability to distribute dividends to Shareholders, trigger fines from financiers, accelerate repayments, require the Company to pay the full amounts financed, or lead to enforcement against the Company's assets. In the event of the Company's default under any such loans or facilities, the financiers have the right to enforce their guarantees and accelerate payments, potentially triggering cross default for other financing and permitting all lenders to do the same; which would materially and adversely impact the Company's financial and operations position and prospects.

B. Guarantees from Shareholders

All the Company's financing arrangements involve personal guarantees from the existing Shareholders, it will remain guaranteed under it after the listing. If the Company encounters financial difficulties or fails to meet its debt obligations, the reliance on personal guarantees could hinder its ability to secure additional financing or renegotiate existing terms. Lenders may perceive this arrangement as an indication of higher risk, potentially leading to less favorable borrowing conditions or increased scrutiny during future financing efforts. Further, the Company may not be able to replace these guarantees after the listing with guarantees issued by it or those shareholders may withdraw or default on their guarantees, placing the Company in an immediate default. In the event of the Company's default under any such loans or facilities, the financiers have the right to enforce their guarantees and accelerate payments, potentially triggering cross default for other financing and permitting all lenders to do the same; which would materially and adversely impact the Company's financial and operations position and prospects.

C. Liquidity

Proper cash flow management is crucial in managing the Company's financial risk. The Company net working capital (Trade receivables + contract assets + advances and other current assets – trade payables and other payables) amounted to SAR 60.9 million, SAR 155.2 million SAR 180.4 million, and SAR 261.3 million for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. Further, a significant portion of the outstanding loans as of 31 December 2022G, 2023G, and 2024G are short-term, as short-term loans reached 90.8%, 76.7%, 83.5%, and 86.7%, respectively of the overall outstanding loans. This may pose a liquidity risk for the Company in meeting loan settlements.

The Company faces various risks, such as cost overruns, and unexpected expenses. Failure of the Company to properly manage projects cash inflows and outflows as well as identify potential risks early and take appropriate measures to mitigate them may result in cash shortfalls. Materialization of such risk may, for example, require the Company to undertake unplanned short-term borrowing to compensate for such shortfalls and incur unplanned and costly financing charges which may have an adverse effect on the Company's business, results of operations, financial position and future prospects.

D. Future Financing

The Company needs to continue to make investments to support the growth of its business and may require additional funds to respond to business challenges, implement its growth strategy, increase its market share in its current markets or expand into other markets, or broaden its service offering or other similar growth initiatives. The cash generated from operations and the Company's existing financial resources may not be sufficient to fund this growth strategy. Accordingly, the Company may seek to raise additional capital or incur additional indebtedness. For various reasons, including any non-compliance with undertakings under future lending arrangements, additional financing or the refinancing of existing lending arrangements may not be available when needed, or may not be available on terms favourable to the Company, if at all.

An increase in indebtedness may expose the Company to additional risks. For example, an increase in the indebtedness of the Company may restrict its ability to make strategic acquisitions, make dividend payments or cause it to make non-strategic divestitures to sell or dispose of assets, as well as limit its ability to obtain additional financing. In addition, the Company may have greater difficulty servicing higher debt levels. Such indebtedness may also include covenants that restrict the operations of the Company.

If the Company fails to obtain adequate debt on a timely basis or on terms satisfactory to the Company, or if the Company becomes unable to service its debt repayments as they fall due, this will adversely affect the Company's ability to sustain its operations or achieve its growth plans, which will have an adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.22 Risks related to effectively managing backlog and new projects to maintain profitability and utilization rate

The Company's backlog generally consists of projects for which the Company has an executed contract or commitment with a client and reflects the Company's estimated revenue from the contract or commitment. As of 31 March 2025G, the Company's backlog was SAR 1.8 billion. The Company's existing contracts had an average term of 36 months as of 31 March 2025G, and, based on those contract durations, the projects are expected to be completed in the financial year ended 31 December 2029G. For more details on the value distribution, future timeline, and expected completion dates, please see Table (4.57) ("**The estimated value of contracted projects by Business Segment as at 31 March 2025G**").

Backlog is expressed in terms of gross revenue and, therefore, may include significant estimated amounts of third party or costs to subcontractors and other parties. The Company calculates backlog without regard to possible project renewals, reductions, potential variation business or potential cancellations until such changes or cancellations occur. The Company's method of calculating backlog value may differ from its peers in the sector. Other companies in the sector may exclude certain revenues. This can cause the Company's backlog amounts to appear higher than those of its peers who have a different calculation method.

The Company cannot guarantee that the revenue projected in its backlog will be realized or that the contract will be profitable or will not be subject to delay or suspension. Project cancellations, scope adjustments or deferrals, or fluctuations in related costs may occur with respect to contracts reflected in the Company's backlog and could reduce the value of the backlog and the revenue and profits that the Company actually earns; or may cause the rate at which the Company performs on its backlog to decrease. Most of the Company's contracts, including those with its top clients, have termination for convenience provisions, allowing clients to cancel projects without cause. These potential operational changes also have a direct bearing on the Company's financing profile, because its future borrowings rely on the projected cash flow from contracted projects. If any of those projects are canceled or if collection of the related receivables is delayed the Company could breach its covenants with lenders under the financing agreements, which might trigger demands for early repayment or force a renegotiation of terms. Moreover, certain short-term credit facilities are scheduled to mature before the expected completion of the projects they fund, creating a funding gap unless those facilities are extended or appropriately refinanced. Please see Section (2.1.3) ("**Risks related to client concentration, attracting and maintaining clients and material clients' contracts**") for more details about the material contracts.

Further, the Company might have expected the project to be for a specific period but then the project might have been extended over time in a manner changing the scope and payment for the Company. The Company had two cases in the past three years, and the three-month period ended 31 March 2025G where the Company was not able to earn revenue as per the contract value because the client assets and infrastructure were not ready for handover from the construction contractors in line with the timelines defined at the stage of the contract award. Such a delay, whilst occurring from factors outside the control of the Company, impacted the ability of Company to recognize part of the contractual revenue as the Company may deploy only services for areas that are handed over. For these two projects, the impact was realized revenue of SAR 2.3 million against a forecasted budget of SAR 9 million for the first project (representing a revenue-recognition rate of 25.6%) and this was due to the client's delay in handing over parts of the site, as a result of the contractor's delay in preparing it, and realized revenue of SAR 33.8 million against a forecasted budget of 37.7 million for the second project (representing a revenue-recognition rate of 89.7%), in each case during the financial year ended 31 December 2024G. Such cases may occur in the future.

Such delay may also impact the cost estimates of the delivery of such services and may not be duly reimbursed by the Clients, especially with government and state-owned entities. In the years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively, revenue was SAR 337.5 million (and the conversion rate of backlog to revenue was 98.5%), SAR 520.4 million (and the conversion rate of backlog to revenue was 95.0%), SAR 802.9 million (and the conversion rate of backlog to revenue was 87.0%), SAR 219.1 million (and the conversion rate of backlog to revenue was 94.8%) for the same periods, respectively.

The main contracts underpinning the contracted-project backlog include a flagship aviation-sector contract that expires in 2027G and was 57% complete as of 31 March 2025G. Contracts with the Company's largest giga-projects client-most of which were signed in mid-2023G and throughout 2024G-also represent a significant share of the revenue expected for the years ending 31 December 2025G and 2026G, with average contractual terms of roughly three years.

The total contracted-project value for the year ended 31 December 2025G is about SAR 767.5 million. Within that amount, the flagship aviation client accounts for roughly 19%, while a giga-projects client represents about 12% for one project and 11% for another. Expected revenue for the year ended 31 December 2026G is approximately SAR 639.2 million, likewise concentrated in these same core contracts. Revenue then drops sharply to SAR 321.4 million in 2027G and SAR 96.3 million in 2028G and beyond, as major contracts expire.

The average duration of the company's existing contracts as of 31 March 2025G was 36 months. The Company generally assumes these contracts will be renewed, but renewal is not guaranteed. For example, several contracts-including those with government entities and government-owned entities-expired or were terminated in December 2024G without renewal. This highlights potential risk regarding the viability of the Company's future-renewal assumptions, which could adversely affect its future revenue streams and financial stability over the medium to long term.

Further, the Company must ensure it maintains reasonable backlog ratio to time i.e., backlog being capable of completion without overextending the Company's resources and compromising quality. This can be measured in terms of how long it takes a contractor to convert backlog into revenue. The Company believes that the industry average is 24-36 months. The Company's average backlog conversion timeline is approximately 36 months as of 31 March 2025G. Accordingly, the Company's ratio lies at the upper end of the sector range, which means it takes the Company more time to convert backlog to actual revenue. If the backlog timeline extends beyond a reasonable time, the Company may overrun its cost before realizing the revenue resulting in performance issues.

In addition, as at 31 July 2025G, the Company had submitted bids for 119 projects with an aggregate value of SAR 2.39 billion, of which 30 were awarded to the Company between April and July 2025G. There can be no assurance that the Company will successfully complete the procedures for signing the contracts, or do so within the expected timeframe, or that these contracts will be awarded to it in the expected volume and convert into ongoing contracts forming part of the contracted projects.

If the Company fails to properly estimate, realize and manage its backlog, this will have a material adverse effect on the Company business, results of operations, financial position and future prospects.

2.1.23 Risks related to workforce concentration from specific countries, relationship of the Kingdom with these countries and ability to obtain visas and work permits and risks relating to recruitment

The Company's workforce is heavily reliant on employees sourced from specific countries, including India, Pakistan, Nepal and Sri Lanka. This concentration exposes the Company to risks associated with political, economic, or regulatory changes in these source countries. Any disruptions in these countries-such as changes in labor export policies, geopolitical instability, or public health emergencies-could reduce the availability of skilled labor or delay recruitment efforts, adversely affecting the Company's operations and ability to meet client demands. The following table showcase the employee concentration by country.

Table 2.7: Employees Source Countries

Countries	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
	No. of employees	% of overall employees	No. of employees	% of overall employees	No. of employees	% of overall employees	No. of employees	% of overall employees
Pakistan	195	16.7%	321	12.7%	788	31.3%	290	51.8%
India	336	28.8%	403	15.9%	551	21.9%	152	27.1%
Nepal	65	5.6%	469	18.5%	275	10.9%	3	0.5%
Sri Lanka	4	0.3%	842	33.3%	33	1.3%	-	0.0%
Other countries	568	48.6%	495	19.6%	867	34.5%	115	20.6%
Total	1,168	100.0%	2,530	100.0%	2,514	100.0%	560	100%

Source: The Company

Note: The figure represents the number of individuals who were employed during the period, even if they left the job within it. Accordingly, it is cumulative.

Furthermore, any deterioration in diplomatic relations between the Kingdom and key labor-supplying countries may result in restrictions on visa issuance, recruitment bans, or increased scrutiny of foreign workers. Such developments could limit the Company's ability to maintain an adequate workforce, leading to operational disruptions and financial losses.

Additionally, the Company incurs significant costs associated with obtaining and maintaining visas and work permits for its non-Saudi employees. Government policies in the Kingdom regarding visa issuance and renewal fees are subject to periodic changes, and recent trends indicate an upward trajectory in these costs. For instance, increases in work permit fees or the imposition of additional levies for foreign workers could materially raise labor expenses, affecting the Company's profitability.

Moreover, delays or procedural challenges in visa processing may disrupt workforce deployment timelines, particularly for new projects. The inability to secure timely permits could result in missed deadlines, client dissatisfaction, and potential penalties under contract agreements.

The Company also relies on recruitment agencies to source labor from foreign markets. The percentage of employees sourced through recruitment agencies reached 52.7%, 80.0%, 50.7% and 62.0% for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. Out of those, the concentration of top three recruitment agencies reached 98.3%, 66.3%, 94.6% and 100% of the total recruited employees for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. Any deterioration in the Company's relationships with these agencies could adversely impact the availability and quality of workers. Disputes over fees, performance, or contractual terms may hinder recruitment efforts and delay workforce mobilization. Moreover, changes

in regulations governing recruitment agencies in source countries or in the Kingdom could complicate the Company's ability to engage with existing partners or comply with new requirements. For instance, stricter regulations on recruitment practices or higher fees imposed by agencies may increase costs and delay workforce onboarding.

If the Company fails to maintain strong relationships with reputable recruitment agencies or adapt to regulatory changes, it may face challenges in sustaining its workforce and meeting operational demands. Such outcomes could materially and adversely affect the Company's business, financial condition, and results of operations.

2.1.24 Risks related to the increase in employee cost

The Company's business is significantly impacted by fluctuations in employee costs, which are a major component of its operating expenses. The direct employee costs (i.e., those contracted as employees directly with the company) (which includes base salaries or wages, benefits, allowances, bonuses, training expenses, insurance, government fees and other related costs) accounted for 48.1%, 42.2%, 36.8%, and 41.4% of the Company's total cost of revenue for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. These costs may increase due to various factors, including changes in labor market conditions, government regulations, and the general economic environment. For further details on subcontracted labor costs and the outsourcing of specialized services to third-party providers, please refer to Section (2.1.8) "**Risks related to subcontracting and the outsourcing of specialized services and reliance on third parties to provide them**".

Further, the Company also faces risks associated with the increase in the cost of recruiting and retaining labor from overseas. Changes in government policies such as increased visa fees or mandatory benefits could increase the cost of hiring foreign workers, a significant portion of the Company's workforce. Additionally, rising costs of training and development programs, as well as the need for higher compensation packages to attract skilled employees, can add to employee-related expenses. In the event the Company is unable to manage or pass on these increased employee cost to clients, its profitability could be adversely affected. In the event of a significant increase in employee cost, the Company may face difficulty maintaining competitive pricing while ensuring the quality of its services. The occurrence of any of these factors could result in reduced margins and have a negative impact on the Company's financial performance, business prospects, and market position.

2.1.25 Risks related to employing and sponsoring non-Saudi employees

The Company's workforce includes a significant proportion of non-Saudi employees, whose employment and sponsorship are subject to Saudi labor and residency laws. Any changes to these regulations, or the Company's failure to comply with them, could materially and adversely affect its business, financial condition, and results of operations.

Sponsorship of non-Saudi employees requires the Company to adhere to strict regulations, including the timely renewal of work permits and residency permits, compliance with wage protection systems, and provision of housing and other benefits mandated by law. Any lapses in meeting these obligations could result in fines, suspension of work permits, or other penalties. Given the nature of the Company's workforce, the Company also faces cases of absenteeism and employee abscondment, which typically result in additional costs or potential liabilities in the event of failure or delay in reporting such abscondment cases. Delays in renewing work permits due to administrative challenges or regulatory changes could disrupt operations and lead to workforce shortages.

During the years ended 31 December 2022G, 2023G, and 2024G, the Company has paid fines amounting to SAR 32,747, SAR 18,308 and SAR 9,000 respectively, primarily relating to Ministry of Human Resources and GOSI compliances. During the first half of 2025G, the Company paid fines totaling SAR 36,000 to the General Organization for Social Insurance. As of June 30, 2025G, the Company had seven outstanding fines with the Organization, currently under objection and unpaid, amounting to SAR 84,000. Additionally, as of the same date, the Company had seven unpaid fines under objection with the Ministry of Human Resources, totaling SAR 31,300.

The employment of non-Saudi workers also exposes the Company to risks related to regulatory changes that may increase the cost or complexity of sponsoring foreign employees. Higher fees for work permits or mandatory benefits, such as health insurance or housing allowances, could increase the Company's operating costs. Additionally, new restrictions on visa issuance, labor quotas, or the length of permitted employment for non-Saudi workers could limit the Company's ability to recruit and retain skilled manpower.

Geopolitical and economic factors in source countries may also affect the availability of non-Saudi employees. For example, political instability or changes in labor market conditions in key recruitment countries could reduce the pool of available workers or increase recruitment costs.

If the Company is unable to effectively manage the employment and sponsorship of non-Saudi employees due to regulatory changes, increased costs, or non-compliance, it may face workforce disruptions, reputational damage, and higher operational expenses, all of which could materially and adversely affect its business, financial condition, and results of operations.

2.1.26 Risks related to leasing properties and equipment

The Company does not own any real estate and instead leases all the properties it occupies across various locations, including Riyadh, Jeddah, Dammam, Alula, Tabuk, NEOM and Makkah. These leased properties serve multiple purposes, such as office spaces, a warehouse, and accommodations for its employees. As of 31 March 2025G, the Company has entered into a total of 73 lease agreements to support its operations and provide housing for its workforce. For more information on leased properties, please refer to Section (12.4.2) ("**Real Estate Leased by the Company**").

The provisions of the Company's lease agreements generally include set terms ranging from one (1) year to three (3) years. Further, the Company leases equipment for its work, and such rent for equipment reached 1.2%, 0.9% 1.5%, 2.0% of the Company's operating costs for the financial years ended 31 December 2022G, 2023G and 2024G, and for the three-month period ended 31 March 2025G, respectively.

All of the Company's material lease agreements remain in force. Two of the 43 material leases will expire during the year ended 31 December 2025G, and their aggregate annual rent is amounting to SAR 370,000, the Company intends to renew these contracts. The Company may not be able to renew all its lease agreements or they may be renewed under different terms, conditions or rental amounts that may be unfavorable to the Company. Further, the Company typically requires accommodation for new staff on short notice, and it is challenging to find appropriate accommodation at the right time within a reasonable price range. The Company has five expired labor accommodation lease agreements that are currently in the process of renewal. If the Company vacates any of its leased properties due to the expiration of the lease agreements, failure to renew them in accordance with their terms, or due to the renewal terms being unfavorable, or could not find an appropriate new accommodation in time and within budget, the Company will incur additional costs related to find a location or might not find it at all. The occurrence of any of the above-mentioned risks may have a material adverse effect on the Company's business, results of operations, financial position and prospects.

Further, the Ejari Platform was established pursuant to Council of Ministers Resolution no. (131) dated 03/04/1435H (corresponding to 03/02/2014G) which mandated to set up an electronic platform that facilitates leasing services. The Council of Ministers Resolution no. (405) dated 22/09/1437H (corresponding to 27/06/2016G) required all licensed real estate agents to register all lease contracts (residential or commercial) that are brokered by them in the Ejari Platform. Then, the Council of Ministers Resolution no. (292) issued on 16/05/1438H (corresponding to 13/02/2017CE) provided that lease contracts that are not registered on the Ejari Platform shall not be considered legally enforceable.

It is worth noting that, from time to time, the Company leases certain on-site locations for various purposes on short-term basis and such lease agreements are not registered in the Ejari Platform given that these are provided as full serviced hospitality sites and not a rental property. The Company as of 30 June 2025G has two such contracts with an annual rent amount of SAR 2.8 million. If those are deemed residential leases, and therefore were supposed to register with Ejari, the Company may not be able to bring legal action to claim the rights under the unregistered leases, which would have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.1.27 Risks related to the housing and transportation of the workforce

The Company provides accommodation and transportation for the majority of its workforce. As of 31 March 2025G, the Company has 58 accommodation locations in 7 cities housing about 7,300 employees (both employed and outsourced).

The Company's provision of accommodation for employees carries several associated risks that could impact its operational efficiency and financial performance. Failure to ensure that housing meets health and safety standards, as well as providing adequate amenities could lead to regulatory penalties, increased liability, and employee dissatisfaction. Additionally, fluctuations in housing costs, maintenance expenses, and the need for ongoing facility management can strain the Company's resources and budget. Moreover, if the Company faces difficulties in securing suitable accommodation, it may struggle to attract and retain talent, potentially affecting service delivery and overall business performance. Additionally, concentration of employees in specific housing facilities introduces operational risks. For example, public health crises, such as outbreaks of infectious diseases, could spread rapidly in shared accommodations, leading to workforce shortages and operational disruptions. Further, given that employees live in these accommodations, they are subject to natural injuries, sickness and passing away. During the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively, there has been 0, 2 and 2 non-work related deaths in the Company's accommodations. Such incidents may affect employee morale and may cause investigations and may adversely impact the Company's reputation.

The Company is also exposed to a risk of disputes, collective bargaining or strikes with labor groups at their accommodation facilities or project sites that may impact its ability to mobilize part or all of the workforce within the accommodation facilities or deliver services to its client as per obligations. Over the past three years, the Company faced one incident where a small group of workers disrupted the Company's ability to service one client out of its accommodation facilities by forcefully stopping other employees to exit the accommodation facilities. This caused a penalty by the client of SAR 630,000. Such incidents could occur in the future and could have material impact.

Further, the Company may also face a challenge to accommodate all the staff in the event of any pandemic event which may require specific isolation conditions or increase the accommodation requirements that may adversely impact the costs of the accommodation of the staff. Additionally, the Company may face challenges in finding and leasing duly authorized staff accommodation facilities in the event of changes in the zoning laws, building codes, health and safety regulations that affect the usage of existing facilities for such purposes and may cause the Company to incur fines until such regulations are complied with in accordance with the regulatory requirements.

The Company also provides transportation for employees to and from project sites. This involves leasing a fleet of vehicles for transportation, which are subject to operational, safety, and cost-related risks. Traffic accidents, mechanical failures, or delays in transportation services could impact employee attendance, safety, and overall productivity. Fluctuations in fuel prices, increased maintenance costs, or changes in regulatory requirements for transportation services could raise the Company's transportation expenses. Additionally, reliance on third-party transportation providers exposes the Company to risks associated with service quality and compliance with safety regulations.

Rising costs due to inflation, regulatory changes, or unexpected disruptions could strain the Company's financial resources. Furthermore, failure to provide adequate housing or transportation could negatively impact employee morale, retention, and productivity, leading to higher turnover rates and recruitment costs. Such risks, if materialized, could materially and adversely affect the Company's business, financial condition, and results of operations.

2.1.28 Risks related to liability arising from workforce mistakes, errors and low performance

The Company's operations are heavily reliant on its workforce, as employee performance directly influences service quality, client satisfaction, and the overall reputation of the business. Mistakes or low performance levels can expose the Company to significant liabilities and financial losses, which could materially affect its business and financial condition. The nature of the services provided—such as technical maintenance, cleaning, and pest control—demands high levels of responsibility and precision, making the potential for errors particularly concerning.

Errors in service delivery, such as mishandling hazardous materials or failing to meet technical standards, can lead to property damage, safety hazards, or regulatory non-compliance. Such incidents may result in claims for damages, penalties, or even contract terminations, which could have lasting repercussions on the Company's financial stability and reputation. Furthermore, client dissatisfaction stemming from workforce inefficiencies or failure to meet service expectations can jeopardize client relationships and hinder the Company's ability to attract new business.

The risks associated with workforce performance are further exacerbated by reliance on subcontractors for specialized tasks. The Company remains accountable for the actions of these third-party personnel, and any substandard performance could lead to similar liabilities and reputational damage. Please see Section (2.1.8) ("**Risks related to subcontracting and the outsourcing of specialized services and reliance on third parties to provide them**") for more details about risks associated with subcontractors.

If the Company fails to manage workforce performance effectively, it may face regulatory penalties, financial losses, and significant harm to its market standing, all of which could adversely impact its business, financial condition, and results of operations.

2.1.29 Risk related to technological changes, IT and cybersecurity failure

The Company relies on IT systems, software platforms, and digital technologies to manage its operations, deliver services, and communicate with clients. As such, any failure to adapt to technological changes, maintain robust IT infrastructure, or effectively address cybersecurity threats could materially and adversely affect its business, financial condition, and results of operations.

The facilities management industry is evolving rapidly with advancements in automation, Internet of Things (IoT), and data analytics, which are becoming critical for improving operational efficiency and meeting client expectations. Failure to adopt and integrate these technologies into the Company's operations could result in reduced competitiveness, inefficiencies, and an inability to meet client demands for technologically advanced solutions. Additionally, outdated systems or insufficient investment in technology may limit the Company's ability to scale its operations and respond to market opportunities.

The Company is also exposed to risks associated with IT system failures, outages, or disruptions, whether caused by hardware malfunctions, software bugs, or natural disasters. Such events could result in operational delays, data loss, and reduced productivity. A failure in the Company's workforce management system could lead to scheduling errors, service interruptions, or non-compliance with client contracts.

Cybersecurity threats pose a significant risk to the Company's operations and data security. The Company collects and processes sensitive client and employee data, including personal, financial, and operational information. Cyberattacks, such as data breaches, ransomware, or phishing schemes, could compromise this information, leading to financial losses, reputational harm, regulatory penalties, and potential legal liabilities. For instance, unauthorized access to client data or operational systems could disrupt service delivery, erode client trust, and attract regulatory scrutiny under data protection laws.

Further, the Company relies on EFS Group in relation to IT system. Reliance on other party technology providers and further increases the Company's exposure to IT and cybersecurity risks. Service interruptions or security breaches at these providers could directly impact the Company's operations. Additionally, if third-party software becomes obsolete or incompatible with the Company's evolving needs, it may face challenges in transitioning to alternative systems without incurring significant costs or disruptions.

If the Company is unable to adapt to technological changes, maintain reliable IT systems, or protect against cybersecurity threats, it may experience operational disruptions, reputational damage, regulatory penalties, and financial losses. Such outcomes could materially and adversely affect the Company's business, financial condition, and growth prospects.

2.1.30 Risks related to Related Party transactions

The Company deals with Related Parties in the ordinary course of its business, primarily EFS Group. Please refer to Section (2.1.15) ("**Risks related to the relationship with EFS Group and the use of its services**") for more details about the risks associated with the dealings with EFS Group.

All of the Company's existing related-party contracts were entered into on commercial terms, and the General Assembly approved the transactions involving Board members' interests on 01/09/1446H (corresponding to 01/03/2025G). For further details, please refer to Section (5.10) ("**Conflicts of Interest**"). The aggregate related party transactions amounted to SAR 24.2 million, SAR 40.1 million, SAR 28.4 million and SAR 12.0 million for the financial years ended 31 December 2022G, 2023G and 2024G, and for the three-month period ended 31 March 2025G, respectively, representing 7.2%, 7.7%, 3.5% and 5.5% of annual revenues for the respective financial periods, respectively.

Amounts due from related parties (as defined under the financial statements) were 0, 0, and SAR 6,347,369 (representing 1.2% of total assets), and SAR 6,078,662 (representing 1.1% of total assets) for the years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. Amounts due to related parties totaled SAR 11,827,138 (representing 8.2% of total liabilities), SAR 303,066 (0.1% of total liabilities), and SAR 8,756,374 (2.2% of total liabilities), and an amount of SAR 9,518,402 (representing 2.5 of total liabilities) for the financial years ended 31 December 2022G, 2023G, and 2024G, and for the three-month period ended 31 March 2025G, respectively.

The Company may not be able to maintain these relationships, renew contracts at the end of their terms on favorable terms or at all, the counterparty may terminate the contracts or fail to perform (by choice, as a result of strategy change or for various reasons outside of its control including suspension of work or even bankruptcy). The Company may also not be able to conclude alternative arrangements with similar terms or on acceptable terms to the Company with third parties. Accordingly, if any of the arrangements between the Company and its Related Parties is terminated or the Company is unable to renew them on appropriate terms, or to find alternative arrangements with third parties if these expire or terminate, this will have an adverse effect on the Company's business, results of operations, financial position and future prospects. Additionally, the Company's operations may be impacted if there is any disruptions or issues on the part of the counterparty, or if it decides to alter its strategic priorities or reallocate resources away from the Company, the Company could experience withdrawal of the above services.

Following the Listing, the Company will be required to disclose such contracts in accordance with the disclosure obligations under relevant capital markets laws and such contracts will need to be reviewed by the Audit Committee. The Company's failure to define and identify Related Parties as defined by the CMA or its failure to understand the regulatory framework surrounding it as a listed company could affect its ability to monitor these transactions and ensure that they are reviewed by the Audit Committee and are disclosed appropriately, which may expose the Company to risks including penalties imposed by CMA in addition to uncertainty that the terms of such transactions are conducted in the best interest of the Company. If any of these risks materialize, this will have a material adverse effect on the Company's business, results of operations, financial position, and future prospects.

2.1.31 Risks related to contracts and businesses in which the members of the Board of Directors have an interest

The Companies Law stipulates that no member of the Board of Directors shall have any interest, directly or indirectly, in the transactions or contracts made for the account of the Company, except with authorization from the general assembly. Such board member is required to inform the Board of Directors of any direct or indirect interest in the transactions or contracts made for the account of the Company and may not participate in voting on the resolution to be issued in this regard. If the Director fails to declare such interest, the Company or any interested party may claim before a competent judicial entity to void such contract or oblige the Director to pay any profit or benefit therefrom.

The Company has entered into certain arrangements where its Directors have an interest, chiefly comprised in the services received from the Shareholders' Agreement, the Technical Assistance Agreement with the EFS Group, which is currently in place, prior shareholder loans, and executive-service payments. The only agreement currently giving rise to a conflict is the Technical Assistance Agreement, which will remain in force after the Offering. Under that agreement, the EFS Group provides the Company with several services, including brand-licensing, marketing support, administrative services, and other assistance. For further details about these arrangements, please see Section (5.10) ("**Conflicts of Interest**"). The provisions of Articles 27 and 71 of the Companies Law apply to these agreements, requiring disclosure to the Board of Directors and obtaining the approval of the Company's General Assembly or the body that the General Assembly delegates. The General Assembly has approved all of these transactions on 01/09/1446H (corresponding to 01/03/2025G), 22/11/1446H (corresponding to 20/05/2025G), 08/12/1446H (corresponding to 04/06/2025G), 19/12/1446H (corresponding to 15/06/2025G), and 01/01/1447H (corresponding to 26/06/2025G). As the applicable regulations do not require annual renewal of such approvals, these transactions will not be presented to shareholders again, nor will the approvals be renewed, in accordance with Article (71) of the Companies Law. Such dealings will continue after the Offering.

Any failure by the Directors to disclose interests they have in the contracts and business of the Company, and the failure to obtain the general assembly's approval on the conflict of interest, could result in contracts not being properly reviewed and ensured to be in the best interest of the Company and in weak corporate governance; all of which will have a material and adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.32 Risks related to Directors engaging in businesses that compete with the Company's business

Pursuant to the provisions of the Companies Law, a Board member is prohibited from participating in any business that may compete with the Company's business or any of the activities in which it is engaged, unless the general assembly authorizes such activities in accordance with the conditions set forth by the competent authority.

Currently, no Director engages in any competing business under the Companies Law and the Company's bylaws; however, the Directors may in the future participate in businesses similar to or competing with the Company's business through ownership in companies that carry out similar activities to the Company or through memberships in the boards of other companies that carry out similar activities to the Company. The Directors' participation in businesses competing with the Company involves risks that such Directors adversely influence the Company's decisions or use the Company's information in a way that harms its interests or serves the interests of its competitors. Additionally, the failure of any Director to disclose such competing activities and obtain the general assembly's approval may result in the Director or the Company being exposed to penalties or the Director having to resign from the Board of Directors. Although none of the current Directors engages in any business that competes with the Company, there can be no assurance that the Directors will not engage in activities that compete with the Company in the future, or that the Directors will appropriately disclose such activities and obtain the approval of the general assembly. These factors, if they occur, may have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.33 Risks related to insurance coverage

The Company has insurance protection covering various aspects of its business and operations. For more details about insurance policies held by the Company, please refer to Section (12.3.4) ("**Insurance**").

The Company is subject to risks that cannot be insured or be adequately insured. There may be events in the future where the Company's insurance does not cover all the potential losses, or it may not be insured against them at all. Also, the insurance policies purchased, similar to all insurance policies, contain certain standard exclusions and limitations, which could potentially leave the Company exposed to liability. Accordingly, losses from uninsured risks may cause the Company to incur costs that could have an impact on the Company's business, results of operations, financial position, and future prospects. The Company's insurance premiums and deductibles are subject to market fluctuations and may increase due to factors such as changes in the Company's risk profile, industry-specific trends, or general market conditions. Rising premiums or more restrictive policy terms could increase the Company's operating costs and limit its ability to secure adequate coverage.

Further, if the insurance policies are not renewed with the current scope of coverage and at commercially acceptable terms, or if they are not renewed at all, or if there is no insurance or insufficient insurance available for the different areas of the Company's business, and in each case, the Company suffers a substantial loss for which it does not have sufficient financial reserves, this could have a material adverse effect on the Company's business, results of operations, financial position, and future prospects.

2.1.34 Risks Related to Licensing and Evolving Regulatory Compliance

The Company's operations require compliance with numerous laws, regulations, and licensing requirements in the Kingdom. The Company currently maintains a number of licenses, summarized in Section (12.2.4) ("**Material Licenses**"), including commercial registration, municipality permits, civil defense permits and others.

These licenses must be obtained, renewed periodically, and kept in good standing to ensure uninterrupted operations. Delays or difficulties in securing these licenses, or failure to meet the evolving regulatory standards for renewal, could result in project delays, suspension of operations, or penalties. Failure to renew a key operating license in a timely manner could disrupt service delivery to clients impacting revenue and reputation. As of 31 August 2025, the Company has not obtained a Civil Defense permit for its AIUla branch. Failure to obtain such permit, should the Civil Defense Directorate determine that the branch falls within its jurisdiction and that a permit is required, may result in the closure of the branch.

The facilities management sector is not specifically regulated, but many activities carried out to provide certain services are regulated and require licensing. These include waste management activities, certain types of maintenance, transportation activities, and others. Generally, the Company contracts with licensed subcontractors to perform any specialized activities. The Company believes that this is consistent with the applicable regulations and prevailing practices in the Kingdom. However, due to the complexity of the regulatory framework for facilities management and the multiple activities that fall under it, regulators may not agree with the Company's interpretation of the regulations and limits of its applications, and its strategy in this regard. Additionally, there is no clear distinction between facilities management services and manpower services provided by some companies and regulated by the Ministry of Human Resources and Social Development. However, should the regulators overseeing these activities determine that the company's operations fall within their jurisdiction, or in the event of regulatory developments whereby facility management activities themselves become subject to licensing requirements, the company may be unable to obtain the necessary licenses and may be forced to suspend its operations. Although practice and regulations indicate that a facilities management company is not a manpower company and does not require a license, some of the Company's contracts may be interpreted as manpower contracts by the legislator according to their interpretation of the law. For example, the Company has a contract titled "manpower contract", which includes a confirmation from the Company that it is licensed for this activity. The Company is currently working on amending this contract to remove this confirmation, in the meanwhile, the Company may not be considered compliant with the contract given that the company is not manpower firm, this contract, along with the representations contained therein, may expose the company to investigations by the relevant regulatory authorities. Such investigations could result in fines or administrative costs associated with addressing these inquiries. The licensing requirements and policies are

subject to change, and the Company may be exposed to stricter licensing requirements in the future, which could make compliance more difficult and costly. If the Company is unable to obtain the required licenses under the rules, renew the licenses upon its expiration, comply with the terms and conditions of the licenses, or if the licenses are suspended or cancelled, or if the Company is unable to obtain additional licenses that may be required in the future, the company may have to cease activities covered by these licenses, or it may be subject to fines or penalties, or it may be required to pay compensation, or it may suffer reputational damage, or it may face operational disruptions. Non-compliance with regulatory requirements may result in significant penalties, including fines, contract cancellations, or bans on future operations. Additionally, regulatory audits or enforcement actions may harm the Company's reputation and undermine the trust of customers and stakeholders. For example, investigations into non-compliance with regulations may lead to negative media coverage, even if the company is ultimately exonerated.

During the years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, the Company has paid fines amounting to SAR 32,747, SAR 18,308 SAR 9,000, and SAR 12,000 respectively, primarily relating to Ministry of Human Resources and GOSI compliances.

If the Company is unable to comply with licensing requirements or adapt to changes in regulatory standards, it may face operational disruptions, increased costs, financial penalties, and reputational damage. These outcomes could materially and adversely affect the Company's business, financial condition, and results of operations.

2.1.35 Risks related to reliance on key personnel, changes in executive and senior management team, operating structure, and the ability to effectively transfer knowledge during periods of transition

The Company's success and its ability to achieve strategic objectives are dependent on the expertise and decision-making capabilities of its Executive Management team. Significant changes in leadership, operating structure, or ineffective knowledge transfer during transitions could materially impact the Company's business and financial performance. The senior management team plays a crucial role in developing and executing strategic initiatives, overseeing operations, and managing client relationships, making their skills and experience vital to the Company's competitive position.

The loss of key personnel, whether through resignation, retirement, or other reasons, poses a risk of operational disruption and challenges in meeting business objectives. Changes in the leadership team or organizational structure can exacerbate these risks, leading to temporary inefficiencies, communication gaps, or strategic misalignment. During leadership transitions, delays in decision-making and inconsistencies in executing projects could negatively affect operational performance and client satisfaction, further compounding the challenges faced by the Company.

If departing executives fail to share critical institutional knowledge and relationships, the Company may struggle to uphold service quality and meet client expectations. Additionally, attracting and retaining skilled leaders in a competitive market presents ongoing challenges. The Company may encounter operational disruptions and diminished stakeholder confidence if it cannot manage changes in its leadership team and ensure a smooth transition. Such scenarios could materially affect the Company's business, financial condition, and overall results of operations.

2.1.36 Risks related to achieving the Company's long-term growth strategy

The Company's long-term growth strategy hinges on successfully executing a range of initiatives, including expanding market presence, diversifying service offerings, and maintaining operational efficiency. Any failure to achieve these objectives or to manage associated risks could have a significant negative impact on the Company's business and financial condition. Expanding the Company's footprint across the Kingdom, particularly in sectors like government, healthcare, and infrastructure, requires substantial investment in workforce recruitment, infrastructure, technology, and marketing. Delays or difficulties in securing these resources could hinder the Company's ability to capitalize on market opportunities and meet client demands.

Entering new service lines or enhancing existing ones requires specialized expertise and an ability to adapt to evolving regulatory requirements while competing with established players. Failure to deliver high-quality services or effectively integrate new offerings can lead to reputational damage and financial losses, undermining the Company's growth potential. Moreover, maintaining competitive pricing amidst rising operational costs—such as labor, materials, and compliance expenses—presents another challenge. Economic downturns, changes in client budgets, or heightened competition can further pressure pricing and impact profit margins.

External factors, including regulatory changes, geopolitical developments, and shifts in market conditions, can also affect the Company's growth strategy execution. For instance, changes in government procurement policies, labor laws, or environmental standards may impose additional compliance burdens or delays, limiting the Company's ability to meet its objectives. If the Company struggles to effectively execute its growth strategy or adapt to these changing conditions, it may face slower revenue growth, reduced profitability, and decreased competitiveness in the market, all of which could materially impact its business and long-term prospects.

2.1.37 Risks related to the Board and management's lack of experience in managing a publicly listed company

Given the Company is not publicly listed, the Company's management team and Board have limited experience managing a public company, interacting with investors and complying with the increasingly complex laws, regulations and other obligations pertaining to public companies. After the Offering, the Company will be subject to significant regulatory oversight and reporting obligations under CMA rules and the continuous scrutiny of securities analysts and investors.

These new obligations and constituents will require significant attention from the Company's Board and senior management and could divert their attention from the day-to-day management of the Company's business. In addition, failure to comply in a timely manner with the regulations and disclosure requirements imposed on listed companies will expose the Company to regulatory sanctions and fines. Any of these events, if it materializes, could have a material adverse effect on the Company's business, results of operations, financial position, and future prospects.

2.1.38 Risks related to compliance with governance requirements and the implementation of new governance and compliance policies and systems

The Company's general assembly and the Board approved a number of policies and internal controls on 01/09/1446H (corresponding to 01/03/2025G), which include rules and procedures related to corporate governance derived from the Corporate Governance Regulations. The Company did not previously maintain such policies prior to the recent adoption, given that the majority of the provisions are not applicable to an unlisted company.

The Company's success in properly implementing the corporate governance rules and procedures will depend on the extent of the comprehension and understanding of these rules, as well as the proper execution of such rules and procedures by the Board, its committees and Senior Executives, especially with regards to the rules related to conflict of interests and Related Party transactions. Further, post the Offering, the Company will be subject to strict reporting requirements, including preparation of the financial statements and approving them within specific timelines. Failure to comply with the governance rules, especially the mandatory rules derived from the Companies Law, could subject the Company to regulatory penalties and may adversely and materially affect the Company's business, results of operations, financial position, and future prospects.

Further, the Company has an Audit Committee and a Remuneration and Nomination Committee which have been recomposed recently in 01/09/1446H (corresponding to 01/03/2025G). For further details, please see Section (5.4) ("**Board Committees**"). Failure by members of these committees to perform their duties and adopt a work approach that ensures protection of the interest of the Company and its Shareholders may affect corporate governance compliance, the continuous disclosure requirements, and the Board's ability to monitor the Company's business through these committees. That could have a material adverse effect on the Company's business, results of operations, financial position, and future prospects.

2.1.39 Risks related to protection of intellectual property rights

As of the date of this Prospectus, the Company does not own its trademark and licenses its trademark from EFS Group.

Not owning the trademark exposes the Company to several risks, foremost of which the loss of the mark if termination or expiry of the technical support agreement governing the license shall occur: (a) in the event of a material breach, following the provision of a cure period to the breaching party (six (6) months in the case of a breach by the Company, or sixty (60) days in the case of a breach by EFS Group); and (b) in the event that either party becomes bankrupt, is placed under judicial receivership, enters into a settlement with its creditors, or is subject to a liquidation order. Furthermore, the agreement grants the Company the right to purchase the trademark and the associated rights at a fair market value to be determined by an independent certified valuer, provided that the Company submits written notice to EFS Group at least one (1) year prior to the intended purchase date.

The Company may fail to fulfill its obligations, most notably the payment of licensing fees, which grants EFS Group the right to terminate the agreement after six (6) months without a cure period. Alternatively, either party may become insolvent or bankrupt, resulting in termination of the agreement. EFS Group may also breach the agreement, which it is entitled to do in the event it ceases to be a shareholder in the Company, whether due to a change in its strategic direction or circumstances beyond its control, such as its financial or operational position, and it may not respond to requests to remedy such breach. In this case, and in the event the Company is unable to purchase the trademarks, it may be unable to develop a new alternative brand and identity, which could negatively impact the Company's reputation, its relationships with clients, its market share, and consequently its revenues and profitability.

Furthermore, should the Company choose to exercise its purchase right and opt not to continue licensing the trademarks but instead acquire them, this may result in additional costs to the Company and could negatively impact its cash flow during the relevant period if cash flow is not properly managed. In addition, if the Company does not effectively manage its brand strategy, it may be unable to capitalize on the acquired trademarks or generate sufficient profits to offset the costs incurred in their purchase.

Please see Section (2.1.15) ("**Risks related to the relationship with EFS Group and the use of its services**").

Furthermore, licensing a trademark instead of owning it also means that the Company relies on EFS Group for the protection and development of the trademark. Policing the unauthorised use and other violations of the Company's intellectual property rights is difficult. If EFS Group fails to successfully protect its intellectual property rights for any reason, or if a third party misappropriates

or infringes on the Company's intellectual property or damages its reputation, the value of the Company's brand may be harmed. Any damage to the Company's reputation would result in lower demand for its services, which would have an adverse effect on the Company's business, financial position, results of operations and/or future prospects.

From time to time, the Company or EFS Group, as applicable, may also be required to renew the registration of these trademarks or initiate litigation to protect its rights to trademarks and other intellectual property. Third parties may also assert that the Company has infringed on or otherwise violated their intellectual property rights, which could lead to litigation. Any litigation to validate the Company's intellectual property is inherently uncertain and could divert the attention of management or result in substantial costs and the diversion of resources, which would negatively affect the Company's revenues and profitability regardless of whether the Company is able to successfully enforce or defend its intellectual property rights. Any of the above would have a material adverse effect on the Company's business, financial position, results of operations and/or future prospects.

2.2 Risk Related to Market, Sector and Regulatory Environment

2.2.1 Risks related to economic circumstances

The Company's performance depends heavily on economic and political circumstances in the Kingdom since it generates all of its revenue in the Kingdom. The Company's performance is also impacted by the economic and political circumstances in the countries where it employs a substantial portion of its workforce.

Although there are risks affecting the global economy at large, there are factors which specifically affect the Kingdom's economy. Any slowdown in the global economy or of the countries from where the Company's workforce is, in addition to any sanctions, trade restrictions, antitrust restrictions, boycotts, currency changes, wars or any other factors that could impact the economies of those countries could have a material adverse effect on the Company's business, operations, financial position, cash flows and future prospects.

Any change in the political situation in the Kingdom or the countries from where the Company relies on its manpower resources, including but not limited to, changes in public policy, changes in laws or incentives (including restricting foreign exchange of labor or disincentivizing it), wars, geopolitical and political stability and other matters, may have an impact on the Company's business and might affect its ability to receive and employ its manpower resources and profitability, affect costs, lower profit margin or result in other adverse effects.

Furthermore, the relationship between the Kingdom and these countries is an important factor in the Company's ability to employ its manpower in foreign countries. Therefore, any instability or change in the relationship – including the cut-off of ties – can restrict the Company from accessing these countries. Additionally, relationships and political and geopolitical situations in the countries in which the Company does not have any direct economic ties at all could still affect the Company financial performance. For example, instability in any of the OPEC countries or other oil exporting states could have an impact on oil prices and therefore the Kingdom's economy in general leading to a direct impact on the Company's financial performance.

Therefore, any of the above factors materializing may have a material adverse effect on the Company's business, operations, financial position, cash flows and future prospects.

2.2.2 Risks related to the adverse changes in interest rates

The Company relies on multiple flexible financing instruments, including variable interest rate loans and credit facilities, to fund its operations, manage working capital, and support growth initiatives. These facilities are generally linked to SAIBOR, plus a markup (between 1.75 – 3%). Adverse changes in interest rates could materially and adversely affect the Company's financial condition, results of operations, and ability to execute its strategic plans.

Rising interest rates would significantly increase the Company's borrowing costs, resulting in higher interest expenses on both existing variable-rate debt and any new financing arrangements. For instance, a notable increase in rates could strain the Company's cash flow, limiting funds available for operational expenses, capital investments, or debt repayment. This situation may also negatively affect profitability, especially if the Company is unable to pass on the higher financing costs to clients through price adjustments. Additionally, fluctuations in interest rates could impact the funding costs for major contracts, potentially rendering some projects less economically viable and reducing anticipated profit margins.

Moreover, higher interest rates can influence broader market conditions, particularly affecting clients. Increased borrowing costs for these clients may diminish their capacity to invest in new projects or outsource facilities management services, leading to a slowdown in demand for the Company's offerings. The ability to refinance existing debt or secure new financing on favorable terms could also be hampered, as rising rates may tighten credit markets and increase lender scrutiny. If interest rates remain elevated for an extended period, the Company may face increased financial costs, reduced profitability, and diminished operational flexibility, all of which could adversely affect its business and long-term growth prospects.

2.2.3 Risks related to the political and economic stability in the region

The Company's assets, operations and client base are situated in the Kingdom. The wider Middle East Region is subject to several geopolitical and security risks that may impact the GCC countries, including the Kingdom.

Moreover, as the political, economic and social environments in the Middle East Region remain subject to continuing developments, investments in the Middle East Region are characterised by uncertainty. Any unexpected changes in the political, social, economic or other conditions in the Middle East Region may have a material adverse effect on the markets in which the Company operates, its ability to retain and attract clients in such regions, and investments that the Company has made or may make in the future, which in turn would have a material adverse effect on the Company's business, financial position, results of operations and/or future prospects.

2.2.4 Risks related to demand on the Company's services

The Company's financial performance and growth are closely tied to sustained demand for its facilities management services across key sectors such as government, commercial, industrial, and aviation clients. A reduction in demand-whether due to external factors, shifting client priorities, or evolving market trends-could significantly impact the Company's business and financial condition. Macroeconomic factors, such as economic growth, government spending, and private sector investment, play a crucial role in influencing this demand. For example, an economic slowdown or a downturn in sectors like construction and real estate may result in reduced budgets for facilities management, leading to project delays or cancellations that directly affect revenue.

Client-specific factors and market perceptions also shape demand for the Company's services. Changes in client priorities, such as cost-cutting measures or a preference for in-house management, can reduce outsourcing opportunities, particularly if key clients decide to manage their facilities internally. Additionally, a lack of understanding of the value of facilities management services in certain sectors may hinder adoption, while heightened price sensitivity among clients can lead to increased competition and pressure on service rates, impacting profitability. Technological advancements and automation present both challenges and opportunities, as they may shift client needs toward technology-driven solutions. Regulatory trends, such as stricter sustainability requirements, can further alter the demand landscape. If demand for the Company's services declines due to these various factors, it may experience reduced revenue, intensified competition, and difficulties in achieving its growth objectives, adversely affecting the Company's long-term prospects.

2.2.5 Risks related to the changes in the regulatory regime, including in tax regulations, new Companies Law and new Civil Transactions Law

The Company and its operations are subject to a wide range of laws and regulations, including those relating to labor (including Saudization), tax and Zakat, data protection, licensing and health and safety. The compliance costs associated with these laws and regulations are substantial and possible future laws and regulations and changes to existing laws and regulations could result in additional compliance expense, potentially increased capital expenditure, and restrictions on, or suspensions of, certain of the Company's operations.

In addition to new laws and regulations, a lack of understanding by the Company of existing laws and regulations or the change in their interpretation or application by the relevant authorities may materially affect the Company's business and operations or increase its administrative, legal and operational expenditure, forcing it to alter its commercial practices, legal organization, ownership structure and corporate governance or, more generally, reduce or limit its revenue in the future. The requirements to be met, as well as the technology and length of time available to meet those requirements, continue to develop and change. The Company may be subject to fines, penalties and/or suspension of activities, if it does not comply with those laws and regulations or if it does not comply with the permitting, licensing requirements, which may change from time to time.

Moreover, legal requirements frequently change and are subject to interpretation. This may lead to the Company incurring significant expenditure, modifying its business practices to comply with existing or future laws and regulations, or restricting the Company's ability to conduct business. Any of these factors could have a material adverse effect on the Company's business, financial position, results of operations or prospects.

For example, a new Civil Transactions Law came into force on 16 December 2023G. The Civil Transactions Law represents a pivotal evolution in the Kingdom's legal landscape, signifying one of the most substantial reforms in recent history. This legislation brings forth a comprehensive codification of rules that are applicable to the operations and business activities of the Company, encompassing new provisions related to liquidated damages, compensations for contractual breaches (which includes loss of profits and compensation for moral damages), damages ensuing from harmful acts, prescription periods for claims, and more. Furthermore, the Civil Transactions Law is being applied retroactively, except in certain cases. The Company cannot ascertain the impact that the new Civil Transactions Law might have on its operations and the extent to which it will apply retroactively to its operations. Should the impact prove to be material, or should the Company incur additional costs to undertake necessary measures to ensure compliance, it could materially and adversely affect its business, financial position, results of operations or prospects.

2.2.6 Risks related to changes in employment and recruitment regulations, policies and cost

The Company's operations are significantly influenced by employment and recruitment regulations in the Kingdom and other countries from which it sources its workforce. Changes in these regulations, such as Saudization quotas, visa issuance, and labor mobility policies, could adversely affect the Company's ability to attract and retain skilled personnel. Stricter compliance requirements or new restrictions on hiring non-Saudi employees may lead to workforce shortages and disrupt service delivery. For instance, if there are reductions in labor quotas or delays in visa processing, the Company could struggle to maintain the necessary staffing levels to meet client needs.

The current chief executive officer has performed the functions of CEO on an informal basis and without a contract since 2009G, as he served as the CEO of EFS Group until 2024G, similarly, other secondees from the EFS Group previously worked at the Company without formal secondment agreements or employment contracts. which could be a violation of the Labor Law and residency requirements, this may result in fines being imposed on the Company. Additionally, the CEO's historical informal service may expose the Company to risks related to the lack of formalizing the relationship and obligations with the CEO, as well as third party questioning his authority in dealings with them, including the absence of any rules governing claims between the parties or any liability of the Chairman for errors committed during periods in which he was not an employee. Accordingly, the Company may not be able to hold the Chief Executive Officer liable for any errors committed during the period in which he was not employed. A dispute may also arise between him and the Company regarding the entitlements accrued during that period.

Furthermore, the job titles registered for certain senior executives currently do not reflect their actual positions within the Company, mainly due to the unavailability of certain designations on relevant government platforms. These types of violations may result in fines of SAR 1,000 per offense, as well as the potential suspension of work permits.

Additionally, the costs associated with recruiting and employing workers are subject to regulatory changes, which could further impact profitability. Increases in government fees for work permits, visa renewals, or mandatory benefits may raise employee cost significantly. If the Company is unable to pass these costs onto clients through pricing adjustments, its financial performance could suffer. Moreover, changes in labor laws and recruitment policies in source countries could increase hiring costs or limit the availability of foreign workers, creating additional challenges. The Company also faces risks related to evolving labor rights and regulations that enhance worker protections, which could impose further administrative and financial burdens. If the Company cannot adapt to these changes, it may experience workforce shortages, higher operating expenses, and disruptions to service delivery, all of which could materially impact its business and growth prospects.

2.2.7 Risks related to force majeure events, including the outbreak of infectious diseases or other serious public health concerns, earthquakes, lock downs and other interruptions

The Company may experience significant business interruptions due to force majeure events, which are circumstances beyond its control that can severely impact operations. These events include, but are not limited to, natural disasters such as earthquakes, floods, hurricanes, and fires, as well as man-made events like acts of terrorism, vandalism, or sabotage. Additionally, health-related emergencies, such as pandemics (e.g., COVID-19), can disrupt not only the Company's operations but also those of its clients, leading to reduced demand for services.

Such force majeure events can affect specific geographic areas, resulting in operational delays, increased costs, and temporary suspension of services at clients' facilities. This interruption can lead to a direct loss of revenue for the Company, as the demand for facilities management services diminishes during and after such incidents.

Moreover, the Company may also face challenges from economic instability, regulatory changes, equipment malfunctions, and labor shortages, which can compound the effects of force majeure events. The cumulative impact of these disruptions may have a material adverse effect on the Company's financial performance, operational efficiency, and overall business prospects.

As a result, the Company's ability to maintain consistent service delivery and financial stability, which could materially and adversely affect its business, financial condition, and growth prospects.

2.2.8 Risk related to compliance with Saudization requirements

The Company is subject to Saudization requirements in the Kingdom, which mandate a specific percentage of Saudi nationals in its workforce, depending on the sector and job categories. The Company's Saudization level as of 29 January 2025G was 13% which places it at medium green level. The Company's branches levels range between 10% and 30% Saudization, placing them between high green and low green. For further details on the Saudization ratio at each branch, please refer to Table (4.63) ("Saudization Overview"). Generally, these levels are low and make the Company susceptible to falling under the required percentage in cases of resignations of Saudis, even if a small number.

Non-compliance with Saudization requirements can result in significant penalties, including fines, restrictions on hiring non-Saudi employees, suspension of work permits, or exclusion from participating in government contracts, which form a significant part of the Company's revenue. If the Company fails to meet the required Saudization quota for a particular job category, it may be barred from renewing existing visas or hiring additional foreign workers, thereby impacting its operational capacity.

As of 31 March 2025G, the Company employed 991 Saudi nationals, with more than 50% classified as remote workers, performing administrative functions such as human resources and the call center, who do not contribute directly to operational activities. While four branches meet the requirements of the "Nitaqat" program, the Al-Ula branch has a relatively low Saudization rate compared to other branches, standing at 11% (Medium Green) as of 7 April 2025G. It is worth noting that, as of the end of March 2025G, the Saudization rate in Jeddah declined to approximately 31%, compared to 39% as of 31 December 2024G. The rate also decreased in both Riyadh and Al Khobar, reaching the mid-green zone, while the rate in the Al-Ula branch remained stable within the same zone during the same period. As of 31 March 2025G, the Company had 1,666 available visas; however, this number is subject to change depending on compliance with Saudization requirements and potential regulatory changes that may affect visa allocations and employee nationalities. These factors may impact the Company's ability to expand its workforce and meet future growth demands.

The Company may face challenges in recruiting Saudi nationals with the requisite skills, experience, or willingness to work in certain roles, particularly in operational or labour-intensive positions. This could increase recruitment timelines, training costs, and overall labor expenses. Additionally, competition for qualified Saudi talent is high, particularly in sectors like facilities management, where the demand for skilled personnel often exceeds supply.

The dynamic nature of Saudization policies further compounds these risks. Changes in the required quotas, sector classifications, or the scope of exemptions could impose additional compliance obligations on the Company. For example, an increase in the percentage of Saudi nationals required in certain roles may necessitate workforce restructuring or increased investment in training and recruitment, leading to higher costs and operational disruptions.

If the Company is unable to meet Saudization requirements or adapt to changes in these regulations, it may face penalties, operational constraints, and reputational damage, all of which could materially and adversely affect its business, financial condition, and growth prospects.

2.2.9 Risks related to the facilities management industry being competitive and subject to price competition

The facilities management industry is highly competitive, characterized by cyclical demand patterns and intense price competition. These factors could materially and adversely affect the Company's business, financial condition, and results of operations.

The industry's competitiveness stems from the presence of numerous local and international players offering similar services, including cleaning, maintenance, and specialized facilities management solutions. Clients often evaluate providers based on price, service quality, and the ability to meet specific operational requirements. As a result, the Company faces constant pressure to offer competitive pricing while maintaining high service standards. This dynamic may erode profit margins, particularly if the Company is unable to offset pricing pressure through operational efficiencies or cost reductions.

The facilities management industry is also cyclical, with demand closely linked to economic conditions, government spending, and activity in sectors such as construction, real estate, and infrastructure. During economic downturns or periods of reduced government spending, clients may delay or cancel projects, scale back budgets for outsourced services, or negotiate lower fees.

The entry of new competitors and advancements in technology are changing the landscape of the facilities management industry. For instance, companies offering tech-driven solutions, such as automated maintenance systems or IoT-based monitoring, may capture market share by appealing to clients seeking innovation and cost efficiency. If the Company fails to adapt to these changes or invest in relevant technologies, it may face reduced demand and diminished market competitiveness.

If the Company is unable to effectively compete, navigate cyclical demand fluctuations, or maintain sustainable profit margins, its business, financial condition, and long-term growth prospects could be materially and adversely affected.

2.2.10 Risks related to acquiring clients and maintaining relationship with existing repeating clients

The Company's success heavily depends on its ability to acquire new clients and maintain strong relationships with existing clients. The facilities management industry is highly competitive and fragmented, with changing client demands, increasing price sensitivity, and evolving expectations for clients' services. Please refer to Section (3.5.2) ("**Output-based FM Competitive landscape**") for more details about market shares and the fragmented market. As a result, the Company faces significant challenges in both attracting new clients and retaining the loyalty of existing ones. Client acquisition requires effective marketing strategies, promotions, and service offerings that resonate with target client base.

The Company's client retention percentage was 94%, 92%, 95%, and 100% as of 31 December 2022G, 2023G 2024G, and three-month period ended 31 March 2025G, respectively. Maintaining strong relationships with existing clients is crucial for driving repeat business and sustaining long-term profitability. Any failure to meet clients' expectations, whether due to poor product quality, lack of innovation, or subpar client experiences, could lead to decreased client satisfaction, reduced repeat business, and a loss of clients.

If the Company is unable to effectively acquire new clients, retain existing clients, and adapt to changing market dynamics, it could experience adverse effects on its revenue, profitability, and overall business performance. These challenges may also affect the Company's ability to achieve sustainable growth and meet clients' expectations, ultimately impacting its market position and long-term success.

2.2.11 Risks Related to exchange rate fluctuations

Some of the Company's transactions are conducted in currencies other than SAR. Consequently, and as the case with majority of companies, the Company is exposed to exchange rate fluctuations due to payment to certain external parties. For example, the Company pays EFS Group in AED. Adverse movements in exchange rates could materially and adversely affect the Company's operating costs, financial performance, and results of operations.

Any depreciation of the Saudi Riyal (SAR) against these currencies would increase the cost of hiring and compensating foreign workers. For example, a sharp decline in the SAR exchange rate against the currencies of major labor-sourcing countries could result in higher payroll and recruitment expenses, reducing the Company's profit margins.

The Company also sources equipment, materials, and services from international suppliers, often priced in foreign currencies. Exchange rate fluctuations could increase the cost of imports. Higher costs for imported goods may adversely impact the Company's project budgets and overall profitability, especially if these costs cannot be passed on to clients through price adjustments.

If exchange rate fluctuations lead to significant increases in employee cost, material expenses, or operational uncertainty, the Company may face reduced profitability, tighter cash flows, and challenges in maintaining cost competitiveness. Such outcomes could materially and adversely affect the Company's business, financial condition, and growth prospects.

2.2.12 Risks related to awareness in the market about facilities management

The Company's growth and market expansion are dependent on the awareness and understanding of facilities management services among potential clients. Limited awareness about the value and benefits of professional facilities management could materially and adversely affect the Company's ability to expand its client base, revenue, and market share.

Facilities management, while growing in importance, remains a relatively nascent industry in some sectors and regions. Many potential clients, particularly smaller businesses or organizations in emerging markets, may lack a comprehensive understanding of how facilities management services can optimize operational efficiency, reduce costs, and enhance asset performance. This lack of awareness may result in clients undervaluing these services or opting for in-house management solutions, reducing demand for outsourced facilities management providers like the Company.

Misconceptions about the cost or complexity of engaging professional facilities management services may further hinder adoption. Potential clients may perceive facilities management services as expensive or overly tailored to large-scale operations, creating a barrier to entry for smaller entities. Additionally, scepticism about the reliability or effectiveness of outsourcing critical operational functions may lead to resistance, particularly in sectors where operational continuity is paramount.

The Company's ability to address these awareness-related challenges depends on its ability to effectively communicate the benefits of its services, demonstrate value through successful case studies, and educate the market on the advantages of professional facilities management. Failure to achieve this could limit the Company's growth potential, particularly in underpenetrated markets or emerging sectors.

If the Company is unable to overcome the challenges of limited market awareness and client misconceptions, it may face reduced demand, heightened price competition, and slower growth. Such outcomes could materially and adversely affect the Company's business, financial condition, and future prospects.

2.3 Risk Related to the Offer Shares

2.3.1 Risks related to control by the Substantial Shareholders after the Offering

Following completion of the Offering, the Selling Shareholders will hold 70% of the Shares. The Selling Shareholders will therefore continue to own a controlling interest in the Company after the Offering and their approval will be required for all decisions at the general assembly. This includes the election of the Board of Directors, approvals relating to declaration or retention of dividends, capital increases and decreases, mergers, amendments to Bylaws and decisions beyond the Board's powers and authorities.

The interests of the Selling Shareholders may differ from those of other Shareholders, and they may prevent the Company from making certain decisions or taking certain actions and might direct the Company's strategy in a manner different than what the Company or other Shareholders wish, which may affect the Company's business, results of operations, financial condition and prospects and therefore the Share price.

2.3.2 Risks related to fluctuation in the market price of the shares

The Offer Price has been determined based upon a variety of factors, including the Company's prior performance and future business prospects, the industry in which the Company operates and the markets in which it competes, and the Company's assessment of its management, operations, and financial results. Following completion of the Offering, the trading price of the Shares will vary from the Offer Price. Investors may not be able to resell the Offer Shares at or above the Offer Price, or investors may not be able to sell them at all. Additionally, the Saudi Exchange imposes fluctuation limits which could limit the ability to sell or purchase the Shares below or beyond such limits and therefore limit the overall tradability of the Shares and the amount of return that can be obtained.

Stock markets in general experience extreme price and volume fluctuations from time to time. Market fluctuations could result in extreme volatility in the price of the Shares, which could cause a decline in the value of the Shares, with price volatility being worse if the trading volume of the Shares is low. The price of Shares may be negatively affected by various factors, many of which are beyond the Company's control, including the Company's results of anticipated operations and improvement in the performance and results of its competitors, downgrades or changes in research coverage by securities research analysts with respect to the Company and its competitors, or the industry in which the Company operates, departures of key personnel, the public's reaction to the Company's press releases and other public announcements, changes in earnings estimates or forecasts, failure by the Company or its competitors to meet analysts' projections, the release or expiry of the lock-up period or other transfer restrictions on the Shares, or the materialization of any of the other risks described in this Section, or, the general situation of the Kingdom's economy, changes in applicable laws and regulations, terrorist acts, escalation of hostilities, acts of war or periods of widespread civil unrest, natural disasters and other calamities and stock market price fluctuations. The occurrence of any of these risks or other factors could have a material adverse effect on any investor's anticipated returns or result in the loss of all or a portion of their investment in the Company.

2.3.3 Risks Related to selling a large number of shares on the market and issuance of new shares

The sale of a substantial number of the Shares on the Exchange following the completion of the Offering, or the perception that these sales will occur, could adversely affect the market price of the Shares. Upon the successful completion of the Offering, the Selling Shareholders (who own 70% per cent. of the Shares following the Offering) will be subject to a Lock-up Period of six months, during which they may not dispose of any Shares, EFS Group has committed contractually to a lock-up period of two years starting from the Listing Date. The sale of a substantial number of Shares by the Substantial Shareholders following the expiration of the Lock-up Period (each of them, as applicable), this could have an adverse effect on the Exchange Market and the price of the Company's Shares on the Exchange.

Further, if the Company decides to raise additional capital by issuing new Shares, the newly issued Shares will adversely affect the share price in the market or dilute the current shareholders' ownership percentage in the Company, if they do not subscribe to such newly issued Shares.

2.3.4 Risks related to the absence of a prior market for the shares

There has been no previous public market for offering or trading the Shares, and there can be no assurance that an active and liquid market for the Shares will develop or be sustained after the Offering. If an active and liquid market is not developed or maintained, the trading price of the Shares will be adversely affected or result in the loss of all or a portion of the Subscribers' investment in the Company, which will adversely and materially affect their anticipated returns.

2.3.5 Risks related to the Company's ability to distribute dividends

Future distribution of dividends will depend on several factors including, among other things, future earnings, financial conditions, cash flows, working capital requirements, capital expenditures, dividends restriction under current or future financing or other agreements, and distributable reserves of the Company.

The Company may not be able to pay dividends, and the Directors may not recommend, and the Shareholders may not approve the payment of dividends. The Company may incur expenses or liabilities that would reduce or eliminate the cash available for distribution of dividends. If the Company does not pay dividends on the Shares, Shareholders may not receive any return on investment in the Shares unless they sell the Shares at a price higher than the price at the time of purchase.

2.3.6 Risks related to research about the Company

The trading price and volume of the Shares may depend in part on the research that securities or the development industry analysts may publish about the Company and its business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers the Company downgrade their recommendations on the Shares or publishes inaccurate or unfavourable research about the Company's business, which the Company cannot control, the market price for the Shares could decline. In addition, if one or more research analysts cease coverage of the Company or fail to publish reports on it regularly, it could lose visibility in the financial markets, which, in turn, could cause the market price for the Shares to decline significantly. Accordingly, the occurrence of any of the foregoing will have a material adverse effect on the Shareholders' anticipated returns on the investment in the Offer Shares.

2.3.7 Risks of investing in emerging markets

An investment in the Offer Shares involves risks related to investing in securities in emerging markets, such as the Kingdom, which generally involves a higher degree of risk than investments in issuers' securities in more developed markets. Generally, investments in emerging markets are only suitable for sophisticated investors who fully appreciate and are familiar with the significance of the risks involved in investing in emerging markets. The Kingdom's economy may be susceptible to future adverse effects similar to those suffered by other emerging markets and could be adversely affected by negative economic or financial developments in other emerging markets. The occurrence of any of the foregoing factors could have an adverse effect on investors' anticipated returns or may result in the loss of all or portion of their investment in the Company.

2.3.8 Risks relating to the use of the Offering proceeds

The Company's portion of the Net Offering Proceeds will be used by the Company to finance its working capital its growth and acquiring or building employees' housing, among others. Please refer to Section (9) ("**Use of Proceeds**") for more details. The plans for the expected use of the Net Offering Proceeds reflect the Company's business plan and market conditions as of the date of this Prospectus, and are subject to change in accordance with any economic, social or political developments or any potential changes to the Company's business plan. In the event of a change, the Company will seek the shareholders' approval. As such, the use could change.

The intended use may not be successful, and the Company's plans may not succeed within the expected time and budget, or at all. These are inherent risks in primary offerings and should therefore be considered by prospective investors.



3. Market Overview

3. Market Overview

3.1 Introduction

3.1.1 Preface

The information shown in this Section is based on an independent market study developed by Arthur D. Little Saudi Arabia in August 2025G (hereinafter referred to as the "Market Study Consultant") exclusively for the EFSIM Facilities Management Company ("Company"). The Company has contracted Arthur D. Little Saudi Arabia to develop a market study covering the facility management ("FM") sector. Arthur D. Little Saudi Arabia is an independent company established in Riyadh in 2010G, that provides strategic advisory services and market research. Arthur D. Little started its operations in Saudi Arabia in the 1950s (for further information about the Market Study Consultant, please go to www.adlittle.com).

It should be noted that neither the Market Study Consultant nor any of its affiliates or sister companies, partners, shareholders, members of its board of directors, directors or their relatives, own any kind of share or interest in the Company or its affiliate companies. The Market Study Consultant has provided their written approval on the use of their name, the market information and data provided by them to the Company as shown in this document, and such approval has not been withdrawn to date.

The members of the board of directors observe that the information and data shown in this document and received from other sources, including those provided by the market study consultants, are credible data and information that represent the market realities. However, neither the Company nor the members of the board of directors, or its directors or other consultants have checked or verified the accuracy or completion of the information shown in this section, and none of them shall assume any responsibility as to such information. Additionally, such information shall not constitute the sole basis for taking or refraining to take any investment-related decisions.

Conclusions shown in this Section are the results of the exercise of the best professional judgement by the Market Study Consultant, based in part upon materials and information collected by them through primary research with sectoral experts, and secondary research on third party sources, open data released by governmental agencies and other entities known to be reputed.

In addition, while this document represents the Market Study Consultant's current view of the market sizing, growth and dynamics, actual realization of forecasts is contingent on several factors. These include but are not limited to timely and effective implementation of policy initiatives, global evolution or changes, extraordinary developments that impact regional or global economies, technological progress and maturity, regulatory changes and developments, and industry trends and movements.

As a result, the use of this report by any third party for whatever purpose should not, and does not, absolve such third party from using their own due diligence and competent business judgement in verifying the report's contents or deriving conclusions from the same.

3.1.2 Research methodology and approach

All analysis outlined in this Section is a product of research conducted during December 2024G. This includes:

- Secondary research on publicly available sources such as government entities, academic reports, publicly available documents reported by market participants, and industry reports from reputed sources.
- Analysis of commercial information provided by the Company.
- Primary research with subject matter experts.
- Information available within the best judgement and expertise of the Market Study Consultant's team members.
- Analysis of data collected from multiple sources, cross referencing and comparing to arrive at estimates representative of market realities in the best judgement of the Market Study Consultant.

Examples of sources of data utilized for developing the report include: KSA Official Government Portal, Vision 2030, World Bank, Economist Intelligence Unit, and KSA's General Authority of Statistics.

3.2 Executive Summary

3.2.1 KSA Macro-economic Outlook

KSA, the largest economy in the Gulf Cooperation Council ("GCC"), is embarking on a transformative journey through its Vision 2030 strategy. Historically dependent on its oil and energy sectors, the Kingdom is reshaping its economy by prioritizing innovation, infrastructure expansion, and foreign investment attraction. Launched in 2016G, Vision 2030 aspires to position KSA as a leading global economic powerhouse, fostering diversification and sustainable growth across various sectors.

In 2023G, KSA's real Gross Domestic Product ("GDP") was recorded at SAR 4,570 billion⁽¹⁾. The GDP is forecast to grow at a 3.3% Compound Average Growth Rate ("CAGR") over the next five years⁽²⁾, supported by substantial investments from both the public and private sectors. Inflation has remained relatively low, expected to decrease marginally from 2.3% in 2023G to 2.0% in 2029G⁽³⁾. Population dynamics also play a key role, with a reported CAGR of 2.9% from 2019G to 2023G, bringing the population to 33.7 million. The population is expected to grow at a 2.0% CAGR, reaching nearly 39million⁽⁴⁾ by 2029G.

The labor market is undergoing significant changes due to Saudization efforts, which aim to increase the presence of Saudi nationals in the workforce. Over the last five years, Saudi participation in the labor force rose from 46.7% to 52.5%⁽⁵⁾. Programs like the Human Capital Development Program are designed to equip Saudi workers with advanced skills and focus on achieving 40% Saudization in high-skilled roles by 2025G, driving economic competitiveness.

Central to Vision 2030's success are its 13 Vision Realization Programs, many of which are significant demand drivers for FM services. The Housing Program focuses on delivering affordable and sustainable housing, increasing the need for facility management ("FM") services to maintain these communities. The Human Industrial Development and Logistics Program enhances infrastructure, creating opportunities for FM providers to deliver maintenance, compliance, and operational support. The National Transformation Program ("NTP") advances government services and private sector involvement, positioning FM as key to modern infrastructure management.

KSA's Giga Projects are forecast to remain a major catalyst for growth in the FM sector. Projects like NEOM, Diriyah Gate, and Qiddiya drive demand for advanced facility management services, including sustainable solutions, smart operations, and innovative technologies throughout their construction and operational phases. From efficient maintenance systems to cutting-edge energy management, the FM sector will play a pivotal role in ensuring the smooth operation, sustainability, and longevity of these landmark projects. These large-scale developments are central to KSA's Vision 2030 and reflect the Kingdom's ambition to diversify its economy while enhancing its global appeal in sectors such as tourism and entertainment.

3.2.2 FM market overview

The FM market encompasses services and solutions aimed at efficiently managing and maintaining physical spaces, including buildings, infrastructure, and real estate assets. The FM market in KSA is segmented into output-based and input-based FM based on the services delivery model:

Output-based FM is a performance-driven approach focused on achieving measurable outcomes. Providers are assessed on their ability to meet Service Level Agreements ("SLAs") and Key Performance Indicators ("KPIs"), offering tailored, flexible, and accountable solutions. This model includes two service delivery types: single/bundled FM and integrated FM ("IFM"). Single/bundled FM involves offering specific services individually or as a group under one contract, optimizing coordination and efficiency. IFM consolidates all FM services under a unified framework, aligning strategically with client goals to deliver seamless, measurable outcomes. The Company specializes in output-based FM services, including IFM.

In contrast, input-based FM follows a traditional model that emphasizes predefined tasks, processes, and allocated resources. Rooted in fixed scopes of work and standardized procedures, this approach lacks the adaptability and innovation of output-based FM, often aligning more closely with traditional Operations and Maintenance (O&M) contracts. The company has a limited presence in input-based FM.

KSA's FM market, comprising both in-house expenditures and outsourced FM revenues, is estimated to be SAR 108.9 billion in 2024G, making it the largest in the GCC. It is forecast to grow at a CAGR of 7.0% from 2024G to 2029G and reach SAR 152.7 billion by 2029G. The growth is driven by large-scale construction projects, infrastructure investments, and the diversification of the economy under Vision 2030. Key growth factors include expanding logistics zones, ports, healthcare, and educational facilities, increasing office spaces and luxury hotels to support commercial and hospitality growth, as well as government efforts to attract multinational companies to set up regional headquarters in KSA. Demand is further fueled by the rise of smart infrastructure and master-planned communities like NEOM and The Red Sea Project, which emphasize green building and innovative FM practices. Additionally, businesses are increasingly outsourcing FM services to specialized providers, that enhances operational efficiency and supports market growth.

¹ General Authority for Statistics

² IMF

³ IMF

⁴ IMF

⁵ General Authority for Statistics

Table 3.1: FM Market Growth by Service Delivery (2019G – 2029Gf, SAR billion)

	2019G	2020G	2021G	2022G	2023G	2024e	2025f	2026f	2027f	2028f	2029f	CAGR 2019G-24	CAGR 2024G-29f
Output-based FM	19.2	16.8	19.6	22.2	24.9	28.0	31.2	34.8	39.0	43.8	49.2	7.8%	12.0%
Input-based FM	74.0	60.7	66.9	71.1	76.1	80.9	85.7	90.5	95.0	99.2	103.4	1.8%	5.0%
Total	93.2	77.5	86.5	93.4	101.1	108.9	116.9	125.3	134.0	143.0	152.7	3.1%	7.0%

Source: General Authority for Statistics, EFSIM data, Primary research with subject matter experts / market stakeholders, Publicly available market statistics, Arthur D. Little analysis; e. Estimate, f. Forecast

Output-based FM, the core market for the Company, is projected to grow at a CAGR of 12.0% from 2024G to 2029G and reach SAR 49.2 billion by 2029G. This growth is driven by the increasing preference for performance-driven solutions that emphasize measurable outcomes, offering customers the flexibility to optimize operations while reducing overhead costs.

As the FM market in KSA continues to evolve, there is a clear shift towards performance-based contracts, long-term partnerships, and IFM services designed to streamline processes and improve scalability. Customers are placing greater emphasis on achieving measurable results, leveraging smart technologies like IoT and AI, and adopting sustainable practices that align with Environmental, Social, and Governance (“ESG”) goals, creating opportunities for providers with advanced output-based and IFM capabilities. The Company is expected to benefit from key market trends, due to its strong focus on IFM/output-based FM sector, technological rigor, and dedicated focus on compliance and adopting industry best practices.

In parallel, technological advancements such as adoption of Building Information Modelling (“BIM”) and Computer-Aided Facility Management (“CAFM”) systems, automation and robotics are transforming FM operations. These innovations enable real-time monitoring, predictive maintenance, and improved cost efficiency, ensuring that providers who embrace these technologies are well-positioned to capitalize on the dynamic growth and evolving demands of the KSA FM market.

The FM market in KSA is regulated by several entities with the aim of improving the quality of services and efficiency of service providers. The regulations developed largely pertain to two aspects: the standards of quality anticipated for facilities, and sourcing relevant manpower for service delivery. Key regulatory bodies, including the Ministry of Municipalities and Housing (“MoMAH”), Saudi Standards, Metrology, and Quality Organization (“SASO”), and Civil Defense Authority, enforce compliance with safety, quality, and operational standards to enhance service delivery, while Ministry of Human Resources and Social Development (“MHRSD”) implements Saudization policies and labor law compliance.

3.2.3 Output-based FM market overview

The output-based FM market, valued at SAR 28.0 billion (26% of the total FM market), represents a fast growing segment focused on performance-driven solutions. Providers in this segment are evaluated based on their ability to achieve measurable outcomes, such as meeting SLAs and KPIs. Within this market, the IFM sector accounts for SAR 16.2 billion, offering centralized management of FM services under a unified structure to enhance efficiency and alignment with client goals.

The output-based FM market is projected to grow at a 12.0% CAGR over the next five years, fueled by the rising adoption of the IFM model, with IFM market revenues projected to expand at a 13.7% CAGR during the same period. Businesses in KSA are increasingly seeking solutions that reduce complexity, optimize costs, and deliver seamless operations, while also prioritizing the improvement of end-user experience and the longevity of asset life cycles. Additionally, the expansion of Giga Projects such as NEOM, the Red Sea Development, and Qiddiya is significantly driving demand for performance-driven FM services. These large-scale developments, integral to Vision 2030, demand integrated FM solutions to manage their complex operations efficiently. Giga Projects are the fastest-growing segment in the market, with a projected 26.4% CAGR, expected to generate SAR 19.0 billion in output-based FM revenues by 2029G.

Beyond Giga Projects, other sectors like industrial, oil & gas, commercial, education, and aviation are also contributing to the growth of the output-based FM market. Investments in industrial zones, logistics hubs, airport expansions, and educational infrastructure are driving steady demand for advanced FM solutions. Simultaneously, urbanization, tourism, corporate expansions, and the growing presence of multinational companies setting up regional headquarters are amplifying the need for high-quality FM services across diverse industries, supporting the diversification and sustained growth of the market.

The output-based FM market in KSA is highly fragmented, with the top 10 players, including the Company, Safari Group, Zahran, and Initial Saudi Group, collectively accounting for just 25-30% of the market. Despite intense competition, only a limited number of providers can handle large-scale, outcome-driven contracts, giving established players a competitive edge.

The Company stands out as one of KSA's leading output-based FM and IFM providers, benefiting from its scale, geographical reach, differentiated services, and advanced IFM solutions focused on customer satisfaction and technology. Its first-mover advantage in servicing Giga Projects, such as NEOM, the Red Sea Development, and Al Ula, further strengthens its market position by capitalizing on the rapid expansion of these developments.

In 2024G, the Company captured 2-3% of the output-based FM market, driven by its strong presence in sectors such as Giga Projects, aviation, and commercial facilities. This share reflects its ability to leverage growth opportunities in high-demand segments while maintaining a competitive edge in the evolving market landscape.

3.3 KSA Macroeconomic Outlook

KSA, the largest economy in the GCC, has been making significant strides in diversifying its economy through Vision 2030. While traditionally dependent on the petroleum and energy sectors, the Kingdom is now focusing on expanding various industries, with a strong emphasis on infrastructure development, innovation, and attracting foreign investments. Ambitious Giga Projects such as NEOM, the Red Sea Development, and Qiddiya are driving this transformation, aiming to stimulate economic growth and enhance urban development. Over the next five years, GDP is expected to grow at a CAGR of 3.3%, supported by substantial investments from both the public and private sectors.

3.3.1 Economic diversification and future growth

KSA is one of the largest economies in the MENA region, with a real GDP of SAR 4,570 billion and a population of 33.7 million as of 2023G. Over the past three decades, revenues from the petroleum and energy sectors have fueled economic growth and significantly enhanced the overall standard of living in the Kingdom. In 2020G, the Kingdom's real GDP contracted by 3.6% due to the economic impact of COVID-19 and a decline in oil production and prices amid reduced global demand. However, over the past three years, the economy has recovered strongly, surpassing pre-pandemic levels, driven by government interventions, supportive policies, and strategic economic reforms.

In the future, the Kingdom's GDP consensus projections indicate growth at a CAGR of 3.3% over the next five years⁽⁶⁾. This growth is projected to be driven by the government's push for economic diversification, increased investment in infrastructure, and rising foreign investments, all key components of the Vision 2030 program, which was launched in 2016G.

Table 3.2: KSA Real Gross Domestic Product Growth (2019G – 2029f, SAR billion at constant prices)

	2019G	2020G	2021G	2022G	2023G	2024e	2025f	2026f	2027f	2028f	2029f	CAGR 2019-24	CAGR 2024-29f
GDP	3,960	3,810	4,058	4,545	4,570	4,661	4,801	4,978	5,158	5,323	5,493	3.3%	3.3%

Source: General Authority for Statistics, IMF; e. Estimate, f. Forecast

GDP per capita has remained relatively stable at USD 35 and 36 thousand in 2019G and 2023G respectively, with USD 35 thousand estimated in 2024G. It is projected to rise to approximately USD 38 thousand by 2029G.

Inflation in KSA has remained at moderate levels, recorded at 2.3% in 2023G, and is forecast to remain relatively stable, at approximately 2.0% 2029G over the next five years⁽⁷⁾.

Table 3.3: KSA Price Inflation (2023G – 2029f)

	2019G	2023G	2024e	2025f	2026f	2027f	2028f	2029f
Price Inflation (av. consumer prices)	(2.1%)	2.3%	1.7%	2.0%	2.0%	2.0%	2.0%	2.0%

Source: IFM, e. Estimate, f. Forecast

Between 2019G and 2023G, KSA's GDP composition by expenditure remained relatively stable, with a notable growth in gross capital formation that increased by 19.2% during this period, reflecting increasing spending in line with Vision 2030 priorities.

Table 3.4: KSA GDP Overview – Expenditure Approach (2019G and 2023G)

	Net Exports	Gross Capital Formation	Government Consumption	Private Consumption
2019G	8%	28%	20%	44%
2023G	6%	29%	21%	44%

Source: General Authority for Statistics, Arthur D. Little analysis

⁶ IMF

⁷ IMF

3.3.2 Population and labor force dynamics

KSA's labor market is characterized by a young and dynamic population, with significant growth projected in the coming years. Between 2019G and 2023G, the population expanded at CAGR of 2.2%, reaching 33.7 million in 2023G⁽⁸⁾. KSA has the largest population in the GCC, followed by the UAE (10.5 million), Oman (5.0 million), Kuwait (4.9 million), Qatar (2.7 million), and Bahrain (1.6 million). Consensus forecasts indicate that the population will grow at a lower CAGR of 2.0% to nearly 39 million by 2029G⁽⁹⁾. Much of this growth is attributed to the working-age population, which is expected to bolster labor market dynamics and drive sustained economic development.

KSA is characterized by a young population, with 23% under the age of 15 and 15% between 15 and 24, representing a potential "demographic dividend" that can be harnessed to boost economic productivity. Additionally, 59% of the population falls within the 25–64 working-age group, while only 3% are aged 65 and above.

Since 2019G, the labor force participation rate in KSA has increased from 61.2% to 63.8%.⁽¹⁰⁾ During the same period, female unemployment decreased from 21.3% to 11.1%, while male unemployment decreased from 2.2% to 1.8%. Among Saudi nationals, the unemployment rate decreased from 12.0% to 7.8%, highlighting the impact of targeted labor market reforms. Non-Saudi unemployment remained very low, increasing slightly from 0.4% to 0.9%⁽¹¹⁾.

Table 3.5: KSA Population Growth (2019G – 2029f, million)

	2019G	2020G	2021G	2022G	2023G	2024e	2025f	2026f	2027f	2028f	2029f	CAGR 2019-24	CAGR 2024-29f
Population	30.1	31.6	30.8	32.2	33.7	35.3	36.0	36.7	37.5	38.2	39.0	3.3%	2.0%

Source: IMF; e. Estimate, f. Forecast

Table 3.6: KSA Labor Force Participation Rates (% of the population), 15+ age group (2019G – 2023G)

	2019G	2020G	2021G	2022G	2023G
Total	61.2%	62.4%	63.5%	63.8%	63.8%
Male	81.4%	80.8%	80.0%	80.6%	80.8%
Female	24.4%	29.3%	34.2%	34.1%	34.1%

Source: World Bank, Modelled analysis

To meet the evolving demands of the labor market and enhance workforce skills, KSA introduced the Human Capital Development Program. This initiative aims to create employment opportunities and bridge skill gaps for over 223,000 private sector positions by 2025G. The program focuses on several key areas:

- **Developing a Resilient and Strong Educational Base:** Enhancing the education system to build a skilled workforce that aligns with the future demands of the labor market.
- **Preparing for Future Local and Global Labor Markets:** Delivering targeted training and vocational programs to equip workers with the necessary skills for both domestic and international opportunities.
- **Providing Lifelong Learning Opportunities:** Promoting ongoing education and skill development to enable workers to remain adaptable in an ever-changing job market.

The program prioritizes increasing the participation of Saudi nationals in high-skilled roles, targeting a Saudization rate of 40% in by 2025G, with 39% already achieved in 2023G. It also focuses on improving employment opportunities for unemployed graduates from vocational, technical, and higher education institutions, aiming for 70% of graduates to secure jobs within 12 months of graduating by 2025G. In addition, it aims to achieve a 33% enrolment rate in Technical and Vocational Education and Training (TVET) by 2025G, compared to 23% in 2019G, in order to better align skills with labor market needs. A central focus across all initiatives is the development of digital and technological capabilities within the workforce and the broader population.

⁸ IMF

⁹ IMF

¹⁰ World Bank

¹¹ General Authority for Statistics

3.3.3 Vision 2030 initiative led & Giga Projects growth

KSA's historical reliance on oil, coupled with fluctuations in global oil prices and economic inefficiencies, has prompted the government to prioritize diversifying the economy beyond the energy sector. This shift and the projected economic growth are being spearheaded by Vision 2030 and its 13 Vision Realization Programs. Key programs, including the Housing Program, the Human Industrial Development and Logistics Program, the National Transformation Program, and Quality of Life Program, are expected to play a pivotal role in driving demand for FM services.

- **The Housing Program** aims to address the growing demand for affordable and sustainable housing in KSA while enhancing the efficiency of the real estate sector. By developing new residential projects, promoting home ownership with a target of 70% home ownership by 2030G and improving urban planning, the program contributes to the creation of modern, well-managed communities. These developments are expected to increase demand for FM services, as facilities managers will play a crucial role in maintaining and operating the infrastructure within these new residential spaces, ensuring a high standard of living for residents.
- **The Human Industrial Development and Logistics Program** focuses on transforming KSA into a global logistics hub and boosting industrial capabilities. By developing state-of-the-art logistics facilities, industrial parks, and supporting infrastructure, the program is poised to drive demand for FM services. As these facilities require efficient operations, safety compliance, and maintenance, the FM sector will play a key role in ensuring the smooth functioning of logistics and industrial assets, contributing to KSA's economic diversification goals.
- **The National Transformation Program** is an initiative designed to accelerate the KSA's move towards a more diversified economy. NTP focuses on enhancing the effectiveness of government services and fostering private sector involvement across various industries. By prioritizing technological innovation and digital transformation across sectors, the NTP is expected to drive significant advancements in the FM sector, positioning it as a critical enabler of KSA's modernization efforts.
- **The Quality of Life Program** focuses on improving the living standards and social well-being of Saudi citizens. By enhancing public services, expanding cultural, entertainment, and recreational offerings, and developing world-class infrastructure, the program aims to make KSA a more attractive place to live and work. As the program emphasizes the development of smart cities, digital services, and online platforms, it will create significant opportunities for the FM sector to deliver cutting-edge solutions that enhance quality of life across KSA.

3.3.4 Ongoing development of giga projects

As part of KSA's transformation under Vision 2030, numerous Giga Projects have been launched, valued at over SAR 3.5 trillion in 2024G⁽¹²⁾, offering significant growth potential for the FM sector. These large-scale developments are expected to drive increased demand for advanced facility management services, including sustainable solutions, smart operations, and innovative technologies throughout their construction and operational phases. From efficient maintenance systems to cutting-edge energy management, the FM sector will play a pivotal role in ensuring the smooth operation, sustainability, and longevity of these landmark projects.

Outlined below are some of the major Giga Projects in KSA, along with their projected investment amounts⁽¹³⁾:

- **NEOM (~ SAR 1,875 bn)**: NEOM, Saudi Arabia's flagship development along the Red Sea coast, includes a floating industrial complex, global trade hub, tourist resorts, and a linear city-all powered by renewable energy. These components will require state-of-the-art facility management solutions to maintain their unique infrastructure and sustainability goals.
- **Diriyah Gate (~ SAR 240 bn)**: The Diriyah Gate project is a cultural and historical restoration initiative focused on the ancient city of Diriyah. It aims to transform it into a global heritage destination, highlighting its historical significance, cultural heritage, and architectural treasures.
- **New Murabba (~ SAR 188 bn)**: The New Murraba project aims to develop a vast urban area in Riyadh, centered around the iconic Mukaab building, which will serve as a hub for residential, commercial, and entertainment facilities.
- **Qiddiya (~ SAR 82 bn)**: The Qiddiya project in Saudi Arabia is a mega-entertainment and sports development that aims to create a world-class entertainment destination near Riyadh, offering a wide range of leisure, sports, and cultural attractions for residents and tourists.
- **Jeddah Central (~ SAR 75 bn)**: The Jeddah Central project is a major waterfront development initiative that aims to transform Jeddah's urban landscape with mixed-use spaces including residential, commercial, cultural, and recreational areas.
- **The Red Sea (~ SAR 64 bn)**: The Red Sea project is an ambitious tourism development along the coast. It aims to create a diverse and sustainable luxury tourism destination, featuring pristine beaches, vibrant coral reefs, and exclusive resorts, while prioritizing environmental preservation.
- **Al Ula (~ SAR 60 bn)**: The Al Ula project is a heritage and cultural initiative that aims to transform the ancient city of Al Ula into a global tourism destination, showcasing its rich history, archaeological sites, and natural landscapes while preserving its cultural heritage.
- **Saudi Entertainment Ventures "SEVEN" (~SAR 50 bn)**: SEVEN is a nationwide initiative to develop modern entertainment complexes across Saudi cities, featuring cinemas, theme parks, and immersive attractions.

¹² Knight Frank; Arthur D. Little analysis

¹³ Knight Frank

- **King Salman Park (~ SAR 39 bn):** The King Salman Park project is an urban green space development in Riyadh that aims to transform the city with one of the world's largest parks, featuring cultural, recreational, and environmental attractions.
- **Masar Destination (~SAR 38 bn):** The Masar project in Makkah is a major urban development that aims to enhance access to the Grand Mosque through modern infrastructure, hospitality, and mobility services.
- **Mohammed Bin Salman Nonprofit City "Misk City" (~SAR 15 bn):** Misk City is a nonprofit urban development in Riyadh focused on fostering education, culture, and innovation through integrated residential, commercial, and institutional facilities.

KSA's Giga Projects are anticipated to create further opportunities for the FM across the value chain, positioning the Company favorably due to its established strong market presence in FM for Giga Projects.

3.4 FM market overview

The FM market encompasses services and solutions aimed at efficiently managing and maintaining physical spaces, including buildings, infrastructure, and real estate assets. It includes a range of functions such as maintenance, cleaning, security, energy management, and operational support to ensure functionality, safety, and sustainability in residential, commercial, and industrial facilities.

The FM market in KSA is segmented into output-based and input-based FM based on the services delivery model:

- **Output-based FM:** A modern, performance-driven facility management model centered on achieving measurable outcomes, where providers are evaluated based on their ability to meet SLAs and KPIs, offering flexibility, accountability, and customized solutions tailored to client needs. Output-based FM is further segmented into the following two service delivery models:
 - **Single / Bundled FM:** Single/bundled FM involves the provision of specific services either individually or as a group under one contract; bundled FM optimizes coordination, improves operational efficiency, and provides cost savings by integrating related services, offering clients a more streamlined solution.
 - **IFM:** IFM centralizes all FM services under a unified management framework, combining various functions. This approach prioritizes holistic efficiency, strategic alignment with client objectives to deliver seamless and measurable outcomes.
- **Input-based FM:** A traditional FM approach that relies on predefined tasks, processes, and allocated resources, prioritizing adherence to fixed scopes of work and standardized procedures without a focus on measurable outcomes. Closely linked to traditional O&M contracts, it typically has a lower margin profile due to restricted risk and reward potential.

The Company specializes in output-based FM services, including IFM, a progressive FM approach focused on delivering measurable outcomes and aligning services with the needs of clients. The company has a limited presence in input-based FM.

3.4.1 FM market size & growth

KSA's FM market, estimated at SAR 108.9 billion (USD 28.9 billion) in 2024G, is the largest in the GCC. In comparison, the UAE market is valued at USD 12–15 billion, followed by Qatar at USD 5–6.5 billion and Bahrain at USD 1.5–2 billion⁽¹⁴⁾. The FM market output in KSA is concentrated in the Central region, which accounts for 43% of the total, followed by the Western region at 27%, the Eastern region at 17%, and the Southern region at 13%. Despite its scale, the market holds significant growth potential with output per capita in KSA (USD 880) still trailing that of Qatar (USD 1,670 to 2,170), the UAE (USD 1,140 to 1,430), and Bahrain (USD 940 to 1,250)⁽¹⁵⁾. It is forecast to grow at a CAGR of 7.0% from 2024G to 2029G and reach SAR 152.7 billion by 2029G. Growth of the FM market in KSA is driven by several factors including:

- **Construction Expansion:** Construction market is expected to grow at a 6.7% CAGR from 2023G to 2028G, expanding from SAR 556 billion to SAR 768 billion⁽¹⁶⁾, driven by large scale projects across multiple industries in line with government's ambition to diversify economy.
- **Infrastructure Investments:** KSA is significantly investing in expanding country's public infrastructure and services - this covers plans to set up new logistic zones to bolster supply chains, new road developments, construction of new and redevelopment of existing airports, development of ports to cater to non-oil exports as well as expansion of healthcare and educational facilities.
- **Growth in Commercial, Retail, and Hospitality Sectors:** KSA is increasing its office space to achieve its aspirations to become a major business center in the Middle East, driven by government efforts to attract multinational companies to set up regional headquarters. By 2024G, KSA had attracted 540 international companies to establish their regional headquarters in Riyadh - surpassing its original target of 500 by 2030G.⁽¹⁷⁾ The policy also attracted 350 European companies to the capital as of Q4 2023G⁽¹⁸⁾. The hospitality landscape in

¹⁴ Arthur D. Little analysis; published sources

¹⁵ Arthur D. Little analysis; published sources.

¹⁶ Global Data; Arthur D. Little analysis

¹⁷ Khalid bin Abdulaziz Al-Falih, KSA's Minister of Investment at the Future Investment Initiative Summit in Riyadh.

¹⁸ Knight Frank

KSA is expanding, with an ambitious target of 150 million annual tourists by 2030G⁽¹⁹⁾, supported by a construction pipeline of luxury hotels and resorts. KSA welcomed over 27 million Umrah pilgrims in 2023G⁽²⁰⁾, driving demand for facilities management in hospitality services. As local and tourist populations rise, plans to address retail needs include the construction of large-scale malls.

- **Increasing Preference for Professional Services:** Companies are increasingly outsourcing FM services to specialized firms, allowing them to focus on core operations while benefiting from professional cleaning, maintenance, and full-service FM providers.
- **Residential and Master-Planned Community Growth:** The development of master-planned communities, mixed-use spaces, and smart infrastructure, driven by Vision 2030, is creating demand for FM services in sustainable and integrated living environments. Developers are focusing on mixed-use spaces, affordable housing, and smart infrastructure to cater to both citizens and expatriates.
- **Sustainability and Green Building Initiatives:** The increasing investment in green infrastructure and smart cities is creating demand for specialized services focused on sustainable operations and efficient resource management; projects such as NEOM and The Red Sea Project, are driving demand for innovative FM practices, opening new avenues for growth and differentiation within the market.

Output-based FM is anticipated to grow at a CAGR of 12.0% from 2024G to 2029G, with revenues increasing from SAR 28.0 billion in 2024G to SAR 49.2 billion by 2029G. Output-based FM is anticipated to grow faster than input-based FM as customers increasingly prefer flexible performance-driven solutions, that focus on measurable outcomes, aligning with their goals to optimize performance and reduce overhead costs. The Company focuses on the rapidly growing output-based FM market segment, which presents significant opportunities for expansion through increased demand for performance-driven solutions.

Input-based FM is projected to grow at a slower CAGR of 5.0% over the next five years. Its growth is primarily driven by continued investments in infrastructure maintenance, public sector contracts, and traditionally structured service agreements in retail, commercial, and industrial sectors.

Table 3.7: FM Market Growth by Service Delivery (2019G – 2029f, SAR billion)

	2019G	2020G	2021G	2022G	2023G	2024e	2025f	2026f	2027f	2028f	2029f	CAGR 2019-24	CAGR 2024-29f
Output-based FM	19.2	16.8	19.6	22.2	24.9	28.0	31.2	34.8	39.0	43.8	49.2	7.8%	12.0%
Input-based FM	74.0	60.7	66.9	71.1	76.1	80.9	85.7	90.5	95.0	99.2	103.4	1.8%	5.0%
Total	93.2	77.5	86.5	93.4	101.1	108.9	116.9	125.3	134.0	143.0	152.7	3.1%	7.0%

Source: General Authority for Statistics, EFSIM data, Primary research with subject matter experts / market stakeholders, Publicly available market statistics, Arthur D. Little analysis; e. Estimate, f. Forecast

The FM market is also categorized into distinct service types, each addressing specific operational and maintenance needs to ensure the efficiency, safety, and functionality of buildings and infrastructure:

Hard FM services include maintenance and repair of physical infrastructure: such as air conditioning systems, plumbing, electrical installations, and roads & street lighting systems, etc. related to physical equipment and infrastructure installed.

Soft FM services cover the maintenance of habitable spaces and accessible spaces and include typically labor-intensive services such as cleaning, catering, pest control, environmental services, etc.

Risk services include security, insurance management, disaster management, reserve/sinking funds, etc.

Administrative services include mail management, inventory management, front office management, etc.

Table 3.8: FM Market Growth by Service Type (2019G – 2029f, SAR billion)

	2019G	2020G	2021G	2022G	2023G	2024e	2025f	2026f	2027f	2028f	2029f	CAGR 2019-24	CAGR 2024-29f
Hard	54.0	44.9	50.2	54.2	58.8	63.4	68.1	73.1	78.2	83.6	89.2	3.3%	7.1%
Soft	33.4	27.8	31.0	33.5	36.2	39.1	42.0	45.1	48.2	51.5	55.0	3.2%	7.0%
Risk	3.6	2.9	3.2	3.4	3.7	3.8	4.1	4.3	4.5	4.7	5.0	1.5%	5.6%
Admin	2.2	1.8	2.0	2.2	2.3	2.5	2.7	2.9	3.0	3.2	3.4	0.0%	0.0%
Total	93.2	77.5	86.5	93.4	101.1	108.9	116.9	125.3	134.0	143.0	152.7	3.1%	7.0%

Source: General Authority for Statistics, MarkNtel; Arthur D. Little analysis; e. Estimate, f. Forecast

¹⁹ Ministry of Tourism update February 2024G

²⁰ General Authority for Statistics

3.4.2 FM market dynamics

The FM Market in KSA is driven by changing customer behaviour trends that include:

- **Increasing Emphasis on Output-Based FM:** Clients are moving towards performance-driven FM contracts that tie payments to measurable outcomes, increasingly demanding clear SLAs and measurable results rather than paying for inputs.
- **Shift Towards Long-Term Partnerships:** Companies are increasingly seeking trusted FM providers for long-term partnerships, driven by the need for consistent service quality, scalable solutions, and the demands of large-scale projects like giga developments.
- **Increasing Preference for IFM Services:** Businesses increasingly prefer integrated solutions that combine hard and soft FM services to reduce vendor complexities, streamline processes, and achieve cost savings.
- **Technology Adoption and Innovation:** Companies are prioritizing FM providers who can implement and manage smart technologies for monitoring and efficiency, as well as offer data-driven insights and automation to reduce costs and improve service quality.
- **Growing Demand for Sustainable Practices:** Environmental regulations, green building standards, and the push for ESG compliance are prompting businesses to seek FM providers offering eco-friendly and sustainable solutions.
- **Focus on Compliance and Quality:** The expectations of FM service buyers are evolving, with increasing emphasis on compliance, adherence to international benchmarks and best practices, and delivering transparent, high-quality solutions.

In addition to changing customer behaviour, six key technology trends are shaping the FM industry, enabling efficiency, sustainability, and strategic growth:

- **Artificial Intelligence (“AI”) and Machine Learning (“ML”):** AI and ML technologies are revolutionizing the FM industry by driving automation and predictive maintenance. These technologies analyze large datasets to optimize building systems, identify operational inefficiencies, and predict future maintenance needs, ultimately reducing downtime and maintenance costs through proactive management and system optimization.
- **Internet of Things (“IoT”):** IoT sensors play a pivotal role in FM by providing real-time data on building systems. This data empowers facility managers to make better decisions regarding energy efficiency, space utilization, and overall building performance. Through IoT, facilities can automate adjustments and optimize their operations to enhance sustainability and reduce operational costs.
- **Building Information and Management Systems:** BIM and CAFM systems are integral to the lifecycle management of facilities. BIM provides a detailed digital model of a building, while CAFM integrates facility data for streamlined management. Together, these technologies improve space utilization, maintenance planning, and operational efficiency, facilitating a more effective approach to facility management.
- **Digital Twins:** Digital twins create a virtual representation of physical assets, enabling real-time monitoring and analysis of building systems. By simulating real-world conditions, digital twins enhance operational efficiency, support predictive maintenance, and provide data-driven insights that optimize facility performance and enable better decision-making.
- **Data Analytics and Real-Time Monitoring:** Data analytics tools and real-time monitoring systems enable FM providers to gather and analyze large volumes of operational data. This continuous flow of information supports informed decision-making, enhances risk management, and improves resource optimization, leading to more efficient and sustainable facility operations.
- **Automation and Robotics:** Automation and robotics are transforming the FM industry by streamlining and optimizing routine processes. These technologies reduce labor dependency, enhance service delivery, and ensure scalability by automating repetitive tasks. The integration of robotics into FM operations also boosts precision and overall productivity, contributing to long-term cost savings and operational growth.

The Company is expected to benefit from key market trends, due to its strong focus on IFM/output-based FM sector, technological rigor, and dedicated focus on compliance.

3.4.3 FM regulatory landscape

The FM market in KSA is regulated by several entities with the aim of improving the quality of services and efficiency of service providers. The regulations developed largely pertain to two aspects: the standards of quality anticipated for facilities, and sourcing relevant manpower for service delivery. Key regulatory bodies, including MoMAH, SASO and Civil Defense Authority, enforce compliance with safety, quality, and operational standards to enhance service delivery, while MHRSD implements Saudization policies and labor law compliance. Key regulations include:

- **Saudization “Nitaqat”:** Regulated by the MHRSD, Saudization enforces quotas requiring companies to hire Saudi nationals. The program aims to reduce unemployment and place skilled Saudi workers in relevant sectors. It may require companies to prioritize the hiring and training of Saudi employees, leading to a shift in their workforce composition. While this can present challenges in terms of skills and experience, Saudization also offers opportunities for local talent development and the creation of a more sustainable and diverse workforce.

- **Management of Hospitality Facilities:** Regulated by the Ministry of Tourism, the management of hospitality facilities involves standards for personnel, quality management, and maintenance requirements. These regulations aim to improve service quality in the hospitality sector and ensure compliance with operational standards.
- **Asset Management Standards Guide:** Governed by EXPRO, the Asset Management Standards Guide establishes benchmarks for managing state-owned real estate, focusing on energy efficiency, safety, and performance indicators. These standards aim to professionalize real estate management while aligning operations with national sustainability goals. While they raise compliance requirements for companies, they also drive improvements in asset management practices, creating more efficient and sustainable systems.
- **Saudi Building Code (“SBC”):** MoMAH enforces the SBC, which outlines structural safety, fire protection, and energy efficiency standards for buildings. The code ensures that facilities adhere to modern safety and sustainability benchmarks.
- **Environmental and Sustainability Regulations:** Regulated by the Ministry of Environment, Water, and Agriculture, these regulations align with the Saudi Green Initiative and prioritize energy efficiency, waste management, and the use of renewable resources. They encourage companies to adopt sustainable practices and eco-friendly technologies.
- **Municipal Licensing Requirements:** Regulated by MoMAH, the municipal licensing requirements oversee licensing regulations for FM service providers. These rules are designed to standardize service quality, include periodic audits, and ensure compliance with operational standards.

3.5 OUTPUT-BASED FM market overview

3.5.1 OUTPUT-Based FM market segments

The output-based FM market, valued at SAR 28.0 billion (26% of the total FM market), represents a fast growing segment focused on performance-driven solutions. Providers in this segment are evaluated based on their ability to achieve measurable outcomes, such as meeting SLAs and KPIs. Within this market, the IFM sector accounts for SAR 16.2 billion, offering centralized management of FM services under a unified structure to enhance efficiency and alignment with client goals. The Company's market share in the highly fragmented output-based FM market is estimated to be 2-3%.

The output-based FM sector is expected to grow at 12.0% CAGR during the next 5 years driven. The growth is driven by rising adoption of IFM model as businesses in KSA seek streamlined operations, reduced complexity, and improved cost efficiencies. In addition, the expansion of Giga Projects in KSA is driving demand for output-based FM services, as large-scale developments like NEOM and the Red Sea Project require integrated and performance-driven FM solutions to manage complex operations efficiently.

Table 3.9: Output-Based FM Market Growth by Service Delivery (2019G – 2029f, SAR billion)

	2019G	2020G	2021G	2022G	2023G	2024e	2025f	2026f	2027f	2028f	2029f	CAGR 2019-24	CAGR 2024-29f
IFM	10.2	9.1	10.9	12.5	14.3	16.2	18.3	20.8	23.7	27.1	30.1	9.8%	13.7%
Single / Bundled FM	9.1	7.7	8.7	9.7	10.7	11.7	12.8	14.0	15.3	16.7	18.3	5.3%	9.3%
Total	19.2	16.8	19.6	22.2	24.9	28.0	31.2	34.8	39.0	43.8	49.2	7.8%	12.0%

Source: General Authority for Statistics, EFSIM data, Primary research with subject matter experts / market stakeholders, Publicly available market statistics, Arthur D. Little analysis; e. Estimate, f. Forecast

The output-based FM market is segmented into main industry sectors defined by end-users of FM services, with each sector contributing to the overall growth and diversification of the output-based FM market in the KSA:

- **Giga Projects:** Giga Projects is the fastest-expanding segment in KSA's output-based FM market, projected to grow at a 26.4% CAGR and reach SAR 19 billion by 2029G. The growth is driven by the expansion of Giga Projects in KSA, which amplifies the need for output-based FM solutions to support these large-scale developments. These developments demand advanced FM capabilities to manage their complexity, scale, and performance requirements effectively. In contract Giga Projects' input-based FM is forecast to grow from SAR 0.7 billion to 1.2 billion at a 12.7% CAGR during the same period.
- **Industrial Sector:** The industrial sector's output-based FM is expected to grow at a 6.2% CAGR and reach SAR 5.8 billion by 2029G, driven by investments in new industrial zones, manufacturing facilities, and logistics hubs. Input-based FM in the industrial sector is projected to grow from SAR 6.4 billion to SAR 7.8 billion at a 3.9% CAGR.
- **Oil & Gas Sector:** The oil & gas sector's output-based FM market is projected to expand at a 6.3% CAGR and reach SAR 4.9 billion by 2029G. Growth is driven by strategic investments in production and export infrastructure, sustainability initiatives, and the adoption of advanced technologies for operational efficiency. Input-based FM in the oil & gas sector is forecast to grow from SAR 2.0 billion to SAR 2.5 billion at a 3.4% CAGR.

- **Commercial Sector:** The commercial output-based FM market is set to grow at a 6.8% CAGR to reach SAR 2.7 billion by 2029G. This growth is driven by corporate expansions, digital transformation in workplaces, and international corporations establishing regional headquarters in KSA. In contrast, input-based FM in the commercial sector is projected to grow from SAR 10.0 billion to SAR 13.1 billion at a 5.5% CAGR.
- **Education Sector:** The education sector's output-based FM market is forecast to grow at a 6.3% CAGR to reach SAR 2.2 billion by 2029G. This growth is supported by increasing student populations, private sector participation, and Vision 2030 initiatives to enhance educational infrastructure. Input-based FM in the education sector is forecast to grow from SAR 2.0 billion to SAR 2.4 billion at a 3.9% CAGR.
- **Aviation Sector:** The aviation sector's output-based FM market is forecast to grow at a 7.1% CAGR to reach SAR 1.7 billion by 2029G, driven by airport expansions, increasing passenger volumes, and rising air cargo operations. Input-based FM in the aviation sector is projected to grow at a 0.7% CAGR remaining at SAR 0.3 billion.
- **Retail Sector:** The retail output-based FM market is anticipated to grow at a 6.3% CAGR and reach SAR 1.6 billion by 2029G. Urbanization, tourism, and expanding retail infrastructure, such as mega malls and entertainment hubs, are key growth drivers. Input-based FM in the retail sector is estimated to grow from SAR 10.5 billion to SAR 13.4 billion at a 4.9% CAGR.

Table 3.10: Output-Based FM Market Growth by End User (2019G – 2029f, SAR billion)

	2019G	2020G	2021G	2022G	2023G	2024f	2025f	2026f	2027f	2028f	2029f	CAGR 2019-24	CAGR 2024-29f
Giga Projects	0.4	1.2	2.3	3.3	4.4	5.9	7.5	9.4	12.0	15.2	19.0	72.5%	26.4%
Industrial	3.7	3.1	3.5	3.7	4.0	4.3	4.6	4.9	5.2	5.4	5.8	2.7%	6.2%
Oil & Gas	3.2	2.6	3.0	3.2	3.4	3.6	3.9	4.1	4.4	4.7	4.9	2.5%	6.3%
Commercial	1.6	1.3	1.4	1.6	1.7	1.9	2.1	2.2	2.4	2.5	2.7	3.6%	6.8%
Education	1.4	1.1	1.0	1.4	1.5	1.6	1.8	1.9	2.0	2.1	2.2	3.5%	6.3%
Aviation	1.0	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.6	1.7	3.9%	7.1%
Retail	1.0	0.9	0.9	1.0	1.1	1.2	1.3	1.3	1.4	1.5	1.6	3.0%	6.3%
Other ⁽²¹⁾	6.9	5.8	6.6	7.0	7.6	8.2	8.9	9.5	10.1	10.7	11.3	3.7%	6.8%
Total	19.2	16.8	19.6	22.2	24.9	28.0	31.2	34.8	39.0	43.8	49.2	7.8%	12.0%

Source: General Authority for Statistics, EFSIM data, Primary research with subject matter experts / market stakeholders, Publicly available market statistics, Arthur D. Little analysis; e. Estimate, f. Forecast

3.5.2 Output-based FM Competitive landscape

The output-based FM market in KSA is highly fragmented, comprising approximately 200-300 active companies, each holding only a small portion of the overall market. The leading 10 providers, including the Company, Safari Group, Zahran, and Initial Saudi Group, collectively account for 25-30% of the output-based FM market, highlighting the lack of significant market concentration, with no single provider holding more than 3–4% share.

The market is highly competitive, but the number of providers capable of managing large-scale, outcome-driven contracts remains limited, giving an advantage to established players like the Company. Although intense pricing pressure exists, it is counterbalanced by the market's demand for high-quality services with measurable outcomes. High barriers to entry, such as significant investments in technology and skilled personnel, further limit competition. Additionally, long-term contracts that favour incumbents create challenges for new entrants.

The Company is recognized in the industry as one of the leading IFM providers. It is well positioned relative to its competitors due to its significant and expanding scale, service and geographical differentiation, and robust IFM solutions, underpinned by a focus on customer satisfaction and technological capability. In contrast to other major FM competitors in KSA with captive business models, the Company has built its market presence through organic customer acquisition. In addition, the Company holds a first-mover advantage in providing FM services to Giga Projects such as NEOM, the Red Sea Development, and Al Ula from their early development stages, creating a significant competitive advantage.

The Company's share in output-based FM market was 2-3% in 2024G, driven by its market shares in Giga Projects and aviation sectors, where it is among the leading market players.

²¹ Includes leisure and hospitality, infrastructure, healthcare, residential, etc.

Table 3.11: Company's Market Share in Output-Based Market Sectors (2024G, % share of market)

	Giga Projects	Aviation	Commercial	Oil & Gas	Industrial	Education	Retail
Market Share (%)	6-8%	12-16%	2-5%	1-3%	~1%	~1%	~1%

Source: General Authority for Statistics, EFSIM data, Primary research with subject matter experts / market stakeholders, Publicly available market statistics, Arthur D. Little analysis; e. Estimate, f. Forecast

Key competitors of the Company include Initial Saudi Group, Safari Group, Zahran, FMCO, Muheel Facilities Management, Enova, and Khidmah, among other established players in the FM sector. These competitors operate across various segments, including IFM, Single / Bundled FM, and specialized maintenance solutions, catering to diverse industries such as Giga Projects, aviation, healthcare, commercial, and residential sectors.

3.6 Glossary

Term	Description
Artificial Intelligence (AI)	Technology that mimics human intelligence to automate tasks such as decision-making and predictive analysis in facilities management
Building Information and Management Systems (BIM)	BIM is a digital representation of a building's characteristics for planning and construction
Computer-Aided Facility Management (CAFM)	CAFM is software for managing and maintaining facilities
Compound Annual Growth Rate (CAGR)	The annualized average rate of revenue growth between two given years, assuming growth takes place at an exponentially compounded rate
Foreign Direct Investment (FDI)	Investment made by a company or government into a foreign concern
Gross Domestic Product (GDP)	The total value of goods produced and services provided in a country during one year
Integrated Facility Management (IFM)	A management approach consolidating all facility services under a single provider to improve efficiency and reduce costs
Internet of Things (IoT)	Interconnected devices enabling real-time monitoring and management of systems such as lighting, HVAC, and security in buildings
Initial Public Offering (IPO)	The process through which a private company goes public by selling its stocks to the general public for the first time
Key Performance Indicators (KPIs)	Quantifiable metrics used to measure performance and operational efficiency in various processes, including facilities management
Machine Learning (ML)	A subset of AI where systems learn from data to improve performance, applied in areas like predictive maintenance and energy optimization
National Transformation Program (NTP)	A Vision 2030 initiative focused on diversifying Saudi Arabia's economy by improving government services and fostering private sector involvement
Operations and Maintenance (O&M)	Activities focused on the upkeep and functionality of a facility, including daily operations, repairs, and preventive maintenance
Real GDP (Real Gross Domestic Product)	The total value of goods produced and services provided in a country during one year adjusted for price changes
Service Level Agreements (SLAs)	Contracts defining the expected service standards and performance metrics between a service provider and a client



4. Business Description

4. Business Description

4.1 Overview of the Company and its Business

4.1.1 Overview of the Company

EFSIM Facilities Management Company is a leading provider of integrated facilities management services across the Kingdom of Saudi Arabia. For over 16 years, the Company has distinguished itself by delivering high-quality services to some of the largest local and international companies including Oxagon, JEDCO, Saudi Entertainment Ventures company (SEVEN), Umm Al Qura for Development and Construction company (Masar), Baker Hughes and others. The Company has a proven track record by demonstrating integrity, quality and partnership in its operations, evidenced by a client retention rate exceeding 90% over the past 10 years.

The Company focuses on providing innovative, high-quality service and continuous efforts to satisfy its clients, which contributed to its stellar reputation. The Company's portfolio includes prominent clients from government agencies, mega projects, and top blue-chip clients. Offering over 75 services for specialized sectors, including aviation, education and oil and gas, the Company built its success on a proven track record, distinguished services, deep trust, and reliability. As of 31 March 2025G, the Company maintains 118 ongoing projects. The Company segments its business by a market focus to: mega projects, with SAR 395 million and SAR 109.2 million revenue; aviation, with SAR 176 million and SAR 44.8 million revenue; oil and gas, with SAR 72 million and SAR 16.6 million revenue; commercial (assorted), with SAR 75 million and SAR 26.7 million revenue; international, with SAR 45 million and SAR 13.0 million revenue; education, with SAR 19 million and SAR 7.1 million revenue; and event staffing solutions, with SAR 20 million and SAR 1.7 million revenue (all for the year ended 31 December 2024G and the three-month period ended 31 March 2025G, respectively).

The Company's diversified business model aims to ensure financial resilience and reduce dependency on any single client or sector. The Company is led by an industry-renowned CEO and a seasoned management team with 120+ years of combined facilities management expertise, driving innovation, operational efficiency, and strategic growth. The Company has embedded a People-First Philosophy, prioritizing employee well-being, professional growth, and workforce empowerment. This commitment is reinforced through a dedicated Centre of Excellence in the Kingdom and specialized programs for developing Saudi nationals in the facilities management sector across the Kingdom. As of 31 March 2025G, the Company had over 8,400 deployed resources across the Kingdom (including employed by it or utilized through manpower or services companies).

The Company has a proven track record of strong financial performance, with revenue of SAR 337.5 million, SAR 520.4 million, SAR 802.9 million and SAR 219.1 million for the years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. The profit for the same periods was SAR 17.1 million, SAR 27.8 million, and SAR 51.6 million.

The Company secured new contracts worth SAR 3.6 billion over the financial years 2022G – 2024G in addition to the three-month period ended 31 March 2025G, achieving a backlog of SAR 1.8 billion as of 31 March 2025G, managing 32+ million square meters of facilities nationwide.

4.2 Vision, Mission and Strategy

4.2.1 Vision

To be the preferred facilities management service provider of choice across the Kingdom.

4.2.2 Mission

To ensure superior service delivery by engaging stakeholders to take ownership and build a sustainable enterprise.

4.2.3 Strategy

The Company's growth strategy is built on its deep market expertise, operational excellence, and forward-looking business model, reinforcing its position as a premier provider of integrated facilities management services in Saudi Arabia. The Company is focused on leveraging its established presence, advanced technology integration, and workforce-centric approach to drive sustainable expansion.

A. Leveraging Market Position to Address Increasing Demand for FM Services

Saudi Arabia's FM sector is poised for rapid growth, with the market valued at SAR 109 billion in 2024G and output-based FM services expected to grow at a CAGR of 12% from 2024G to 2029G. The Kingdom's Vision 2030 initiatives, large-scale infrastructure projects, and increasing privatization are creating unprecedented demand for structured FM services, presenting significant opportunities for the Company to expand its market share.

To capitalize on this expansion, the Company will focus on:

- **Broadening its service portfolio:** Building on its 75 service offerings, the Company will expand into high-value, specialized services such as energy efficiency consulting, predictive maintenance, and sustainability-driven solutions.
- **Deepening penetration in high-growth sectors:** Giga projects contributed SAR 395 million and SAR 109.2 million in revenue in the financial year ended 31 December 2024G and the three-month period ended 31 March 2025G, reflecting substantial growth in this segment. While the Company remains committed to expanding its presence in giga projects, it will also focus on strengthening its foothold in other high-growth sectors. The Company aims to further scale operations in aviation (SAR 176 million and SAR 44.8 million in revenue in the financial year ended 31 December 2024G and the three-month period ended 31 March 2025G), oil & gas (SAR 72 million and SAR 16.6 million for the same periods, respectively), and commercial (assorted) (SAR 75 million and SAR 26.7 million for the same periods, respectively), capitalizing on the rising demand for professional FM services driven by urbanization, infrastructure development, and evolving living standards across the Kingdom.
- **Securing high-value contracts:** With a contract backlog of SAR 1.8 billion as of 31 March 2025G, and a client retention rate of 100% as of 2025G, the Company is well-positioned to capture new long-term contracts while maintaining strong relationships with existing clients between 2022G and 31 March 2025G.

Strategic Impact:

By scaling its market presence and diversifying service verticals, the Company aims to:

- **Diversify revenue streams** through entry into high-growth FM segments.
- **Maximize client retention** by offering enhanced, high-value FM solutions.
- **Drive market share** by securing long-term, high-margin contracts.
- **Enhance operational efficiency** through cost-optimized service models.

With its robust infrastructure and strategic growth initiatives, the Company aims to cement its position in the Kingdom and be the FM partner of choice in Saudi Arabia.

B. Embedding Technology to Drive Operational Efficiencies and Client Service Excellence

The Company recognizes technology and automation as critical enablers of its transformation strategy, positioning the Company to enhance service delivery, optimize operations, and reinforce its leadership in the FM industry. By embedding digital advancements, data-driven insights, and automation tools into its service model, the Company aims to redefine operational efficiency, improve workforce deployment, and elevate client satisfaction.

As client expectations evolve, the Company's commitment to innovation ensures that its services remain agile, adaptive, and tailored to dynamic market needs. By integrating advanced equipment, real-time tracking, and performance monitoring, the Company aims to enhance service transparency, optimize resource allocation, and improve operational productivity. These enhancements not only reduce costs but also create scalable efficiencies, enabling the Company to expand sustainably without compromising service quality.

The Company's digital-first approach is designed to future-proof its business model by optimizing cost structures, enhancing client engagement, and enabling long-term scalability. By continuously investing in smart FM technologies, automation, and analytics, the Company strengthens its competitive positioning as an industry innovator while maintaining the agility to adapt to emerging market trends and industry advancements.

C. Enhancing Employee Welfare and Retention through the "People First" Philosophy

The Company firmly believes that a highly trained, motivated, and engaged workforce is the foundation of its service excellence and long-term success. Operating in a labour-intensive industry where service quality is directly linked to workforce performance, the Company is committed to fostering a supportive, growth-oriented work environment. By prioritizing employee well-being, professional development, and long-term retention, the Company strengthens its employee engagement, operational stability, and sustained productivity.

With a **91% average employee retention rate** over the historical period (FY 2022G – 31 March 2025G), the Company's People First strategy focuses on equipping its workforce with the skills, resources, and environment needed to excel. The Company invests in quality employee accommodations, continuous training programs, and workforce localization initiatives, aligning with Saudi Arabia's Vision 2030 workforce development goals.

The Company's people-first approach aims to achieve:

- **Enhancing Employee Engagement & Loyalty** – Fostering a workplace culture that values professional growth, safety, and well-being.
- **Reducing Turnover Costs** – Minimizing workforce attrition through structured retention programs and career advancement pathways.

- Sustaining Operational Excellence – Ensuring a skilled and stable workforce capable of consistently delivering high-quality FM services.
- Positioning the Company as an Employer of Choice – Attracting and retaining top industry talent through superior employee benefits and development programs.
- Supporting National Workforce Development – Expanding Saudi workforce participation and aligning with localization initiatives.

Through comprehensive workforce investments, the Company is building a resilient, highly skilled, and future-ready workforce, reinforcing its leadership in the facilities management sector and enabling long-term business sustainability.

D. Pursuing Strategic Partnerships and Business Diversification

The Company recognizes the strategic value of joint ventures, partnerships, and selective acquisitions as a means to enhance operational capabilities, accelerate market penetration, and leverage synergies in specialized FM services. The Company intends to pursue targeted collaborations with leading entities across key industry segments to strengthen its service portfolio, geographic presence, and technological capabilities.

As part of its growth strategy, the Company plans to:

- Pursue High-Impact Joint Ventures and Acquisitions – Targeting partnerships in specialized sectors such as healthcare, industrial, and critical infrastructure, where FM services require advanced technological integration and regulatory expertise.
- Expand Into New Markets and Economic Zones – Leveraging strategic collaborations to broaden market access, penetrate new cities, economic clusters, and industrial zones across Saudi Arabia, and capitalize on regional FM demand.
- Enhance Specialized FM Capabilities – Strengthening expertise in technology-driven facility operations, including energy-efficient solutions, AI-powered asset management, and smart infrastructure maintenance.

The Company will evaluate potential joint ventures and acquisitions that align with its long-term growth strategy and will seek to expand in highly specialized fields such as healthcare, industrial and critical infrastructure supported by technology-based approach. The strategy is designed to leverage potential joint ventures and acquisitions to expand FM operations into new cities, economic zones, and industrial clusters within Saudi Arabia.

4.3 Strengths and Competitive Advantage

4.3.1 Broad Addressable Market Supported by a Favorable Economy and Strong Fundamentals in the Facilities Management Sector

Robust Outlook for Saudi Arabia's Economy and Facilities Management Market Enablers

Saudi Arabia is one of the largest economies in the MENA region, with a real GDP of SAR 4,570 billion and a population of 33.7 million in 2023G. The GDP is forecast to grow at a 3.3% CAGR over the next five years, supported by substantial investments from both the public and private sectors. This robust economic landscape positions the Kingdom as a focal point for growth and investment, particularly in the facilities management sector. To foster economic diversification and stimulate growth, Saudi Arabia has embarked on an ambitious pipeline of mega- and giga-projects valued at over SAR 3.5 trillion in 2024G. These projects are transformative and are set to create numerous opportunities across various sectors, including facilities management.

The Kingdom's population is anticipated to grow at a compound annual growth rate (CAGR) of 2.0% from 2024G to 2029G accompanied by a notable increase in labor force participation rates among both male and female populations. This demographic shift is expected to drive productivity and create a vibrant market for facilities management services. Integral to this positive outlook are the Vision 2030 initiatives, which prioritize sustainable infrastructure and the development of smart cities. These initiatives are propelling rapid growth in the real estate and construction markets—two critical enablers for the expansion of facilities management services.

The Saudi Arabian construction market is projected to grow at a 6.7% CAGR from 2023G to 2028G, expanding from SAR 556 billion to SAR 768 billion. This growth is driven by the urgent need to develop infrastructure supporting the country's ambitious target of 150 million annual tourists by 2030G, as well as the government's broader economic diversification strategy to expand non-oil GDP.

Large Addressable Market Set for Significant Growth Driven by Infrastructure Investments

The facilities management market in Saudi Arabia is estimated at SAR 109 billion in 2024G, making it the largest in the GCC region. Despite its scale, the market holds significant growth potential with output per capita still trailing that of Qatar and the UAE. As key sectors such as hospitality, healthcare, and commercial (assorted) continue to expand, demand is rising for integrated and performance-driven facilities management solutions to effectively manage complex operations.

The trend toward integrated facilities management as a service delivery method is gaining momentum, with asset developers and operators increasingly outsourcing facilities management services to specialized firms allowing them to focus on their core operations. Output-based facilities management – where providers are assessed against measurable performance indicators– estimated to account for 26% of the total FM market in 2024G. This segment is projected to grow at a 12.0% CAGR from 2024G to 2029G, outpacing the wider FM market and reaching 32% of the total market share by 2029G, reflecting an ongoing trend toward market formalization.

The combination of a favorable macroeconomic environment, supportive demographics, and targeted government initiatives creates a strong foundation for growth in Saudi Arabia's facilities management market, positioning it for a promising and positive outlook.

The Company's strategic framework is designed to support the evolving demands of the Saudi economy, enabling long-term revenue expansion while maintaining service excellence, operational resilience, and financial sustainability. This is underpinned by the Company's deep integration within high-value market segments, including giga projects, aviation, oil & gas, and commercial (assorted). These segments not only provide a strong business foundation but also enables the Company to scale alongside Saudi Arabia's ambitious economic transformation plans under Vision 2030.

4.3.2 A Distinguished IFM Provider with a First-Mover Advantage and a Strong Operational Moat Allowing it to Capitalize on Market Trends

Leveraging its strategic relationship with EFS Group, a global facilities management powerhouse, the Company benefits from industry's best practices while retaining operational autonomy. This unique structure allows for the integration of global expertise with local insights, providing access to a vast network and valuable industry knowledge. With operations in 26 countries, the Company can draw upon a wealth of knowledge and know-how from EFS Group to enhance its service delivery, while offering an independent and self-sufficient operation in the Kingdom.

In a market characterized by the limited number of players capable of managing large-scale, output-driven contracts, the Company has emerged as a highly organized and independent player, delivering comprehensive world-class services that meet the demands of clients seeking reliability and excellence. The Company is well-positioned to capitalize on the growing shift toward integrated facilities management, leveraging its first-mover advantage and proven track record in delivering high-quality services. Operating in a fragmented market, it has built a strong presence across multiple sectors, including government, healthcare, commercial, and industrial, offering a diversified range of high-quality facilities solutions.

With operations spanning all major regions of Saudi Arabia, a strong specialization in output-based facilities management, and a workforce of over 8,000 employees, the Company is well-equipped to secure IFM and output-based contracts, driving industry formalization nationwide.

The Company's first mover advantage in servicing giga projects, further strengthens its market position by capitalizing on the rapid expansion of these developments. By engaging giga project clients from the early development stages, the Company fosters long-term relationships that enhance contract visibility. The Company's proactive approach positions it to capitalize on the giga project segment, projected to be the fastest-growing within the output-based FM market, with a 26.4% CAGR from 2024G to 2029G.

The Company's established market presence, diverse service portfolio, and strategic positioning enable it to capitalize on evolving market trends, facilitating continued growth and success in the facilities management sector in Saudi Arabia.

4.3.3 Track Record of Delivering High-quality Facilities Management Solution Across Multiple Sectors Further Adding to the Business Resilience

The Company's business model is built upon three core pillars: excellence, compliance, and sustainability (ECS).

- First, **excellence** drives the commitment to delivering the highest standards of service and client engagement, enabling robust contract governance and cross-functional financial performance improvements in alignment with best industry practices.
- Second, **compliance** emphasizes rigorous risk management and adherence to local regulations, including health, safety, and environmental (HSE) standards, safeguarding both operations and reputation.
- Third, **sustainability** focuses on long-term organizational performance, enhancing client retention, promoting workforce integration, fostering staff development, and enabling alignment with environmental, social, and governance (ESG) standards for sustained growth.

The Company's competitive edge lies in its extensive experience across diverse sectors, including government, healthcare, commercial, industrial, and education. This expertise enables the effective management of complex, large-scale facilities while tailoring solutions to meet sector-specific requirements and compliance standards.

The Company offers a comprehensive portfolio of over 75 services, encompassing soft services (e.g., cleaning, security, and landscaping), hard services (e.g., MEP maintenance and asset lifecycle management), specialized services (e.g., energy management and technical consulting), and fully integrated facilities management solutions. This diverse offering allows the Company to address a wide range of client needs, ensuring seamless operational efficiency and long-term asset value optimization.

With a strong reputation for exceeding client expectations, the Company continues to focus on operational efficiency, safety, and sustainability across all sectors. Its value-focused approach emphasizes measurable outcomes through efficient, high-quality services tailored to client needs. Rigorous performance standards, quality controls, and client feedback mechanisms support the Company's goal of consistent excellent service delivery. Additionally, the Company provides scalable solutions, from facilities maintenance to specialized services, enabling flexibility to adapt to evolving client requirements.

The Company's ECS framework ensures the highest quality standards, driving superior service delivery and operational excellence. Through this framework, the Company continuously monitors performance, implements best practices, and leverages advanced technologies to enhance efficiency and compliance with global benchmarks.

The Company is well-positioned to meet evolving market demands, having already established itself as a trusted FM provider across Saudi Arabia's core industries. The Company's expertise in delivering scalable, technology-driven, and compliance-focused FM solutions seeks to strengthen its position as the preferred choice for its clients. Additionally, the growing tourism sector-targeting 150 million annual visitors by 2030G-is increasing the demand for high-quality FM services in hospitality, aviation, and smart city developments. The Company's operational footprint already includes major contracts in aviation, hospitality, and commercial (assorted), providing a competitive edge in catering to the expanding tourism infrastructure.

The Company's financial and operational capability to scale services efficiently is a critical enabler of its growth strategy. With a strong contract backlog of SAR 1.8 billion as of 31 March 2025G, the Company has demonstrated its ability to secure long-term, high-value contracts across multiple sectors. Its service diversification and output-based FM contract models ensure stable cash flow and revenue predictability, mitigating the risks associated with economic fluctuations or project delays.

The Company's sectoral growth strategy is not solely dependent on new business acquisition but is reinforced by its well-established operations in key industries. The Company's presence in high-growth FM verticals supports its position as a market leader, with the ability to adapt, scale, and optimize services to match the evolving demands of its clients.

The Company's diversified client base spans high-growth sectors such as giga projects, aviation, infrastructure, commercial, and industrial, further strengthening its business resilience. This sectoral diversification mitigates risk exposure to any single industry, ensuring stable revenue streams and sustained growth, even amid market fluctuations. By maintaining a balanced portfolio across these industries, the Company remains well-positioned to adapt to evolving market dynamics while delivering value to clients and stakeholders.

In the year ended 31 December 2024G and the three-month period ended 31 March 2025G, the Company recorded revenues of SAR 802.9 million and SAR 219.1 million, respectively, representing a 54.2% CAGR from 2022G to 2024G and increased year-on-year by 29.6% between the three-month period ended on 31 March 2024G, and the three-month period ended on 31 March 2025G. This growth was driven by significant expansion across all operating segments, including giga projects, aviation, oil and gas, and commercial, further reinforcing the Company's resilience and market leadership.

4.3.4 Nationwide Presence Serving Local and International Blue-chip Clients and Material Projects Supported by a Robust Infrastructure for Service Delivery

The Company's service delivery framework stands out by strategically integrating:

- **Skilled Workforce with Specialized Training:** The Company achieves excellence and continuous quality service delivery through its ability to recruit, train, and retain skilled on-field workforce. Employee development is a top priority, facilitated through the Company's Centers of Excellence across the Kingdom. These centers provide tailored training programs aligned with the specific conditions and needs of the Kingdom clients. The training curriculum emphasizes the adoption of new technologies and the enhancement of technical expertise across all FM-related services. The Company also maintains an exceptional track record in employee retention, career progression, and workforce diversity, driven by strong employee engagement initiatives and a people-first policy. For example, the employees retention rate reached 92%, 91%, 90%, and 91.2% for the financial years ended 31 December 2022G, 2023G, 2024G and the three-month period ended 31 March 2025G.
- **Robust Service Infrastructure:** The Company has established 6 regional offices dedicated to client relations and continuous engagement, along with over 58 strategically located staff accommodations. This infrastructure is designed to support all projects efficiently while providing clients with confidence in the Company's service capabilities. Additionally, the Company utilizes advanced equipment to enhance service delivery and operational effectiveness.
- **Advanced Technology Integration:** The Company employs a comprehensive suite of integrated management systems to enhance internal processes and service standards. Its specialized FM platform, FMPro, optimizes client experience through efficient data management, reporting, and performance benchmarking. Additionally, the Company's strategy integrates IoT and Artificial Intelligence applications to enhance equipment performance, reduce energy consumption, and drive operational efficiencies. Continued investment in digital transformation strengthens asset management capabilities, facilitates predictive maintenance, and supports proactive service delivery through advanced technology solutions. Positioning technology at the core of its transformation and service delivery model, the Company recognizes automation, data-driven insights, and smart FM solutions as critical to optimizing FM operations. In response to the increasing demand for high-efficiency, cost-effective, and technology-integrated FM services, the Company has implemented advanced digital platforms and is advancing AI-driven analytics and IoT-enabled predictive maintenance. These initiatives enhance operational capabilities,

ensure service excellence, and drive long-term business sustainability. Through enterprise-wide digitalization, automation of FM processes, and adoption of cutting-edge analytics, the Company ensures that clients receive best-in-class FM services that are responsive, scalable, and future-ready. Its commitment to digital transformation is a fundamental pillar of its long-term growth vision, reinforcing its leadership in the industry's shift toward smart, automated, and data-integrated service models.

With a diverse portfolio of high-profile clients across multiple sectors, the Company continues to reinforce its position as a market leader. By leveraging its unique competitive edge in workforce expertise, infrastructure, and technology, it drives business resilience, operational excellence, and sustained growth in the facilities management landscape.

4.3.5 Strong Retention Rates Coupled with Sizeable New Awards Translating to a Substantial Backlog with High Visibility

The Company boasts an impressive track record characterized by a diversified customer base, comprising high-profile clients across stable and resilient sectors internally referred to as “brick-and-mortar” business verticals. These sectors are characterized by their long-term sustainability and continued demand for high-quality facilities management services. With ongoing infrastructure expansion and increased investments across Saudi Arabia, the Company's industries of focus are poised for sustained growth, further reinforcing the Company's long-term market positioning.

As a testament to its strong client relationships and service excellence, the Company achieved an average of 95.1% client retention rate from 2022G to 31 March 2025G, with key contract renewals occurring during this period. Simultaneously, it successfully secured cumulative new awards worth SAR 3,521 million between 1 January 2022G to 31 December 2024G, expanding its contracted backlog to SAR 1.8 billion as of 31 March 2025G. This substantial backlog, with a weighted average remaining contract life of 3 years, provides high visibility on future revenues, supporting continued financial stability and predictable cash flows.

The Company's backlog is strategically distributed across resilient sectors and major projects in Saudi Arabia, with minimal operational volatility, thereby mitigating risks and supporting revenue security. Additionally, its geographic diversification across all major regions in the Kingdom offers investors exposure to a broad and diverse portfolio of business, reinforcing the Company's market leadership and ability to capture opportunities across the Kingdom's evolving economic landscape.

By leveraging its strong market presence, robust client relationships, and strategically diversified backlog, the Company is well-positioned to drive sustained growth, enhance revenue stability, and further strengthen its competitive advantage in the facilities management industry.

4.3.6 Stellar Financial Performance on the Back of a Contracted and Growing Top Line and Sustainable Operating Margins

The Company has demonstrated proven financial stability characterized by robust revenue growth, achieving a remarkable two-year CAGR of 54.2% from 2022G to 2024G and increased year-on-year by 29.6% between the three-month period ended on 31 March 2024G, and the three-month period ended on 31 March 2025G. This impressive growth trajectory underscores the Company's ability to capitalize on market opportunities while maintaining an established profitability track record. The Company has also demonstrated its capability to expand the scope of existing projects organically, historically over the last three financial years generating variation revenues of approximately 16.3% annually (variation revenue meaning: services rendered/goods delivered over and above the earlier agreed FM scope of work). This offering enabled the Company to secure sizable contracts, continuously going over the historic average contract size.

The Company's revenue is not derived only from its contracts, but also from the “value-add” it brings. The Company's revenue owed from contracts and amendment variation (revenue recognized based on awarded order values and routine contract addendums, covering aspects of routine change management such as additions of service sites, portfolio contraction, changes in SOW, etc.) amounted to SAR 285 million (representing 84% of total revenue), SAR 445 million (representing 86% of total revenue), and SAR 651 million (representing 81% of total revenue) and SAR 181.2 million (representing 82.7% of total revenue) for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended on 31 March 2025G, respectively, while revenue derived from value added services (services rendered over and above the earlier agreed FM scope of work) amounted to SAR 53 million (representing 16% of total revenue), SAR 75 million (representing 14% of total revenue), SAR 152 million (representing 19% of total revenue) and SAR 38 million (representing 17.35% of total revenue) for the same periods, respectively.

Despite operating in a price-sensitive market with cost-conscious clients, the Company has successfully sustained its margins. For the financial year ended 31 December 2024G and the three month period ended on 31 March 2025G, respectively, gross profit margin was recorded at 13.8% and 14.2%, an improvement of 2.7% and 4.4% from 2023G levels, and the three month period ended on 31 March 2024G, respectively, which serves as a testament to the Company's ability to drive operational efficiencies.

Adjusted EBITDA margin was recorded at 11.6% and 11.4% for the financial year ended 31 December 2024G and the three-month period ended on 31 March 2025G, respectively, reflecting stability over the past three years and an improvement of 2.3% and 4.0% from 2023G, with Adjusted EBITDA registering 78% CAGR from 2022G to 31 March 2025G. This resilience is a testament to the Company's effective cost management strategies and operational efficiencies.

Margin improvements translated into stronger profitability, with the Company achieving a net profit margin of 6.4% for the financial year ended 31 December 2024G, reflecting a 1.0% increase from 2023G and a 1.3% improvement from 2022G, a net profit margin of 6.03% was achieved for the three-month period ended 31 March 2025G, representing an increase of 3.47% compared

to the three-month period ended 31 March 2024G, an increase of 4.08% compared to the three-month period ended 31 March 2023G, and an improvement of 1.93% compared to the three-month period ended 31 March 2022G. As a result, net profit demonstrated exceptional growth, registering a 74% CAGR from 2022G to 2024G, it increased year-on-year by 205.9% between the three-month period ended 31 March 2024G and the three-month period ended 31 March 2025G, underscoring the Company's operational efficiencies, cost optimization initiatives, and ability to scale profitably. Consistently driving efficiencies in output-based contracts has allowed the Company to achieve contractual targets while enhancing project economics and its margin profile. Prudent cash flow and working capital management contribute to a balanced and improving working capital cycle, ensuring that the Company remains agile and responsive to market dynamics.

The Company's financial strategy is built on a disciplined approach to cash flow management, optimized working capital cycles, and a proactive approach to financial stability. As a high-growth FM service provider, the Company works to ensure strong liquidity, efficient asset utilization, and structured financial planning, which allows it to scale operations while maintaining long-term financial sustainability.

By integrating stringent receivables management, cost control measures, and strategic vendor partnerships, the Company keeps its cash flow resilient, predictable, and aligned with the Company's expansion objectives. This financial discipline enables sustained investment in operational capabilities, workforce development, and technology innovation, supporting continued service excellence and revenue stability.

Given Saudi Arabia's growing FM market and long-term contract structures, the Company's approach to cash flow and working capital management provides a strong foundation for operational agility, financial resilience, and risk mitigation.

The Company maintains a conservative debt strategy, supporting its financial position to remain strong and flexible for future expansion with Net Debt-to-Adjusted EBITDA Ratio at 1.2x 31 March 2025G, ensuring that the Company has sufficient leverage capacity for future growth.

The lean and agile management team, coupled with streamlined service delivery structures, has enabled a lower cost structure for operations, resulting in increased margins. Additionally, the Company plans to further enhance margin by continuing to build internal capabilities for some specialized services, like pest control, waste management, landscaping, façade cleaning, transitioning from an outsourced to an in-house model.

The Company's stellar financial performance is underpinned by a strong growth trajectory, effective margin management, and a commitment to operational excellence, positioning it well for continued success in the facilities management sector.

4.3.7 Highly Experienced Team with a Clear Vision for Future Growth and Commitment to Innovation

The Company is distinguished by the depth of expertise, stability, and leadership capabilities of its management team, which operates with strategic independence while being supported by a robust network of seasoned professionals possessing diverse global and local expertise. This unique structure fosters a dynamic, forward-thinking approach, integrating international best practices with local market insights to effectively navigate the evolving facilities management landscape in the Kingdom.

The Company's management strategy prioritizes strong leadership retention, ensuring continuity, operational consistency, and strategic alignment. With the goal of local talent development, the Company intends to continue integrating Saudi nationals into its management and workforce, aligning with national priorities under Vision 2030. This emphasis on workforce nationalization will not only strengthen organizational sustainability but also foster a culturally inclusive and locally driven operational framework.

The Company recognizes the opportunity to secure long-term, high-value contracts in underserved segments, leveraging strategic partnerships to expand its market presence. With a clear ambition to become the leading integrated facilities management provider in the Kingdom, the Company aims to blend its local presence with international standards, ensuring the delivery of best-in-class services.

The Company plans to continue to invest in building its internal capabilities for specialized services, introducing new, innovative service offerings that emphasize sustainable and technology-driven solutions, further enhancing operational value for clients. With its growth strategy, the Company is well-positioned to capitalize on opportunities arising from Saudi Arabia's rapid infrastructure growth and the expanding real estate market.

Direct involvement in high-growth sectors is a hallmark of the Company's strategy, with a portfolio that includes clients across significant infrastructure development projects in the Kingdom. As the Company continues to serve mega projects, the Company is also focused on continuing to expand its clients base for traditional brick-and-mortar businesses, ensuring stability by serving a mixture of ambitious up and coming projects with stable sectors such as aviation and oil & gas.

The Company's highly experienced team is committed to a clear vision for future growth, driven by innovation and strategic partnerships. This proactive approach not only positions the Company to capture emerging opportunities but also reinforces its role as one of the leading facilities management players in Saudi Arabia.

At the heart of the Company's success lies its People-First philosophy, which underscores the pivotal role of human capital in driving service excellence. As a service-driven business, the Company acknowledges that its workforce is its most valuable asset. To uphold the highest service standards, the Company implements structured human capital development initiatives that encompass talent acquisition, retention, and continuous professional training.

To institutionalize professional development, the Company has established dedicated Centers of Excellence (CoE) across Riyadh, Jeddah, and Tabuk, serving as pivotal hubs for employee training, technical specialization, and service innovation. These centers provide structured training programs in key disciplines, including:

- **Technical Training & Certification:** Comprehensive programs covering mechanical, electrical, and plumbing (MEP) systems, heating, ventilation, and air conditioning (HVAC), asset management, and soft FM services such as housekeeping, security, and landscaping.
- **Leadership & Career Development:** Targeted initiatives aimed at preparing employees for managerial roles, fostering internal talent growth, and promoting career progression.
- **Health, Safety & Environmental (HSE) Training:** Rigorous training in advanced HSE protocols to reduce workplace risks, enhance compliance, and ensure the highest safety standards.
- **Technology & Smart FM Training:** Hands-on experience with the Company's digital Computer-Aided Facility Management (CAFM) platform, AI-driven asset monitoring, and IoT-based facilities management systems.
- **Client-Centric Service Excellence Modules:** Specialized programs designed to enhance customer service, contract governance, and SLA performance tracking.

These centers not only upskill the Company's employees but also serve as a strategic platform for developing future FM professionals, ensuring long-term talent sustainability and industry leadership.

Beyond training and career progression, the Company prioritizes employee well-being, job security, and work-life balance, reinforcing its reputation as an employer of choice within the facilities management sector. Its structured employee engagement programs include:

- **Employee Welfare & Mental Health Support:** HR-driven initiatives focused on stress management, workplace well-being, and confidential employee assistance programs.
- **Occupational Health & Safety (OHS) Excellence:** Implementation of a zero-incident workplace culture, reinforcing compliance with global safety standards and reducing workplace risks.
- **Accommodation & Mobility Support:** Investments in employee housing and transport infrastructure, ensuring seamless and secure project deployments.
- **Employee Recognition & Engagement Programs:** Robust initiatives, including Employee of the Month awards, service milestone recognition, and peer-driven commendation platforms.

By implementing a holistic workforce strategy, the Company ensures business continuity, operational resilience, and long-term employee satisfaction. This unwavering commitment to People-First values strengthens the Company's ability to attract, develop, and retain top talent, ultimately driving sustained business success.

The Company's highly experienced management team, commitment to People-First principles, and investment in technology-driven facilities management solutions uniquely position it as one of the leading FM companies in the Kingdom. With a clear vision for growth, the Company continues to expand its service capabilities, foster strategic partnerships, and capitalize on the Kingdom's rapid infrastructure expansion.

As the Company strengthens its foothold in giga projects and traditional FM sectors, it remains committed to delivering exceptional client value, advancing workforce development, and setting new benchmarks for excellence in integrated facilities management. Through a strategic combination of leadership stability, innovation, and a robust workforce ecosystem, the Company is well-positioned to drive sustainable growth and long-term success in the Saudi facilities management landscape.

Note: Market information provided in this sub-Section are derived from the market study conducted by the Market Consultant and outlined in Section (3) ("**Market Overview**").

4.4 Summary of Financial Information

Table 4.1: Summary of Financial Information

SAR'000	Financial Year ended 31 December 2022G Audited	Financial Year ended 31 December 2023G Audited	Financial Year ended 31 December 2024G Audited	The Three- Month Period ended 31 March 2024G Unaudited	The Three- Month Period Ended 31 March 2025G Unaudited
Statement of Profit or Loss and Other Comprehensive Income					
Revenue	337,518	520,413	802,912	169,125	219,125
Cost of Revenue	(300,079)	(462,758)	(692,207)	(152,596)	(187,969)
Gross Profit	37,439	57,655	110,705	16,529	31,156
General and administrative expenses	(13,574)	(19,507)	(37,994)	(8,675)	(13,181)
Operating Profit	23,865	38,149	72,712	7,854	17,975
Finance Costs	(3,932)	(6,300)	(13,986)	(2,748)	(2,607)
Other Income/Income from Associate	-	-	724	-	(124)
Profit Before Zakat	19,933	31,849	59,449	5,106	15,244
Zakat and Income Tax Expenses	(2,833)	(4,002)	(7,817)	(783)	(2,022)
Profit for the Year	17,100	27,847	51,633	4,323	13,222
Other Comprehensive Income					
Items That will not Be Reclassified Subsequently to Profit or Loss					
Re-measurements of Employee Benefits Obligation	(900)	(3,702)	(3,331)	-	-
Deferred Tax Recognized in OCI	181	365	366	-	-
Total Comprehensive Income for the Year	16,381	24,510	48,668	4,323	13,222
Statement of Financial Position					
Total Current Assets	167,914	307,434	451,316		464,258
Total Non-current Assets	32,734	48,712	80,061		80,215
Total Assets	200,648	356,145	531,377		544,473
Total Current Liabilities	127,004	227,492	344,479		327,804
Total Non-Current Liabilities	17,819	44,376	48,537		50,087
Total Liabilities	144,823	271,868	393,017		377,891
Total Equity	55,825	84,277	138,360		166,582
Total Equity and Liabilities	200,648	356,145	531,377		544,473
Statement of Cash Flows					
Net Cash Generated from / (Used in) Operating Activities	11,102	(57,476)	57,158	(1,675)	(51,992)
Net Cash Used in Investing Activities	(13,833)	(22,893)	(31,218)	(4,699)	(4,729)
Net Cash generated from financing activities	20,052	77,307	17,126	4,585	7,363
Cash and Bank Balances at Beginning of Year	7,609	24,930	21,868	21,868	64,934
Cash and Cash Equivalents for End of Year	24,930	21,868	64,934	20,079	15,575

Source: the financial statements for the years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, and the management's information.

4.5 KPIs

Table 4.2: KPIs

	FY2022G	FY2023G	FY2024G	The Three-Month Period Ended 31 March 2024G (Unaudited)	The Three-Month Period Ended 31 March 2025G (Unaudited)
Financial Indicators					
Gross Profit Margin (%)	11.1%	11.1%	13.8%	9.8%	14.2%
Adjusted EBITDA (SAR million)	29.6	48.6	93.3	12.4	24.9
Adjusted EBITDA margin (%)	8.8%	9.3%	11.6%	7.3%	11.4%
Operating Profit Margin (%)	7.1%	7.3%	9.1%	4.6%	8.2%
Net Profit Margin (%)	5.1%	5.4%	6.4%	2.6%	6.0%
Days Sales Outstanding (DSO) (Days)	90	124	106	97 ⁽¹⁾	105 ⁽¹⁾
DSO (including contract assets) (Days)	124	182	159	152 ⁽¹⁾	164 ⁽¹⁾
Days Payable Outstanding	121	111	110	86 ⁽¹⁾	111 ⁽¹⁾
Return on Assets (%)	8.5%	7.8%	9.7%	Not applicable	11.1% ⁽²⁾
Return on Equity (%)	30.6%	33%	37.3%	Not applicable	36.3% ⁽²⁾
Return on invested capital (%)	19.9%	14.2%	18.5%	Not applicable	20.3% ⁽²⁾
Debt to Equity Ratio	0.54	1.33	1.02	1.34	0.79
Cash Conversion Cycle (Days)	3	71	49	66	53
Net Debt to Adjusted EBITDA	0.2	1.9	0.8	Not applicable	1.2 ⁽³⁾
Current Ratio	1.3	1.4	1.3	1.4	1.42
Revenue Growth Rate	151.4%	54.2%	54.3%	Not applicable	29.6% ⁽⁴⁾
EBIT (Earnings Before Interest and Taxes)	23.9	38.1	73.4	7.9	17.9
Interest Coverage Ratio	6.9	7.0	6.0	3.1	8.0
Capital Expenditures	13.8	22.9	31.2	4.7	4.7
Operational Indicators					
Number of active contracts	64	124	106	114	118
Number of contracts awarded	29	28	32	9	14
Value of contracts awarded (SAR million)	1,060	1,293	996	343	202
Average contract size (SAR million) ⁽⁵⁾	29.5	23.3	32.0	25.5	29.5
Backlog (SAR million)	634	1,503	1,824	1,708	1,845
Remaining average life of backlog (months)	18	27	34	37	31
Client retention (%)	94%	92%	95%	95%	100%

Source: the Company

- (1) The number of days in the period ended 31 March 2025G, was calculated based on 90 days instead of 365 days, and the number of days for the period ended 31 March 2024G has been calculated on the basis of 91 days instead of 365 days, in alignment with the actual length of the period.
- (2) Return indicators—Return on Assets, Return on Equity, and Return on Invested Capital, for the period ended 31 March 2025, were calculated using net profit for the last twelve months instead of the profit for the period, to ensure consistency with the period's duration. The unaudited condensed preliminary statement of profit or loss and other comprehensive income for the twelve months ending 31 March 2025, was derived by subtracting the unaudited condensed preliminary statement for the three-month period ended 31 March 2024, from the audited statement for the year ended 31 December 2024, and then adding the unaudited condensed preliminary statement for the period ended 31 March 2025.
- (3) The Net Debt to Adjusted EBITDA ratio for the period ended 31 March 2025, was calculated using the adjusted EBITDA for the last twelve months, to align with the period's length. The unaudited condensed preliminary statement of profit or loss and other comprehensive income for the twelve months ending 31 March 2025, was derived by subtracting the unaudited condensed preliminary statement for the three-month period ended 31 March 2024, from the audited statement for the year ended December 31, 2024, and then adding the unaudited condensed preliminary statement for the period ended 31 March 2025.
- (4) It is worth noting that this ratio was calculated in comparison to the same period of the previous year, i.e., the three-month period ended 31 March 2024G.
- (5) The average contract size is calculated by dividing the aggregate value of active contracts by the number of active contracts.

4.6 Key Historical Milestones

Table 4.3: Key Historical Milestones

Year	Milestone
2008G	The Company was established in partnership between EFS Group and ACWA Holdings.
2008G	Awarded first major contract as IFM managing agent for KAUST for 7 years.
2010G	Establishment of self-delivery capability in facilities management with establishment of operations in Riyadh and Dammam.
2010G	10% shareholding acquired by Mohammed Al Othman Holding from EFS Group and ACWA Holding.
2011G	Award of contracts with banking sector multinational clients.
2012G	Award of new contracts with regional multinational companies to deliver workplace solutions.
2013G	Expansion into oil and gas sector with new award contracts with Schlumberger and Weatherford.
2014G	Award first contract for master community management in Saudi Arabia with Durrat Ar Riyadh.
2015G	ACWA Holding sold 10% shareholding to EFS Group and the balance to new shareholders, being Al Khafrah Company, Lama Company and Khalid Abdulrahman Abdullah AlKuwaiz.
2015G	Extension of first contract with KAUST for an additional 2 years after expiry of first 7 years.
2016G	Expansion of services in Jeddah and Dammam region.
2017G	Entered in partnership agreement with Emaar The Economic City to setup facilities management for the city and related infrastructure.
2017G	Contractual revenue of the Company exceeded SAR 100 million for the first time.
2018G	Established presence in Tabuk/Duba region to address needs of NEOM region.
2019G	Award of first FM contract for NEOM – Experience Centre and Sindalah Island.
2019G	Business development pipeline exceed SAR 3 billion.
2021G	Contract backlog exceeds SAR 1 billion for the first time in the Company's history.
2022G	Milestone in revenue where it exceeded 250mn. Awarded historically largest contract to date with King AbdulAziz International Airport for 5 years for soft services marking expansion of aviation sector for the Company.
2022G	New contract awarded in a single year exceed SAR 1 billion for first time.
2023G	Milestone in revenue where it exceeded 500mn. Award of healthcare contracts marking expansion of the Company in the healthcare sector.
2023G	Awarded contract for Trojena at NEOM and setup of waste management services, pest control and landscaping services.
2023G	Set up of the Center of Excellence, where the Company trains its workforce in an institutionalized manner. Company name changed from EMCOR to EFSIM on last quarter of 2023G. Company has been awarded as best IFM Company of the year 2023G
2024G	EFSIM conversion to unlisted closed joint stock. Company has been awarded as best IFM Company of the year 2024G. Awarded new contract in Makkah with major developer marking the entry of EFSIM in Makkah.
2025G	The company was awarded new contracts with a total combined value exceeding SAR 930 million as of 31 July 2025G.

4.7 Overview of the Group

4.7.1 The Company

EFSIM Facilities Management Company is a mixed closed joint stock company registered with the Unified National Number (7001574883) dated 27/12/1429H (corresponding to 25/12/2008G). The Company's registered address is 6756 Prince Faisal bin Bandar bin Abdulaziz, 3604 Al Narjis Dist., 13328, Riyadh, Kingdom of Saudi Arabia. The Company's current capital is SAR ninety (90) million divided into forty-five (45) million ordinary shares, each with a nominal value of SAR two (2) each.

4.7.2 Shareholders Overview

The Company has five (5) shareholders. The following table shows the Company's ownership before and after the Offering.

Table 4.4: Shareholding before and after the Offering

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Ownership (%)	Overall Nominal Value (SAR)	Number of Shares	Ownership (%)	Overall Nominal Value (SAR)
EFS Group	24,750,000	55.0%	49,500,000	21,560,000	38.5%	43,120,000
Al Khafrah Company	6,750,000	15.0%	13,500,000	5,880,000	10.5%	11,760,000
Lama Company	5,850,000	13.0%	11,700,000	5,096,000	9.1%	10,192,000
Career First Company	4,500,000	10.0%	9,000,000	3,920,000	7.0%	7,840,000
Khaled Abdulrahman Abdullah AlKuwaiz	3,150,000	7.0%	6,300,000	2,744,000	4.9%	5,488,000
The Public	-	-	-	16,800,000	30.0%	33,600,000
Total	45,000,000	100%	90,000,000	56,000,000	100%	112,000,000

* Khaled Abdulrahman Abdullah AlKuwaiz will not be a Substantial Shareholder after the Offering given that its ownership will fall below 5%. Accordingly, he will be considered part of the public following the offering.

The sections below set out the shareholders' information as at 31 August 2025G.

4.7.2.1 EFS Group

EFS Facilities Services Group Limited, is a limited liability company registered in Jebel Ali Free Zone with the commercial register under number (OF2057) dated 12/04/2006G, with capital of AED 9,803,922 divided into 9,803,922 shares with nominal value of AED 1 each. The current shareholding structure of EFS Facilities Services Group Ltd is as follows.

EFS Group is one of the region's leading providers of Integrated Facilities Management (IFM) services, headquartered in Dubai, United Arab Emirates. EFS Group offers a comprehensive suite of IFM solutions, including technical services (such as maintenance), soft services (such as cleaning and security), project management, and advisory and consultancy services. EFS Group operates across 26 countries spanning the Middle East, Africa, South Asia, and Europe, with a workforce of approximately 32,000 employees. The Group manages over 75 million square meters and serves more than 500 prestigious clients.

Table 4.5: Shareholding of EFS Group

Shareholder	Number of shares	Total nominal value (AED)	Ownership (%)
EFS Facilities Management Limited	9,803,922	9,803,922	100%
Total	9,803,922	9,803,922	100%

Source: EFS Facilities Services Group Limited

A. EFS Facilities Management Limited

EFS Facilities Management Limited, is a private company registered in Dubai International Financial Centre (DIFC), United Arab Emirates with the commercial register under number CL2531 dated 27/09/2018G, with capital of USD 70,352 divided into 70,352 shares with nominal value of USD 1 each. The current shareholding structure is as follows:

Table 4.6: Shareholding of EFS Facilities Management Limited

Shareholder	Number of shares	Total nominal value (USD)	Ownership (%)
Al-Adan Real Estate Company	26,160	26,160	37.2%
LHC Investment	10,795	10,795	15.3%
Lane Investments and Holding Inc.	10,504	10,504	14.9%
Kuwait Holding Company	8,023	8,023	11.4%
EFSIAN Commercial Brokers LLC	2,649	2,649	3.8%
Tariq Mohammed Chauhan	2,525	2,525	3.6%
Buhairan Limited Company LLC	2,021	2,021	2.9%
Akrima Qasim M Afani	1,980	1,980	2.8%
Al Danah Trading and Contracting's W.L.L	1,500	1,500	2.1%
KVD Investment	1,504	1,504	2.1%
Al Bena Real Estate Investment PJSC	1,087	1,087	1.6%
Al Amjaad Invest Co. LLC	1,000	1,000	1.4%
Ghadeer Abdullah S Saaed	445	445	0.6%
Golden Lands Trading and Contracting Company	159	159	0.2%
Total	70,352	70,352	100.0%

B. Al-Adan Real Estate Company

Al Adan Real Estate Company is a Kuwaiti limited liability company with the commercial register number 89805 dated 01/04/1437H (corresponding to 11/01/2016G), with a share capital of KD 13,750,000 divided into 100 shares, each with a nominal value of KD 12,500. The table below shows its ownership structure.

Table 4.7: Shareholding Structure of Al Adan Real Estate Company

Shareholder	Number of Shares	Total Nominal Value (KWD)	Ownership (%)
Arzan Financial Group for Financing and Investment (K.P.S.C.)	9	112,500	9%
TKT Visionary Holding Limited	42	525,000	42%
Al Wafir Marketing Services Company	49	612,500	49%
Total	100	1,250,000	100%

C. Arzan Financial Group for Financing and Investment (K.P.S.C.)

Arzan Financial Group for Financing and Investment (K.P.S.C.) is a Kuwaiti public shareholding company listed on Boursa Kuwait, with the commercial register number 29629 dated 29/05/1400H (corresponding to 15/04/1980G), with a share capital of KD 86,422,278.200 divided into 864,222,782 shares, each with a nominal value of 100 fils.

D. TKT Visionary Holding Limited

TKT Visionary Holding Limited is a limited liability company registered in the British Virgin Islands under commercial register number 2133157 dated 13/03/1445H (corresponding to 28/09/2023G), with a share capital of USD 50,000 divided into 50,000 shares, each with a nominal value of USD 1. The table below shows its ownership structure.

Table 4.8: Shareholding Structure of TKT Visionary Holding Limited

Shareholder	Number of Shares	Total Nominal Value (USD)	Ownership (%)
Tariq Khaldoun Rashid Altabari	50,000	50,000	100%
Total	50,000	50,000	100%

E. Al Wafir Marketing Services Company (K.S.C.C.)

Al Wafir Marketing Services Company (K.S.C.C.) is a Kuwaiti closed shareholding company registered under commercial register number 75451 dated 10/08/1419H (corresponding to 29/11/1998G), with a share capital of KD 183,398,836 divided into 18,398,836 shares, each with a nominal value of 100 fils. The company's shares are traded in the Over-the-Counter (OTC) market under number 453 on the Kuwait Stock Exchange.

F. LHC Investment

LHC Investment, Sole Proprietorship LLC is a limited liability company registered in the UAE under Commercial Registration No. 884268 dated 29/07/1441H (corresponding to 24/03/2020G), with a share capital of AED 300,000 divided into 300 shares, each with a nominal value of AED 1,000. The table below shows its ownership structure.

Table 4.9: Shareholding Structure of LHC Investment Sole Proprietorship LLC

Shareholder	Number of Shares	Total Nominal Value (AED)	Ownership (%)
Abderrauof Waleed Abderrauof Al-Bitar	300	300,000	100%
Total	300	300,000	100%

G. Lane Investments and Holdings Inc.

Lane Investments and Holdings Inc. is a company registered in the British Virgin Islands under Commercial Registration No. 83349 dated 22/10/1413H (corresponding to 15/04/1993G), with a share capital of USD 1,000 divided into 1,000 shares, each with a nominal value of USD 1. The table below shows its ownership structure.

Table 4.10: Shareholding Structure of Lane Investments and Holdings Inc.

Shareholder	Number of Shares	Total Nominal Value (USD)	Ownership (%)
Maleeha Khaldoun Rashid Altabari	500	500	50%
Tariq Khaldoun Rashid Altabari	500	500	50%
Total	1,000	1,000	100%

H. Kuwait Holding Company

Kuwait Holding Company is a Kuwaiti holding shareholding company registered under Commercial Registration No. 61721 dated 11/08/1442H (corresponding to 24/03/2021G), with a share capital of KD 299,999,980 divided into 299,999,980 shares, each with a nominal value of KD 1. The table below shows its ownership structure.

Table 4.11: Shareholding Structure of Kuwait Holding Company

Shareholder	Number of Shares	Total Nominal Value (KWD)	Ownership (%)
Al Ranaa General Trading and Contracting Company	185,999,980	185,999,980	62%
Madd Al Bahar Holding Company	57,000,000	57,000,000	19%
Al Dhahiya Investment Company	57,000,000	57,000,000	19%
Total	299,999,980	299,999,980	100%

The following sections outline the ownership structure of each of the companies listed above.

I. Al Ranaa General Trading and Contracting Company

Al Ranaa General Trading and Contracting Company is a Kuwaiti limited liability company registered under Commercial Registration No. 78593 dated 15/12/1434H (corresponding to 20/10/2013G), with a share capital of KD 15,000,000 divided into 100 shares, each with a nominal value of KD 150,000. The table below shows its ownership structure.

Table 4.12: Shareholding Structure of Al Ranaa General Trading and Contracting Company

Shareholder	Number of Shares	Total Nominal Value (KWD)	Ownership (%)
Madd Al Bahar Holding Company	99	14,850,000	99%
Al Shamiyah Investment Company	1	150,000	1%
Total	100	15,000,000	100%

J. Madd Al Bahar Holding Company K.S.C.C

Madd Al Bahar Holding Company K.S.C.C., is a closed Kuwaiti shareholding company registered with the commercial register under number (330240) dated 16/08/1442H (corresponding to 29/03/2021G), with a capital of KD 1,000,000 divided into 10,000,000 shares with a nominal value of 100 fils each. The current shareholding structure of Madd Al Bahar Holding Company K.S.C.C. is as follows:

Table 4.13: Shareholding Structure of Madd Al Bahar Holding Company K.S.C.C.

Shareholder	Number of Shares	Total Nominal Value (KWD)	Ownership (%)
Najwa Ahmed Abdulaziz Abdulwahhab Al-Qatami	1,250,000	125,000.00	12.50%
Nouf Jassim Mohammed Abdulrahman Al-Bahar	1,736,111	173,611.00	17.36%
Talal Jassim Mohammed Abdulrahman Al-Bahar	2,638,889	263,888.90	26.39%
Rana Jassim Mohammed Abdulrahman Al-Bahar	1,736,111	173,611.00	17.36%
Marzouq Jassim Mohammed Abdulrahman Al-Bahar	2,638,889	263,888.90	26.39%
Total	10,000,000	1,000,000	100%

K. Al Shamiyah Investment Company

Al Shamiyah Investment Company is a limited liability company registered in Kuwait with the commercial register under number (105827) dated 15/12/1434H (corresponding to 20/10/2013G), with capital of KD 250,000 divided into 100 shares with nominal value of KD 2,500 each. The current shareholding structure of Al Shamiyah Investment Company is as follows:

Table 4.14: Shareholding Structure of Al Shamiyah Investment Company

Shareholder	Number of Shares	Total Nominal Value (KWD)	Ownership (%)
Madd Al Bahar Holding Company	99	247,500	99%
Al Ranaa General Trading and Contracting Company	1	2,500	1%
Total	100	250,000	100%

L. Al Dhahiya Investment Company

Al Dhahiya Investment Company is a limited liability company registered in Kuwait with the commercial register under number (105832) dated 13/08/1443H (corresponding to 16/03/2022G), with capital of KD 250,000 divided into 100 shares with nominal value of KD 2,500 each. The current shareholding structure of Al Dhahiya Investment Company is as follows:

Table 4.15: Shareholding Structure of Al Dhahiya Investment Company

Shareholder	Number of Shares	Total Nominal Value (KWD)	Ownership (%)
Madd Al Bahar Holding Company	99	247,500	99%
Al Ranaa General Trading and Contracting Company	1	2,500	1%
Total	100	250,000	100%

M. EFS IAN Commercial Brokerage LLC

EFS IAN Commercial Brokerage LLC, is a sole proprietorship limited liability company registered in the UAE with the commercial register under number (1061987) dated 12/10/1443H (corresponding to 13/05/2022G), with capital of AED 200,000 divided into 200 shares with nominal value of AED 1,000 each. The current shareholding structure of EFS IAN Commercial Brokerage LLC is as follows:

Table 4.16: Shareholding Structure of EFS IAN Commercial Brokerage LLC

Shareholder	Number of Shares	Total Nominal Value (AED)	Ownership (%)
Tariq Mohammed Chauhan	200	200,000	100%
Total	200	200,000	100%

N. Behran LLC

Behran LLC, is a limited liability company registered in the UAE with the commercial register under number (CN-1069967) dated 08/03/1426H (corresponding to 17/04/2005G), with capital of AED 1,000,000 divided into 100 shares with nominal value of AED 10,000 each. The current shareholding structure of Behran LLC is as follows:

Table 4.17: Shareholding Structure of Behran LLC

Shareholder	Number of Shares	Total Nominal Value (AED)	Ownership (%)
Sheikh Surour Mohammed Khalifa Al Nahyan	99	990,000	99%
Sheikh Mohammed Surour Mohammed Al Nahyan	1	10,000	1%
Total	100	1,000,000	100%

O. Al Dana Trading and Contracting LLC

Al Dana Trading and Contracting LLC is a limited liability company registered in Qatar with the commercial register under number (13699) dated 04/02/1412H (corresponding to 15/08/1991G), with capital of QAR 2,100,000 divided into 2,100 shares with nominal value of QAR 1,000 each. The current shareholding structure of Al Dana Trading and Contracting LLC is as follows:

Table 4.18: Shareholding Structure of Al Dana Trading and Contracting LLC

Shareholder	Number of Shares	Total Nominal Value (QAR)	Ownership (%)
Adel Ali Ali Al Musallamani	700	700,000	33.33%
Hamad Suhaim Hamad Abdullah Al Thani	700	700,000	33.33%
Nabil Ali Ali Al Musallamani	700	700,000	33.33%
Total	2,100	2,100,000	100%

P. KVD Investments Limited

KVD Investments Limited, is a limited liability company registered in the UAE with the commercial register under number (OF849) dated 19/12/1425H (corresponding to 30/01/2005G), with capital of AED 10,000 divided into 1,000 shares with nominal value of AED 10 each. The current shareholding structure of KVD Investments Limited is as follows:

Table 4.19: Shareholding Structure of KVD Investments Limited

Shareholder	Number of Shares	Total Nominal Value (AED)	Ownership (%)
Ghazal Riad Kamal	333	3,330	33%
Zaha Riad Kamal	334	3,340	34%
Zain Riad Kamal	333	3,330	33%
Total	1,000	10,000	100%

Q. Al Binaa Real Estate Investment P.J.S.C.

Al Binaa Real Estate Investment P.J.S.C. is a public joint stock company registered in the UAE with the commercial register under number (CN-1005134) dated 24/05/1427H (corresponding to 20/06/2006G), with capital of AED 93,005,000 divided into 93,005,000 shares with nominal value of AED 1 each. The current shareholding structure of Al Binaa Real Estate Investment P.J.S.C. is as follows:

Table 4.20: Shareholding Structure of Al Binaa Real Estate Investment P.J.S.C.

Shareholder	Number of Shares	Total Nominal Value (AED)	Ownership (%)
Al Salmeen Investment Company	5,500,000	5,500,000	5.91%
Abu Dhabi Islamic Bank	5,000,000	5,000,000	5.38%
Behran LLC	5,000,000	5,000,000	5.38%
205 individual shareholders, each holding less than 5%	77,505,000	77,505,000	83.33%
Total	93,005,000	93,005,000	100%

R. Al Salmeen Investment Company

Al Salmeen Investment Company LLC is a limited liability company incorporated in the United Arab Emirates and registered under commercial registration number CN-1077362, dated 14/08/1426H (corresponding to 18/09/2005G). It has a paid-up share capital of AED 150,000, divided into 100,000 shares with a nominal value of AED 1.5 each. The table below sets out its ownership structure.

Table 4.21: Shareholding structure of Al Salmeen Investment Company

Shareholder	Number of shares	Total nominal value (AED)	Ownership (%)
Ali Saif Mohammed Al Salmeen Al Mansouri	85,000	127,500	85%
Hamad Saif Mohammed Al Salmeen Al Mansouri	5,000	7,500	5%
Mohammed Saif Mohammed Al Salmeen Al Mansouri	5,000	7,500	5%
Saif Mohammed Mubarak Al Salmeen Al Mansouri	5,000	7,500	5%
Total	100,000	150,000	100%

S. Al Amjad Investment LLC

Al Amjad Investment LLC is a limited liability company registered in Qatar with the commercial register under number (533404) dated 06/02/1426H (corresponding to 16/03/2005G), with capital of QAR 300,000 divided into 100 shares with nominal value of QAR 3,000 each. The current shareholding structure of Al Amjad Investment LLC is as follows:

Table 4.22: Shareholding Structure of Al Amjad Investment LLC

Shareholder	Number of Shares	Total Nominal Value (QAR)	Ownership (%)
Amjad Mohammad Yaser Mahmoud Al Dweik	99	297,000	99%
Rola Haseeb Rasool	1	3,000	1%
Total	100	300,000	100%

T. Golden Land for Trading and Contracting

Golden Land for Trading and Contracting, is a limited liability company registered in Qatar with the commercial register under number (32448) dated 21/05/1436H (corresponding to 12/03/2015G), with capital of QAR 200,000 divided into 2,000 shares with nominal value of QAR 100 each. The current shareholding structure of Golden Land for Trading and Contracting is as follows:

Table 4.23: Shareholding Structure of Golden Land for Trading and Contracting

Shareholder	Number of Shares	Total Nominal Value (QAR)	Ownership (%)
Adel Ali Ali Al Musallamani	1,000	100,000	50%
Nabil Ali Ali Al Musallamani	1,000	100,000	50%
Total	2,000	200,000	100%

All information in this subsection was obtained from EFS Group.

4.7.2.2 Al Khafrah Company

Al Khafrah Company, is a Saudi limited liability company registered with the commercial register under number 1010289167 dated 18/06/1431H (corresponding to 01/06/2010G), with capital of SAR 10,000,000 divided to 100,000 shares with nominal value of SAR 100 each. The current shareholding structure is as follows:

Table 4.24: Shareholding of Al Kharfrah Company

Shareholder	Number of shares	Total nominal value (SAR)	Ownership (%)
Mohammed Mubarak bin Abdullah Al-Khafrah	50,000	5,000,000	50%
Saud Mubarak bin Abdullah Al-Khafrah	50,000	5,000,000	50%
Total	100,000	10,000,000	100%

Source: AlKhafrah Company

4.7.2.3 Lama Company

Lama Holding Company is a Saudi limited liability company registered with the commercial register under number 1010274224 dated 07/10/1430H (corresponding to 26/09/2009G), with capital of SAR 1,000,000 divided to 500 shares with nominal value of SAR 2,000 each. The current shareholding structure is as follows:

Table 4.25: Shareholding of Lama Company

Shareholder	Number of shares	Total nominal value (SAR)	Ownership (%)
Abderrauof Waleed Abderrauof Al-Bitar	500	1,000,000	100%
Total	500	1,000,000	100%

Source: Lama Company

4.7.2.4 Career First Company

Career First Company is a Saudi single shareholder limited liability company registered with the commercial register under number 1010387887 dated 09/11/1434H (corresponding to 15/09/2013G), with capital of SAR 1,000,000 divided to 1,000 shares with nominal value of SAR 1,000 each. The current shareholding structure is as follows:

Table 4.26: Shareholding of Career First Company

Shareholder	Number of shares	Total nominal value (SAR)	Ownership (%)
Mohammed Al Othman Holding Company	1,000	1,000,000	100%
Total	1,000	1,000,000	100%

Mohammed Al Othman Holding Company is a single shareholder limited liability company registered with the commercial register under number 1010321730 dated 12/01/1433H (corresponding to 07/09/2011G), with capital of SAR 1,000,000 divided into 1,000 shares with nominal value of SAR 1,000 each. The current shareholding structure is as follows:

Table 4.27: Shareholding of Mohammed Al Othman Holding Company

Shareholder	Number of shares	Total nominal value (SAR)	Ownership (%)
Mohammed Abdulrahman Abdullah AlOthman	1,000	1,000,000	100%
Total	1,000	1,000,000	100%

Source: Career First Company

4.7.3 The Subsidiary

The Company has one subsidiary, which is not considered material under the Rules on the Offer of Securities and Continuing Obligation. The Company has a 33% equity interest in The Agency Saudi Company, a limited liability company incorporated in the city of Riyadh.

It should be noted that the Company owns 33% of the share capital of The Agency Saudi Company, which classifies the entity as a subsidiary under the Authority's rules and it is referred to as such in various sections of this Prospectus. However, under International Financial Reporting Standards (IFRS) the entity is not deemed a subsidiary and is therefore not consolidated in the Company's financial statements; rather, it is accounted for as an associate company.

The Agency Saudi Company's main activity is event management. It is registered with the commercial register under number 1010926185 dated 18/03/1445H (corresponding to 03/10/2023G) and its capital is SAR 500,000 divided into 5,000 shares each with nominal value of SAR 100. The Subsidiary started its operations only in May 2024G, and its shareholding is shown below:

Table 4.28: Shareholding of the Subsidiary

Shareholder	Number of shares	Total nominal value	Ownership (%)
The Hostess Agency LTD DMCC (UAE)	3,350	335,000	67%
The Company	1,650	165,000	33%
Total	5,000	500,000	100%

With respect to the other shareholder, The Hostess Agency LTD DMCC, the following table sets out its ownership structure:

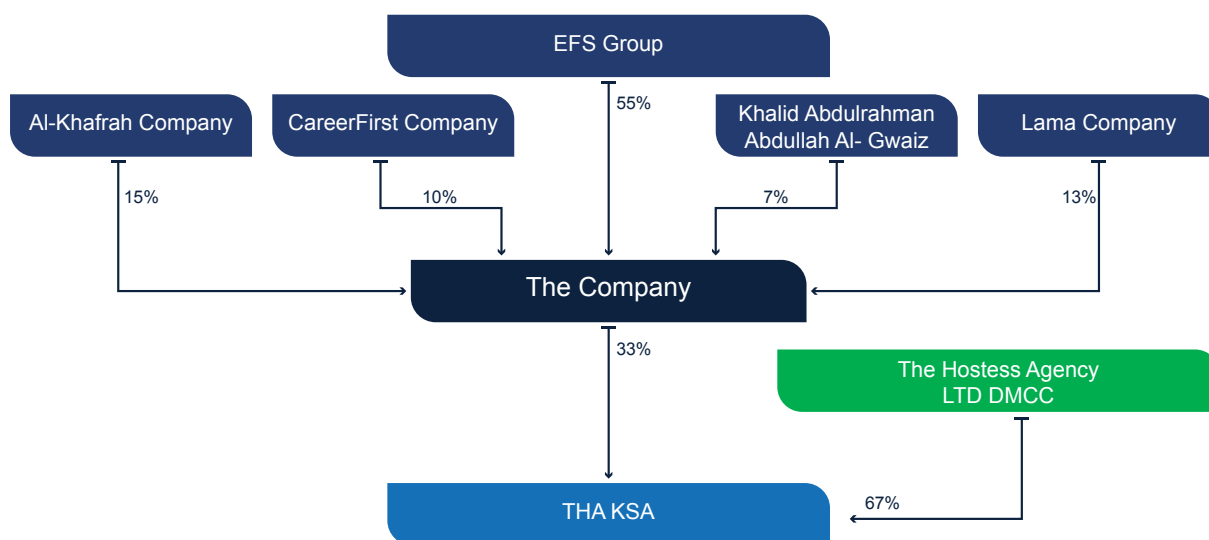
Table 4.29: Shareholding structure of The Hostess Agency LTD DMCC

Shareholder	Number of shares	Total nominal value (AED)	Ownership (%)
INC – Asia Limited	26	65,000	26%
Erika Elise Hudolge Delorme	4	10,000	4%
Armonia Middle East for Events LLC	70	175,000	70%
Total	100	250,000	100%

4.7.4 Group Structure

The graph below shows the structure of the Group.

Illustration (4.1): Group Structure



4.7.5 Historical Capital and Shareholding Development

4.7.5.1 Company Establishment (2008G)

The Company was established by the Arab Company for Water and Power Development (51%) and EFS Group (At that time, it was known as EMCOR Facilities Services Group Limited) (49%) as a limited liability company under the name “EMCOR Saudi Company” pursuant to an Articles of Association ratified on 23/12/1429H (corresponding to 23/12/2008G), and registered in the commercial register under number (1010259920) dated 27/12/1429H (corresponding to 25/12/2008G) in Riyadh, with a capital of SAR 10,000,000 divided into 100,000 cash shares with a nominal value of SAR 100 each, fully paid in cash.

Table 4.30: Ownership Structure of the Company (2008G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership %
1	Arab Company for Water and Power Development	51,000	100	5,100,000	51%
2	EFS Group	49,000	100	4,900,000	49%
Total		100,000	-	10,000,000	100%

Source: Articles of Association ratified on 23/12/1429H (corresponding to 23/12/2008G)

4.7.5.2 Ownership Structure Change (2012G)

On 04/03/1433H (corresponding to 27/01/2012G), the partners' resolution was ratified by a notary public, under which both founding partners transferred part of their shares to a new partner, Mohammad Abdulrahman Al Othman Trading and Contracting Company, without any change in the capital. The Arab Company for Water and Power Development transferred six thousand (6,000) shares, and EFS Group transferred four thousand (4,000) shares to the new partner. The table below shows the ownership structure following the entry of the new partner.

Table 4.31: Ownership Structure of the Company (2012G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership %
1	Arab Company for Water and Power Development	45,000	100	4,500,000	45%
2	EFS Group	45,000	100	4,500,000	45%
3	Mohammad Abdulrahman Al Othman Trading and Contracting Company	10,000	100	1,000,000	10%
Total		100,000	-	10,000,000	100%

Source: Articles of Association ratified on 04/03/1433H (corresponding to 27/01/2012G)

4.7.5.3 Ownership Structure Change (2015G)

On 06/03/1437H (corresponding to 17/12/2015G), the partners resolved the exit of the Arab Company for Water and Power Development and the entry of new partners: Lama Company, Al Khafrah Company, Khalid Abdulrahman Abdullah AlKuwaiz, and Abderraouf Waleed Al-Bitar, without any change in capital. The Arab Company for Water and Power Development fully divested its interest in the Company, transferring all of its shares, totalling 45,000 shares, accordingly, (a) 8,500 shares for Lama Company; (b) 15,000 shares for Al Khafrah Company; (c) 7,000 shares for Mr. Khalid bin Abdulrahman Abdullah AlKuwaiz; (d) 4,500 shares for Mr. Abderraouf Al-Bitar; and (e) 10,000 shares for EFS Group. Further, the name of Mohammad Abdulrahman Al Othman Trading and Contracting Company was changed to Star Al Oula LLC. The table below reflects the ownership structure following this change.

Table 4.32: Ownership Structure of the Company (2015G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership %
1	EFS Group	55,000	100	5,500,000	55%
2	Al Khafrah Company	15,000	100	1,500,000	15%
3	Star Al Oula LLC	10,000	100	1,000,000	10%
4	Lama Company	8,500	100	850,000	8.5%
5	Khalid Abdulrahman Abdullah AlKuwaiz	7,000	100	700,000	7%
6	Abderraouf Waleed Abderraouf Al-Bitar	4,500	100	450,000	4.5%
Total		100,000	-	10,000,000	100%

Source: The Company's Resolution dated 06/03/1437H (corresponding to 17/12/2015G).

4.7.5.4 Ownership Structure Change (2023G)

On 12/09/1444H (corresponding to 03/04/2023G), the Articles of Association were amended to reflect the transfer of all shares of Abderraouf Waleed Al-Bitar (4,500 shares) to Lama Company. There was no change in capital. In addition, the name of EMCOR Facilities Services Group Limited was changed to EFS Facilities Services Group Limited (the current name for EFS Group). The table below reflects the ownership structure following this change.

Table 4.33: Ownership Structure of the Company (2023G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership %
1	EFS Group	55,000	100	5,500,000	55%
2	Al Khafrah Company	15,000	100	1,500,000	15%
3	Lama Company	13,000	100	1,300,000	13%
4	Star Al Oula LLC	10,000	100	1,000,000	10%
5	Khalid Abdulrahman Abdullah AlKuwaiz	7,000	100	700,000	7%
Total		100,000	-	10,000,000	100%

Source: Amended Articles of Association dated 12/09/1444H (corresponding to 03/04/2023G).

4.7.5.5 Company Name Change (2023G)

On 13/05/1445H (corresponding to 27/11/2023G), the partners agreed to amend the Articles of Association to change the company's name from 'EMCOR Saudi Company' to 'EFS IAM Facilities Management Company'.

4.7.5.6 Conversion to Joint Stock Company & Ownership Change (2024G)

On 20/07/1445H (corresponding to 01/07/2024G), the Company was converted from a limited liability company into a closed joint stock company. All quotas were converted into shares at the same nominal value. In addition, Star Al Oula LLC transferred its entire shareholding (10,000 shares) to Career First. The table below illustrates the company's ownership structure following these changes.

Table 4.34: Ownership Structure of the Company (2024G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership %
1	EFS Group	55,000	100	5,500,000	55%
2	Al Khafrah Company	15,000	100	1,500,000	15%
3	Lama Company	13,000	100	1,300,000	13%
4	Career First Company	10,000	100	1,000,000	10%
5	Khalid Abdulrahman Abdullah AlKuwaiz	7,000	100	700,000	7%
Total		100,000	-	10,000,000	100%

Source: The Company's Resolution dated 20/07/1445H (corresponding to 01/07/2024G).

4.7.5.7 Capital Increase (2025G)

On 27/07/1446H (corresponding to 27/01/2025G), the extraordinary general assembly resolved to increase the Company's share capital from SAR 10,000,000 divided into 100,000 ordinary shares to SAR 90,000,000 divided into 45,000,000 ordinary shares with a nominal value of SAR 2, through a share split of 50-for-1. The capital increase was carried out by converting shareholder loans amounting to SAR 20,000,000 on a 1-to-1 basis and by capitalizing SAR 60,000,000 from retained earnings. The ownership structure after the capital increase is shown below.

Table 4.35: Ownership Structure of the Company (2025G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership %
1	EFS Group	24,750,000	2	49,500,000	55%
2	Al Khafrah Company	6,750,000	2	13,500,000	15%
3	Lama Company	5,850,000	2	11,700,000	13%
4	Career First Company	4,500,000	2	9,000,000	10%
5	Khalid Abdulrahman Abdullah AlKuwaiz	3,150,000	2	6,300,000	7%
Total		45,000,000	-	90,000,000	100%

Source: Shareholders' Register

4.7.5.8 Approval of Offering and Capital Increase (2025G)

On 16/09/1446H (corresponding to 16/03/2025G), the shareholders resolved to approve the offering and capital increase from ninety million (90,000,000) Saudi Riyals, divided into forty-five million (45,000,000) fully paid ordinary shares, each with a nominal value of two (2) Saudi Riyals, to one hundred and twelve million (112,000,000) Saudi Riyals, divided into fifty-six million (56,000,000) fully paid ordinary shares, each with a nominal value of two (2) Saudi Riyals. This increase was executed through the issuance and public offering of eleven million (11,000,000) new shares. The table below outlines the company's ownership structure following this capital increase and the offering.

Table 4.36: Company Ownership Structure (Post-Offering)

Shareholder	Ownership Percentage	Ownership Percentage	Total Nominal Value (SAR)
EFS Group	21,560,000	38.5%	43,120,000
Al Khafrah Company	5,880,000	10.5%	11,760,000
Lama Company	5,096,000	9.1%	10,192,000
Career First Company	3,920,000	7.0%	7,840,000
Khaled bin Abdulrahman bin Abdullah AlKuwaiz*	2,744,000	4.9%	5,488,000
Public	16,800,000	30.0%	33,600,000
Total	56,000,000	100%	112,000,000

* Mr. Khaled bin Abdulrahman bin Abdullah AlKuwaiz will not be considered a substantial shareholder post the Offering as his ownership will fall below 5%. Accordingly, he will be considered part of the public after the offering.

4.8 Business Segments

The Company provides over 75 types of services in various segments, being giga projects, aviation, oil and gas, education, assorted commercial, international, and associate business. the details of each segment and its key data are below.

Table 4.37: Revenue by Business Segment

Sector	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
	Revenue (SAR million)	Percentage of total revenue (%)	Revenue (SAR million)	Percentage of total revenue (%)	Revenue (SAR million)	Percentage of total revenue (%)	Revenue (SAR million)	Percentage of total revenue (%)
Giga Projects	104.8	31.0%	183.8	35.4%	394.5	49.2%	109.2	49.8%
Aviation	93.9	27.9%	155.2	29.8%	176.5	22.0%	44.8	20.4%
Oil and Gas	50.3	14.9%	52.6	10.1%	72.4	9.0%	16.6	7.6%
Education	31.8	9.4%	41.1	7.9%	19.4	2.4%	7.1	3.3%
Assorted Commercial	40.0	11.9%	39.6	7.6%	75.1	9.3%	26.7	12.2%
International	8.8	2.6%	28.1	5.4%	45.2	5.6%	13.0	5.9%
Event Staffing Solutions	7.9	2.3%	20.0	3.8%	19.8	2.5%	1.7	0.8%
Total	337.5	100.0%	520.4	100.0%	802.9	100.0%	219.1	100.0%

Source: the Company

4.8.1 Giga Projects

Giga projects represent mega projects designed to stimulate the economy, whose impact is expected to extend beyond the real estate development and infrastructure sectors, contributing to economic diversification away from oil dependency-particularly due to their substantial scale. These projects encompass a wide array of facilities, including smart cities, large-scale infrastructure, and tourism hubs, all aimed at driving economic diversification and sustainable growth. Facilities management in this segment involves comprehensive planning and execution of services to ensure operational efficiency, safety, and environmental sustainability throughout the lifecycle of these monumental developments. The dynamic nature of giga projects requires advanced project management capabilities and innovative solutions to meet stringent timelines and performance standards, positioning facilities management as a crucial contributor to the overall success of these initiatives. The below table show the revenue and number of active projects for the past three financial years and the three-month period ended 31 March 2025G.

Table 4.38: Key Data for Giga Projects

	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G
Revenue (SAR million)	104.8	183.8	394.5	109.2
No. of active projects	12	24	33	26
Revenue per project (SAR million)*	8.7	7.7	12.0	4.2

* Number of active projects throughout the period divided by revenue.

Source: The Company

The table below indicates are the projects for this segment for the past three financial years and the three-month period ended 31 March 2025 and their revenue contribution.

Table 4.39: Projects for Giga Projects

Project	Subsector	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
		Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)
Giga Projects-Project 1	Mixed-use Facilities	-	-	-	-	66.7	16.9%	19.7	18.09%
Giga Projects-Project 2	Healthcare	-	-	5.4	2.9%	45.0	11.4%	11.2	10.24%
Giga Projects-Project 3	Mixed-use Facilities	-	-	16.7	9.1%	34.5	8.7%	9.9	9.05%
Giga Projects-Project 4	Mixed-use Facilities	14.4	13.7%	31.4	17.1%	29.8	7.6%	7.0	6.43%
Giga Projects-Project 5	Mixed-use Facilities	-	-	-	-	27.2	6.9%	22.5	20.61%
Giga Projects-Project 6	Commercial	-	-	2.4	1.3%	24.0	6.1%	3.6	3.30%
Giga Projects-Project 7	Mixed-use Facilities	-	-	11.7	6.4%	19.8	5.0%	4.1	3.72%
Giga Projects-Project 8	Infrastructure	-	-	7.0	3.8%	19.8	5.0%	5.7	5.20%
Giga Projects-Project 9	Infrastructure	-	-	6.6	3.6%	18.6	4.7%	4.8	4.44%
Giga Projects-Project 10	Mixed-use Facilities	22.0	21.0%	20.6	11.2%	16.8	4.3%	-	-
Giga Projects-Project 11	Commercial	-	-	2.9	1.6%	14.5	3.7%	-	-
Giga Projects-Project 12	Mixed-use Facilities	1.8	1.7%	5.3	2.9%	10.4	2.6%	2.3	2.15%

Project	Subsector	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
		Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)
Giga Projects-Project 13	Healthcare	-	-	1.4	0.8%	9.0	2.3%	2.2	1.99%
Giga Projects-Project 14	Mixed-use Facilities	7.6	7.3%	8.9	4.8%	8.4	2.1%	2.1	1.93%
Giga Projects-Project 17	Mixed-use Facilities	0.5	0.4%	4.5	2.5%	4.9	1.3%	1.2	1.14%
Giga Projects-Project 19	Mixed-use Facilities	51.3	48.9%	40.6	22.1%	3.9	1.0%	-	-
Giga Projects-Project 20	Mixed-use Facilities	0.1	0.2%	3.7	2.0%	3.8	1.0%	1.1	0.99%
Giga Projects-Project 26	Hospitality	5.2	5.0%	2.0	1.1%	1.2	0.3%	0.1	0.10%
Others	Not Applicable	1.9	1.8%	12.7	6.8%	36.2	9.1%	11.6	10.62%
Total		104.8	100.0%	183.8	100.0%	394.5	100.0%	109.2	100.0%

4.8.2 Aviation

The aviation segment encompasses a diverse range of facilities management services tailored to airports and aviation-related infrastructure. This sector requires specialized knowledge and expertise due to the unique operational demands of airports. Facilities management in aviation focuses on ensuring safety, security, and operational efficiency while adhering to strict requirements. The below table show the revenue and number of active projects during the past three financial years and the three-month period ended 31 March 2025G.

Table 4.40: Key Data for Aviation

	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G
Revenue (SAR million)	93.9	155.2	176.5	44.8
No. of active projects	4	4	6	8
Revenue per project (SAR million)*	23.5	38.8	29.4	5.6

* Number of active projects throughout the period divided by revenue.

Source: The Company

Below are the projects for this segment for the past three financial years and the three-month period ended 31 March 2025G and their revenue contribution.

Table 4.41: Projects for Aviation

Project	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)
Aviation-Project 1	92.0	98.0%	152.1	97.9%	169.3	95.9%	36.6	81.86%
Aviation-Project 2	-	-	-	-	3.2	1.8%	1.6	3.63%
Aviation-Project 3	0.2	0.2%	2.3	1.5%	2.8	1.6%	0.5	1.02%
Aviation-Project 4	-	-	0.1	0.1%	0.6	0.3%	0.1	0.30%
Aviation-Project 5	0.3	0.3%	0.7	0.5%	0.4	0.3%	-	-
Aviation-Project 6	-	-	-	-	0.2	0.1%	0.1	0.26%
Aviation-Project 7	1.4	1.5%	-	-	0.0	0.0%	0.8	1.84%
Aviation-Project 8	-	-	-	-	-	-	4.8	10.77%
Aviation-Project 9	-	-	-	-	-	-	0.1	0.33%
Total	93.9	100.0%	155.2	100.0%	176.5	100.0%	44.8	100.0%

Source: The Company

4.8.3 Oil and Gas

The oil and gas segment is vital to the Saudi economy, requiring robust facilities management solutions to support exploration, production, and refining operations. This sector encompasses a range of facilities, including drilling rigs, refineries, and distribution centers, each demanding specialized management to ensure safety, compliance, and efficiency. Facilities management in this segment focuses on maintaining high operational standards, managing equipment maintenance, and ensuring adherence to health, safety, and environmental regulations. The below table show the revenue and number of active projects during the past three financial years and the three-month period ended 31 March 2025G.

Table 4.42: Key Data for Oil & Gas

	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G
Revenue (SAR million)	50.3	52.6	72.4	16.6
No. of active projects	10	10	13	13
Revenue per project (SAR million)*	5.0	5.3	5.6	1.3

* Number of active projects throughout the period divided by revenue.

Source: The Company

Below are the projects for this segment for the past three financial years and the three-month period ended 31 March 2025G and their revenue contribution.

Table 4.43: Projects for Oil & Gas

Project	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)
Oil and Gas-Project 1	21.0	41.7%	24.8	47.2%	36.5	50.4%	8.2	49.43%
Oil and Gas-Project 2	9.3	18.4%	8.6	16.4%	10.0	13.9%	1.9	11.25%
Oil and Gas-Project 3	2.5	4.9%	3.1	5.8%	8.0	11.0%	1.5	9.24%
Oil and Gas-Project 4	12.0	23.9%	7.1	13.4%	7.3	10.1%	2.2	13.45%
Oil and Gas-Project 5	0.4	0.7%	3.4	6.4%	3.3	4.6%	0.4	2.35%
Oil and Gas-Project 6	2.5	4.9%	2.7	5.2%	2.8	3.8%	0.7	4.12%
Oil and Gas-Project 7	-	-	-	-	1.5	2.0%	0.7	4.00%
Oil and Gas-Project 8	1.4	2.7%	1.5	2.8%	1.4	1.9%	0.3	1.76%
Oil and Gas-Project 9	1.3	2.5%	1.2	2.3%	1.1	1.5%	0.3	1.97%
Oil and Gas-Project 10	0.1	0.2%	0.1	0.2%	0.2	0.3%	0.0	0.29%
Oil and Gas-Project 11	-	-	-	-	0.1	0.2%	0.3	1.77%
Oil and Gas-Project 12	0.1	0.1%	0.1	0.3%	0.1	0.2%	0.0	0.18%
Oil and Gas-Project 13	-	-	-	-	0.1	0.1%	0.0	0.20%
Total	50.3	100%	52.6	100%	72.4	100%	16.6	100.00%

Source: The Company

4.8.4 Education

The education segment encompasses facilities management services tailored to schools, colleges, universities, and training centers. This sector emphasizes the creation of safe, conducive learning environments that support educational excellence and student well-being. Facilities management in education involves the maintenance of classrooms, laboratories, sports facilities, and administrative offices, ensuring they are equipped and functional to meet the needs of students and educators. The below table show the revenue and number of active projects over the past three financial years and the three-month period ended 31 March 2025G.

Table 4.44: Key Data for Education

	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G
Revenue (SAR million)	31.8	41.1	19.4	7.1
No. of active projects	3	4	3	3
Revenue per project (SAR million)*	10.6	10.3	6.5	2.4

* Number of active projects throughout the period divided by revenue.

Source: The Company

Below are the projects for this segment for the past three financial years and the three-month period ended 31 March 2025G and their revenue contribution.

Table 4.45: Projects for Education

Project	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)
Education-Project 1	-	-	6.9	16.8%	15.5	79.9%	4.6	64.63%
Education-Project 2	6.1	19.1%	6.2	15.2%	3.6	18.5%	0.2	3.03%
Education-Project 3	23.1	72.6%	26.8	65.2%	0.3	1.6%	-	-
Education-Project 4	2.6	8.3%	1.2	2.8%	-	-	-	-
Education-Project 5	-	-	-	-	-	-	-	-
Education-Project 6	-	-	-	-	-	-	1.2	17.02%
Education-Project 7	-	-	-	-	-	-	1.1	15.32%
Total	31.8	100.0%	41.1	100.0%	19.4	100.0%	7.1	100.0%

Source: The Company

4.8.5 Assorted Commercial

The assorted commercial segment includes a diverse range of facilities management services for various retail, hospitality, industrial and corporate spaces. This segment is characterized by its adaptability and responsiveness to the unique needs of different businesses, whether it is managing shopping malls, hotels, or office buildings. Facilities management in this area focuses on delivering high-quality services that enhance the customer experience and operational efficiency. Key responsibilities may include maintenance, cleaning, security, and waste management, all tailored to align with the specific brand standards of the businesses served. The below table show the revenue and number of active projects over the past three financial years and the three-month period ended 31 March 2025G.

Table 4.46: Key Data for Assorted Commercial Segment

	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G
Revenue (SAR million)	40.0	39.6	75.1	26.7
No. of active projects	24	29	41	45
Revenue per project (SAR million)	1.6	1.4	1.8	0.6

* Number of active projects throughout the period divided by revenue.

Source: The Company

Below are the projects for this segment for the past three financial years and the three-month period ended 31 March 2025G and their revenue contribution.

Table 4.47: Projects for Assorted Commercial Segment

Project	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)
Assorted Commercial-Project 1	-	-	-	-	12.9	17.2%	10.8	40.40%
Assorted Commercial-Project 2	5.5	13.7%	1.5	3.8%	12.6	16.7%	1.5	5.43%
Assorted Commercial-Project 3	5.8	14.4%	5.8	14.8%	5.3	7.1%	1.3	4.69%
Assorted Commercial-Project 4	3.2	8.0%	3.7	9.3%	4.8	6.4%	1.3	4.83%
Assorted Commercial-Project 5	2.9	7.4%	4.4	11.0%	4.0	5.3%	1.0	3.59%
Assorted Commercial-Project 6	3.8	9.6%	3.7	9.3%	3.6	4.8%	0.9	3.33%
Assorted Commercial-Project 7	0.1	0.1%	3.3	8.3%	3.5	4.7%	-	-
Assorted Commercial-Project 8	0.8	2.0%	2.9	7.3%	3.4	4.5%	0.8	3.05%
Assorted Commercial-Project 9	-	-	0.7	1.7%	3.2	4.3%	0.7	2.65%
Assorted Commercial-Project 10	-	-	-	-	2.8	3.7%	1.7	6.37%
Assorted Commercial-Project 11	3.3	8.2%	3.1	7.9%	2.8	3.7%	0.5	1.85%
Assorted Commercial-Project 12	-	-	1.7	4.2%	2.5	3.3%	0.6	2.32%
Assorted Commercial-Project 13	-	-	0.4	0.9%	2.2	2.9%	0.7	2.60%
Assorted Commercial-Project 15	1.2	3.0%	1.1	2.9%	1.2	1.5%	0.3	1.14%
Assorted Commercial-Project 19	0.7	1.8%	0.9	2.3%	0.9	1.2%	0.3	1.00%
Assorted Commercial-Project 22	-	-	1.3	3.4%	0.6	0.8%	0.12	0.44%
Assorted Commercial-Project 46	2.8	7.1%	-	-	-	-	-	-
Assorted Commercial-Project 48	2.6	6.4%	-	-	-	-	-	-

Project	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)
Assorted Commercial-Project 49	2.3	5.8%	1.1	2.8%	-	-	-	-
Assorted Commercial-Project 50	2.2	5.4%	-	-	-	-	-	-
Others	2.8	7.1%	4.0	10.1%	8.8	11.9%	4.4	16.31%
Total	40.0	100.0%	39.6	100.0%	75.1	100.0%	26.7	100.0%

Source: The Company

4.8.6 International

This segment focuses on delivering tailored solutions that meet the unique needs of international businesses and organizations. Facilities management in this context involves performing the Saudi portion of a global/regional contract which EFS Group has with an international client, in which EFS Group enters into a contract with an existing client to cover its needs across multiple markets, then refers the client to the Company for its requirements within the Kingdom of Saudi Arabia, whereby the Company enters into a separate contract with the client, or its branch/subsidiary in Saudi Arabia, as applicable. The below table show the revenue and number of active projects over the past three financial years and the three-month period ended 31 March 2025G.

Table 4.48: Key Data for International Segment

	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G
Revenue (SAR million)	8.8	28.1	45.2	13.0
No. of active projects	15	18	23	23
Revenue per project (SAR million)*	0.6	1.6	2.0	0.6

* Number of active projects throughout the period divided by revenue.

Source: The Company

Below are the projects for this segment for the past three financial years and the three-month period ended 31 March 2025G and their revenue contribution.

Table 4.49: Projects for International Segment

Project	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)
International- Project 1	-	-	14.5	51.7%	12.6	28.0%	1.9	14.94%
International- Project 2	0.4	4.6%	4.2	14.8%	11.4	25.3%	3.5	27.17%
International- Project 3	1.5	17.3%	3.0	10.7%	3.5	7.7%	0.9	6.91%
International- Project 4	-	-	-	-	3.2	7.1%	0.8	6.14%
International- Project 5	-	-	-	-	2.8	6.3%	0.9	6.59%
International- Project 6	1.5	17.1%	1.7	6.0%	2.4	5.4%	0.5	4.02%
International- Project 7	-	-	-	-	2.0	4.5%	1.5	11.71%
International- Project 8	-	-	-	-	1.1	2.5%	0.5	3.99%
International- Project 9	1.0	11.1%	1.0	3.5%	1.0	2.2%	0.3	2.00%
International- Project 10	0.9	10.3%	0.6	2.2%	0.9	2.1%	0.1	1.09%
International- Project 11	0.9	9.8%	0.5	2.0%	0.6	1.4%	0.2	1.27%
International- Project 12	-	-	0.0	0.2%	0.5	1.1%	0.2	1.74%
International- Project 13	-	-	-	-	0.4	0.9%	0.1	0.98%
International- Project 14	-	-	0.1	0.3%	0.4	0.9%	0.1	0.73%
International- Project 15	0.5	5.3%	0.5	1.7%	0.4	0.9%	0.1	0.85%
International- Project 16	0.4	4.5%	0.4	1.3%	0.4	0.9%	0.1	1.04%
International- Project 17	-	-	-	-	0.3	0.6%	0.4	2.81%
International- Project 18	0.3	3.4%	0.2	0.7%	0.3	0.6%	0.1	0.54%
International- Project 19	0.4	4.5%	0.2	0.8%	0.3	0.6%	-	-
International- Project 20	0.1	1.6%	0.2	0.6%	0.2	0.3%	0.0	0.31%
International- Project 21	0.1	1.5%	0.2	0.6%	0.1	0.3%	0.0	0.27%
International- Project 22	0.1	1.3%	0.1	0.4%	0.1	0.3%	0.0	0.22%
International- Project 23	0.0	0.3%	0.0	0.1%	0.0	0.1%	0.0	0.06%
International- Project 24	0.7	7.4%	0.7	2.4%	-	-	-	-
International- Project 25	-	-	-	-	-	-	0.6	4.61%
Total	8.8	100.0%	28.1	100.0%	45.2	100.0%	13.0	100.0%

Source: The Company

4.8.7 Event Staffing Solution

The event staffing solution segment includes one-off events and occasions and services which are not facilities management. The below table show the revenue and number of active projects for the Company in this segment.

Table 4.50: Key Data for Event Staffing Solution Segment

	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G
Revenue (SAR million)	7.9	20.0	19.8	1.7
No. of active projects	3	44	34	1
Revenue per project (SAR million)*	2.6	0.4	0.6	1.7

* Number of active projects throughout the period divided by revenue.

Source: The Company

Below are the projects for this segment for the past three financial years and the three-month period ended 31 March 2025G and their revenue contribution.

Table 4.51: Projects for Event Staffing Solution Segment

Project	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)	Revenue (SAR million)	Percentage of segment revenue (%)
Event Staffing Solutions-Project 1	-	-	6.8	33.9%	18.2	91.8%	1.5	89.61%
Event Staffing Solutions-Project 33	6.1	77.6%	0.5	2.4%	-	-	-	-
Event Staffing Solutions-Project 34	1.3	16.8%	-	-	-	-	-	-
Event Staffing Solutions-Project 2	0.4	5.6%	2	9.9%	0.6	3.1%	-	-
Event Staffing Solutions-Project 18	-	-	3.4	17.2%	0.0	0.1%	-	-
Event Staffing Solutions-Project 51	-	-	2.2	11.0%	-	-	-	-
Event Staffing Solutions-Project 3	-	-	0.7	3.3%	0.2	0.8%	-	-
Others	-	-	4.5	22.3%	0.8	4.2%	0.2	10.39%
Total	7.9	100%	20.0	100%	19.8	100%	1.7	100%

Source: The Company

4.9 Services Provided

The Company provides a comprehensive portfolio of over 75 integrated facilities management services, covering technical operations, soft services, sustainability solutions, consultancy, and project management. The Company delivers its services to the clients based on both inhouse capabilities and using third-party sub-contractors, depending on the operational needs, local compliances and statutory regulations. The Company's service offerings are tailored to meet the specific needs of its diverse client base, which includes government agencies, giga projects, aviation hubs, commercial enterprises, and oil and gas facilities. The table below provides an overview of the Company's service categories and specific service offerings, whether it provides it directly or through subcontractors.

Table 4.52: The Company's Services

#	Category	Services Covered
1	Facilities Services	- Managing agent (i.e., managing FM contracts done by another FM provider) - Command and Support Centre - Contract Management - Computer Aided Facility Management (CAFM) System Integration - Utilities and Infrastructure Mgt. - Life cycle Management - HSEQ Compliance and Mgt. - Building Services Management
2	Technical Operations and Maintenance	- Mechanical, Electrical and Plumbing Services - Heating, Ventilation and Air Conditioning Systems (HVAC) - Minor Civil Works - Electrical Systems - Fire Control and Detection Management - Critical Engineering Management - Access/CCTVs Control - Irrigation Works - Utilities Network Infrastructure Maintenance
3	Soft Services	- Housekeeping Services - Security Services - Concierge and Reception - Mail Room and Porter - Landscaping - Catering - Pool Maintenance - Lifeguard Services - Laundry Services - Fleet Management - Waste Management - Vending Services - Pest Control Services - Valet Services - Facade Cleaning
4	Sustainability and Environment	- Energy Consultancy - Smart IoT Solutions - Recycling Solutions - Smart Building management - Accreditations management - ESG Compliance

#	Category	Services Covered
5	Consultancy and Advisory	- FM Strategy - IFM Tendering & Procurement - Cost Consultancy - Asset Lifecycle Management - Testing & Commissioning - Occupancy & Space Consultancy - Transition & Handover - O&M Manuals - Technical & Engineering Consultancy - Workplace Strategy Consultancy - CAFM Consultancy - Compliance & FM Site Audit Consultancy - Performance & Optimization - Environmental Consultancy - Organizational Consultancy
6	Project Management and Support Services	- Conditional Audits - Defects Liability Management - 3rd Party Testing - Managing Initial Government - Inspectors - Reviews of AMCs for Key Plant & Machinery - Building Handover Process - Space Management - Project Management - B.O.T Projects - Fit out management - Energy Environment Management - Disaster Recovery - Business Continuity - Real Estate Management - Hospitality Support Services - Call Centre and Helpdesk

Source: The Company

4.10 Geographic Reach

The Company has a strong nationwide presence across the Kingdom of Saudi Arabia, servicing clients in key economic regions, including central, western, eastern and northern. The Company's geographically diversified operations enable it to effectively cater to its clients. The following table show revenue contribution by region, and the graph shows the Company's geographic reach.

Table 4.53: Company's Geographic Contribution

Region	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
	Revenue (SAR million)	% of revenue	Revenue (SAR million)	% of revenue	Revenue (SAR million)	% of revenue	Revenue (SAR million)	% of revenue
Central Region	49.0	14.5%	93.7	18.0%	160.1	19.9%	45.1	20.6%
Eastern Region	51.0	15.1%	54.4	10.5%	78.2	9.7%	20.7	9.5%
Western Region	134.8	40.0%	200.0	38.4%	196.7	24.5%	48.9	22.3%
Northern Region	102.7	30.4%	172.3	33.1%	367.9	45.8%	103.1	47.1%
Southern Region	-	-	-	-	-	-	1.2	0.6%
Total	337.5	100.0%	520.4	100.0%	802.9	100.0%	219.1	100%

Source: The Company

The Company strategically distributes its operations and workforce to ensure optimized service delivery and rapid response times across the following regions:

- Central Region (Riyadh and surrounding areas): A hub for government, corporate headquarters, and commercial enterprises.
- Eastern Region (Dammam, Al Khobar, Jubail): Focus on industrial and oil and gas sector clients.
- Western Region (Jeddah, Makkah, Madinah): A key market for aviation, hospitality, and visitors of the Holy mosques.
- Northern Region (AlUla, Tabuk, NEOM): Provides FM services for tourism development and public infrastructure projects, as well as serving key growth driver, supporting the largest giga projects in the Kingdom.

Illustration (4.2): Geographic Reach



4.11 Clients Segmentation

The Company serves a diverse client base, including government entities, state-owned enterprises and private enterprises. The Company's client segmentation strategy is designed to optimize service delivery, mitigate market risks, and ensure sustainable growth. The Company segment its clients as follows:

Table 4.54: Company's Revenue Contribution by Client Type

Client Category	Year ended 31 December 2022G		Year ended 31 December 2023G		Year ended 31 December 2024G		The Three-Month Period Ended 31 March 2025G	
	Revenue (SAR million)	Percentage of total revenue (%)	Revenue (SAR million)	Percentage of total revenue (%)	Revenue (SAR million)	Percentage of total revenue (%)	Revenue (SAR million)	Percentage of total revenue (%)
Government	23.2	6.9%	22.7	4.4%	19.0	2.3%	0.9	0.4%
Government Owned Enterprises	209.5	62.1%	363.8	69.9%	594.6	74.1%	163.7	74.7%
Private Companies	104.8	31.0%	133.9	25.7%	189.2	23.6%	54.5	24.9%
Total	337.5	100.0%	520.4	100.0%	802.9	100.0%	219.1	100%

Source: The Company

The Company's current clients' portfolio includes more than 500 clients from the government, government owned enterprises and private sectors. The Company has made significant strides in strengthening its customer relationships and has established itself as a single point of contact for multiple services, resulting in a high customer retention rate of 95.1% over the last three financial years. With the proven track record, the Company has multiple "units" for the same client under its FM scope, hence, each "unit" is considered as a separate project for better operational management, reporting and governance.

The table below sets out the Company's five largest clients and the revenue earned from each over the past three financial years and quarter from this year.

Table 4.55: Top Five Clients

Client	Revenue – financial year ended 31 Dec 2022G (SAR '000)	Share of total revenue	Revenue – financial year ended 31 Dec 2023G (SAR '000)	Share of total revenue	Revenue – financial year ended 31 Dec 2024G (SAR '000)	Share of total revenue	Total Revenue (%)Revenue for the three-month period ended 31 March 2025G	Share of total revenue
Client 1 (Giga-projects segment)	73,666	21.8%	151,856	29.2%	364,073	45.3%	102,915	47.0%
Client 2 (Aviation segment)	92,044	27.3%	152,071	29.2%	169,272	21.1%	41,469	18.9%
Client 3 (Oil & Gas segment)	20,985	6.2%	24,828	4.8%	36,494	4.5%	10,799	4.9%
Client 4 (Giga-projects segment)	22,007	6.5%	20,558	4.0%	16,834	2.1%	8,217	3.7%
Client 5 (Education segment)	–	0%	6,905	1.3%	15,498	1.9%	4,618	2.1%
Others	128,816	38.2%	164,195	31.6%	200,741	25.0%	51,107	23.3%
Total	337,518	100%	520,413	100%	802,912	100%	219,125	100%

* Ranking based on 2024G revenue.

Source: the Company.

Table 4.56: Top 10 Contracts by Revenue

Year ended 31 December 2022G								
Contract	Business Segment	Client Sector	Services Provided	Region	Revenue (SAR million)	Percentage of total revenue (%)	Project Start Date	Project End Date
Aviation-Project 1	Aviation	State owned Enterprise	Soft Services	Western	92.0	27.3%	01/06/2022G	30/05/2027G
Giga Projects-Project 19	Giga Projects	State owned Enterprise	Input FM Services	Northern	51.3	15.2%	21/12/2020G	31/05/2023G
Education-Project 5	Education	State owned Enterprise	Input FM Services	Western	23.1	6.8%	01/08/2012G	28/02/2023G
Giga Projects-Project 10	Giga Projects	Government	Integrated Facility Management	Northern	22.0	6.5%	01/11/2021G	30/09/2024G
Oil and Gas-Project 1	Oil and Gas	Private Company	Integrated Facility Management	Eastern	21.0	6.2%	01/01/2015G	31/12/2025G
Giga Projects-Project 4	Giga Projects	State owned Enterprise	Integrated Facility Management	Northern	14.4	4.3%	11/11/2012G	25/08/2025G
Oil and Gas-Project 4	Oil and Gas	Private Company	Integrated Facility Management	Eastern	12.0	3.6%	01/03/2019G	28/02/2023G
Oil and Gas-Project 2	Oil and Gas	Private Company	Integrated Facility Management	Central	9.3	2.7%	01/03/2021G	28/02/2026G
Giga Projects-Project 14	Giga Projects	State owned Enterprise	Integrated Facility Management	Northern	7.6	2.3%	01/11/2020G	31/07/2025G
Event Staffing Solutions-Project 33	Event Staffing Solution	Private Company	Input FM Services	Central	6.1	1.8%	01/10/2022G	31/01/2023G
Total					258.8	76.7%	-	-
Year ended 31 December 2023G								
Contract	Business Segment	Client Sector	Services Provided	Region	Revenue (SAR million)	Percentage of total revenue (%)	Project Start Date	Project End Date
Aviation-Project 1	Aviation	State owned Enterprise	Soft Services	Western	152.1	29.2%	01/06/2022G	30/05/2027G
Giga Projects-Project 19	Giga Projects	State owned Enterprise	Input FM Services	Northern	40.6	7.8%	21/12/2020G	31/05/2023G
Giga Projects-Project 4	Giga Projects	State owned Enterprise	Integrated Facility Management	Northern	31.4	6.0%	11/11/2021G	25/08/2025G
Oil and Gas-Project 1	Oil and Gas	Private Company	Integrated Facility Management	Eastern	24.8	4.8%	01/01/2015G	31/12/2025G
Education-Project 5	Education	State owned Enterprise	Input FM Services	Western	22.2	4.3%	01/08/2012G	28/02/2023G
Giga Projects-Project 10	Giga Projects	Government	Integrated Facility Management	Northern	20.6	4.0%	01/11/2021G	30/09/2024G
Giga Projects-Project 3	Giga Projects	State owned Enterprise	Integrated Facility Management	Northern	16.7	3.2%	01/05/2023G	30/04/2028G
International-Project 1	International	Private Company	Integrated Facility Management	Central	14.5	2.8%	01/07/2017G	30/06/2025G

Year ended 31 December 2023G

Contract	Business Segment	Client Sector	Services Provided	Region	Revenue (SAR million)	Percentage of total revenue (%)	Project Start Date	Project End Date
Giga Projects-Project 7	Giga Projects	State owned Enterprise	Integrated Facility Management	Northern	11.7	2.2%	01/03/2023G	28/02/2025G
Giga Projects-Project 14	Giga Projects	State owned Enterprise	Integrated Facility Management	Northern	8.8	1.7%	01/11/2020G	31/07/2025G
Total					343.4	66.0%	-	-

Year ended 31 December 2024G

Contract	Business Segment	Client Sector	Services Provided	Region	Revenue (SAR million)	Percentage of total revenue (%)	Project Start Date	Project End Date
Aviation-Project 1	Aviation	State owned Enterprise	Soft Services	Western	169.3	21.1%	01/06/2022G	30/05/2027G
Giga Projects-Project 1	Giga Projects	State owned Enterprise	Integrated Facility Management	Northern	66.7	8.3%	01/01/2024G	31/12/2026G
Giga Projects-Project 2	Giga Projects	State owned Enterprise	Integrated Facility Management	Northern	45.0	5.6%	07/11/2023G	06/11/2027G
Oil and Gas-Project 1	Oil and Gas	Private	Integrated Facility Management	Eastern	36.5	4.5%	01/01/2015G	31/12/2025G
Giga Projects-Project 3	Giga Projects	State owned Enterprise	Integrated Facility Management	Northern	34.5	4.3%	01/05/2023G	30/04/2028G
Giga Projects-Project 4	Giga Projects	State owned Enterprise	Integrated Facility Management	Northern	29.8	3.7%	11/11/2021G	25/08/2025G
Giga Projects-Project 5	Giga Projects	State owned Enterprise	Specialised Services	Northern	27.1	3.4%	01/07/2024G	30/06/2027G
Giga Projects-Project 6	Giga Projects	State owned Enterprise	Integrated Facility Management	Northern	24.0	3.0%	01/09/2023G	31/08/2026G
Giga Projects-Project 7	Giga Projects	State owned Enterprise	Integrated Facility Management	Northern	19.8	2.5%	01/03/2023G	28/02/2025G
Giga Projects-Project 8	Giga Projects	State owned Enterprise	Specialised Services	Northern	19.8	2.5%	01/07/2024G	30/06/2025G
Total					472.6	58.9%	-	-

The Three-Month Period Ended 31 March 2025G

Contract	Business Segment	Client Sector	Services Provided	Region	Revenue (SAR million)	Percentage of total revenue (%)	Project Start Date	Project End Date
Project No. 1 – Aviation	Aviation	Government Entity	Support Services	Western	36.6	16.7%	01/06/2022G	30/05/2027G
Project No. 5 – Giga Projects	Giga Projects	Government Entity	Specialized Services	Northern	22.5	10.3%	01/08/2024G	31/07/2027G
Project No. 1 – Giga Projects	Giga Projects	Government Entity	Integrated Facility Management	Northern	19.7	9.0%	01/01/2024G	31/12/2026G

The Three-Month Period Ended 31 March 2025G								
Contract	Business Segment	Client Sector	Services Provided	Region	Revenue (SAR million)	Percentage of total revenue (%)	Project Start Date	Project End Date
Project No. 2 – Giga Projects	Giga Projects	Government Entity	Integrated Facility Management	Northern	11.2	5.1%	07/11/2023G	06/11/2027G
Project No. 1 – Diversified Business	Diversified Business	Private Entity	Resource-Based Facility Management	Central	10.8	4.9%	07/01/2024G	06/01/2026G
Project No. 3 – Giga Projects	Giga Projects	Government Entity	Integrated Facility Management	Northern	9.9	4.5%	01/05/2023G	30/04/2028G
Project No. 1 – Oil & Gas	Oil & Gas	Private Entity	Integrated Facility Management	Eastern	8.2	3.8%	01/01/2015G	31/12/2025G
Project No. 4 – Giga Projects	Giga Projects	Government Entity	Integrated Facility Management	Northern	7.0	3.2%	11/11/2021G	25/08/2025G
Project No. 8 – Giga Projects	Giga Projects	Government Entity	Specialized Services	Northern	5.7	2.6%	01/07/2024G	30/06/2025G
Project No. 9 – Giga Projects	Giga Projects	Government Entity	Integrated Facility Management	Northern	4.8	2.2%	01/07/2023G	30/06/2026G
Total	-	-	-	-	136.4	62.3%	-	-

Source: The Company

4.12 Backlog

The Company's backlog generally consists of projects for which the Company has an executed contract or commitment with a client, and still has not completed it, and reflects the Company's expected revenue from the contract or commitment. As at 31 March 2025, the Company's backlog was SAR 1.8 billion.

Table 4.57: The estimated value of contracted projects by Business Segment as at 31 March 2025G

SAR million	2025G (Q2 – Q4)	2026G	2027G	2028G	2029G	Total
Giga Projects	349.7	391.8	177.4	19.8	–	938.6
Aviation	134.4	177.7	85.0	3.1	–	400.3
Assorted Commercial	90.6	61.4	52.7	49.9	12.5	267.0
Oil and Gas	28.4	5.7	1.9	1.6	–	37.6
International	17.2	7.8	5.5	5.5	4.1	40.0
Education	44.4	54.5	49.7	12.4	–	161.0
Total	664.6	698.9	372.2	92.3	16.6	1,844.5

Source: The Company

As at 31 March 2025G, giga projects comprised about 51% of the Company's backlog, while aviation represented 21.7%, followed by assorted commercials representing 14.5% of the Company's backlog. The Company's backlog estimates are subject to several assumptions and should not be relied on as an indication of future revenues. Please refer to Section (2.1.22) ("**Risks related to effectively managing backlog and new projects to maintain profitability and utilization rate**") for more details about the associated risks.

4.13 Suppliers

The Company relies on two key suppliers' groups: specialized services providers, and manpower companies. The following is a description of each.

Specialized services: During the bidding phase, the Company engages in informal discussions with potential partners, such as specialized services providers, including waste-management services and certain specialized maintenance services to explore collaborative opportunities and assess the feasibility of providing specialized services. These preliminary conversations allow both parties to align their goals and understand the specific requirements of the project without establishing any formal legal relationship. It is only after a project has been awarded that the Company enters into binding agreements, ensuring that all terms and conditions are clearly defined and mutually agreed upon. This approach allows the Company to maintain flexibility and adaptability during the bidding process while fostering open communication with potential partners, ultimately leading to more effective collaborations that enhance service delivery and project outcomes.

The following table shows the top five suppliers of specialized and operational services suppliers for the past three financial years and the three-month period ended 31 March 2025G.

Table 4.58: Top 5 Specialized and Operational Services Providers

Supplier	Service Type	Cost (SAR million)	Percentage of cost of revenue (%)	Length of relationship (years)
Year ended 31 December 2022G				
Specialized Supplier H	Accommodation services, including catering and drinking-water supply	8.7	2.9%	9
Specialized Supplier I	Manpower services	8.0	2.7%	1
Specialized Supplier F	Facade-cleaning	5.8	1.9%	1
Specialized Supplier G	Manpower services	5.5	1.8%	1
Specialized Supplier K	Waste-management and heavy-equipment rental	4.1	1.4%	1
Year ended 31 December 2023G				
Specialized Supplier F	Facade-cleaning	9.9	2.1%	2
Specialized Supplier G	Manpower services	8.7	1.9%	2
Specialized Supplier H	Accommodation services, including catering and drinking-water supply	8.1	1.8%	10
Specialized Supplier J	Civil works	7.4	1.6%	1
Specialized Supplier K	Waste-management and heavy-equipment rental	7.1	1.5%	2
Year ended 31 December 2024G				
Specialized Supplier A	Fire-fighting services	16.5	2.4%	8
Specialized Supplier B	Diesel supply	14.8	2.1%	2
Specialized Supplier C	Equipment supply, programming, testing, and commissioning	13.3	1.9%	2
Specialized Supplier D	Food-supply services	12.0	1.7%	1
Specialized Supplier E	Transportation services	11.6	1.7%	3
The Three-month Period Ended 31 March 2025G				
Specialized Supplier D	Food Supply Services	6.0	3.21%	2
Specialized Supplier L	Housing and Accommodation	4.5	2.41%	1
Specialized Supplier M	Manpower Services	2.2	1.19%	3
Specialized Supplier N	Manpower Services	2.0	1.06%	4
Specialized Supplier W	Facade Cleaning	1.7	0.91%	4

Source: The Company

Manpower companies: The Company's workforce sourced through manpower companies reached 2,168 employees (representing 53.2% of overall workforce), 1,772 employees (representing 31.7% of overall workforce) and 2,476 employees (representing 30.1% of overall workforce) and 2,566 employees (representing approximately 30.4% of the total workforce) for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. The Company outsources those employees through multiple manpower companies in the Kingdom.

The following table shows the top five manpower suppliers for the past three financial years, including repeated ones.

Table 4.59: Top 5 Manpower Suppliers

Supplier	Cost (SAR million)	Percentage of cost of revenue (%)	Length of relationship (years)
Year ended 31 December 2022G			
Supplier A	18.4	6.1%	8
Supplier B	9.7	3.2%	1
Supplier C	3.6	1.2%	1
Supplier G	1.6	0.5%	2
Supplier F	1.3	0.4%	2
Year ended 31 December 2023G			
Supplier A	20.1	4.4%	9
Supplier B	16.3	3.5%	2
Supplier C	5.6	1.2%	2
Supplier E	2.5	0.5%	2
Supplier F	1.6	0.4%	3
Year ended 31 December 2024G			
Supplier A	24.5	3.5%	10
Supplier B	13.6	2.0%	3
Supplier C	8.9	1.3%	3
Supplier D	3.7	0.5%	2
Supplier H	0.4	0.1%	2
The Three-Month Period Ended 31 March 2025G			
Supplier B	6.1	3.3%	4
Supplier A	4.4	2.4%	11
Supplier H	1.1	0.6%	3
Supplier J	1.0	0.5%	4
Supplier E	0.99	0.5%	4

Source: The Company

4.14 Ongoing Material Contracts

The Company maintains a robust portfolio of long-term contracts, with recurring revenue streams from key government, government owned enterprises, and private sector clients. These contracts form the backbone of the Company's financial stability and future revenue visibility.

The following table clarifies key contracts which together contributed over 50% of the Company's revenue for the financial year ended 31 December 2024G.

Table 4.60: Active Material Contracts

Project	Client Type	Contract start date	Contract end date	Contract Term (months)	Contract Value (SAR million)	Cumulative Revenue recorded as of 31 December 2024G (SAR million)	Cumulative recorded revenues as of 31 March 2025G (in SAR million)
Aviation- Project 1	State Owned Entity	1-Jun-22	30-May-27	60	750	413.7	450.4
Giga Projects- Project 5	State Owned Entity	1-Aug-24	31-Jul-27	36	290	27.7	49.6
Assorted Commercial- Project 10	State Owned Entity	1-Apr-24	31-Mar-29	60	249	2.8	4.5
Giga Projects- Project 1	State Owned Entity	1-Jan-24	31-Dec-26	36	249	66.7	86.5
Giga Projects- Project 2	State Owned Entity	7-Nov-23	6-Nov-27	48	218	50.3	61.5
Giga Projects- Project 3	State Owned Entity	1-May-23	30-Apr-28	60	219	51.2	61.1
Giga Projects- Project 6	State Owned Entity	1-Sep-23	31-Aug-26	36	113	26.5	30.1
Oil and Gas- Project 1	Private	1-Jan-15	31-Dec-25	133	92	160.1	168.4
Assorted Commercial- Project 1	Private	7-Jan-24	6-Jan-25	12	30	19.7	23.7
Oil and Gas- Project 4	Private	1-Feb-23	31-Jan-26	36	54	99.0	101.3
Giga Projects- Project 18	State Owned Entity	1-Feb-24	31-Jan-27	36	46	4.8	7.0
Total					2,310.0	922.6	1,044.1

Source: The Company

4.15 The Project Lifecycle

4.15.1 Bidding Phase

The bidding phase is a crucial part of the project lifecycle, where the Company goes through a systematic process to submit competitive and comprehensive proposals to potential clients. This phase not only sets the foundation for project execution but also ensures that both parties-client and service provider-are aligned on the project scope, deliverables, and terms. Below is an in-depth explanation of the key steps involved in the bidding phase.

(i) Request for Information (RFI)

The bidding process typically begins with the Request for Information (RFI), where the client seeks to gather preliminary information from potential FM service providers. An RFI is not a formal bid invitation but a way for the client to learn about the capabilities, expertise, and potential fit of various vendors. During this phase, the client outlines the broad requirements of the project and invites vendors to submit information about their qualifications, experience, and approach. The responses from FM service providers help the client shortlist suitable service partners for the next stage of the process.

(ii) Request for Proposal (RFP)

Following the RFI phase, the client typically issues a Request for Proposal (RFP). The RFP is a more detailed and formal invitation to vendors to submit comprehensive bids for the project. It outlines the specific scope of work, deliverables and timelines. The vendors are expected to submit technical proposals (describing how they will deliver the project) and

commercial proposals (detailing the cost structure). This is a critical phase for the FM service provider, as they must demonstrate their understanding of the project and propose innovative solutions that meet the client's needs, while also remaining cost-effective.

(iii) Clarification Round with the Client

Once the RFP is issued by the prospective client, a clarification round is often held between the FM service provider and the client. This step is vital for clearing up any ambiguities in the initial RFP. It allows both parties to ensure mutual understanding regarding the project scope, deliverables, and specific requirements. This ensures that both sides are aligned before moving forward.

(iv) Site Visits

In many cases, especially for large-scale projects, the client may request or allow site visits. Site visits are important for vendors to get a first-hand understanding of the project's environment, constraints, and specific conditions. These visits help vendors assess the site, understand logistical challenges, and refine their technical and operational proposals. It also provides the opportunity to identify any unforeseen issues that may impact the project's feasibility or cost.

(v) Submission of Technical and Commercial Proposal

After gathering all the necessary information from the RFP, clarification round, and site visits, vendors are required to submit their final technical and commercial proposals. The technical proposal should outline the methodology, approach, timeline, resources, and deliverables. The commercial proposal, on the other hand, should detail the cost breakdown (the format of the price submission is provided by the client in the RFP) and detailed inclusion/exclusion and terms and conditions. Both proposals need to be meticulously prepared to ensure they align with the client's requirements while offering a competitive edge. In Facilities Management, weight is placed on both technical and commercial evaluation, the ratio of which differs from client to client (a 60:40 ratio is usually followed for technical and commercial evaluation respectively).

(vi) Negotiation with the Client regarding the proposal

Once the proposals are submitted, the negotiation phase begins. During this phase, the client may engage in discussions with the vendors to adjust the technical or financial terms of the proposal. Negotiations may focus on cost reduction, scope adjustments, timelines, or resource allocation. This is a delicate phase where the Company needs to balance competitiveness with profitability, ensuring that it is not overcommitting or undervaluing our offerings. Successful negotiation establishes a strong working relationship and lays the groundwork for the next stages of the project.

(vii) Post-Bid Presentations

After negotiations, the company be asked to present our proposal in greater detail during post-bid presentations. This is an opportunity for the company to walk the client through their proposed solution, highlighting key features, differentiators, and any adjustments made during the negotiation. The presentation allows the client to ask further questions, ensure clarity on critical aspects of the proposal, and confirm the FM company's understanding of the project's objectives.

(viii) Award of Contract

After considering all bids, clarifications, negotiations, and presentations, the client will decide on the winning vendor. The award of contract is the formal stage where the client selects the vendor and signs the contractual agreement. This contract outlines the agreed-upon scope, deliverables, timelines, pricing, and other terms. The award signifies the end of the bidding phase and the transition into the implementation phase of the project.

4.15.2 Planning and Mobilisation Phase

Once the contract is awarded, the mobilisation phase begins. This phase involves preparing all resources, personnel, equipment, and logistics for the project's execution. During this mobilization phase, the Company sets up operational processes to ensure that all pre-project requirements are in place. This could include securing permits, finalizing project schedules, procuring materials, and ensuring that all stakeholders are aligned. The mobilisation phase sets the tone for the success of the project by ensuring that all necessary steps to smoothly transition from planning to active execution.

The planning and mobilisation phase in a facilities management contract is a crucial step that ensures all resources, processes, and logistics are aligned for a successful and efficient execution of the contract. The timeline for this phase is variable on multiple factors such as number of sites, projects operational complexity, scale of operations etc. The Company requires a minimum timeline of 3-4 weeks for mobilizing the project which may extend to as much as 11-12 weeks on a case-to-case basis. The ability to mobilise the contract in a shorter duration plays a role in the technical assessment of the FM service providers capacity and capability, and hence, the Company proposes a standard timeline of 8 weeks to mobilise such large projects.

Some of the key deliverables of the planning/mobilisation phase are as follows:

1. Cascading the understanding of contractual scope and client requirements to a larger team who can take forward this process.

2. Assembling the specialized mobilisation team which will form the core committee for the transition process.
3. Resource hiring, allocation and kick starting the procurement processes.
4. Defining Standard Operating Procedures (SOPs) and Processes in line with the client service requirements and contract needs.
5. Technology integration and system setup, which is a crucial component to ensure applicability of the Company's CAFM system.
6. Staff training and development to ensure the right fit of human resources for the project.
7. Establishing a communication and reporting plan to ensure stakeholders alignment and defining the needs and structure of internal communication protocols, client communication and regular reporting standards.
8. Final handover and project go-live at which point the Company assumes service responsibilities.

4.15.3 Contracting Phase

The Company's contracts are lump sum, guaranteed maximum price, unit cost, or cost-plus:

- **A lump sum** contract is an agreement where one total price covers the entire scope of work of a project. This base contract price is set from the beginning and generally does not change later based on actual costs or overruns. The Company also enters into guaranteed maximum price arrangements and unit cost contracts. Because the profit margin on such contracts is neither predetermined nor fixed between the parties, these pricing structures entail similar risks and have therefore been grouped under this category. As of 31 March 2025G, the number of Lump Sum contracts and the guaranteed maximum price contracts and unit cost contracts, entered into by the Company amounts to 115 out of a total of 118 ongoing contract. The revenue from lump sum contracts amounted to 96%, 97%, 94%, and 86.6% of Company's revenue for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively.
- **A cost-plus** contract is a contract with no specific fixed value, rather where the Company bills the client for actual costs incurred plus an additional pre-negotiated amount for profit. With a cost-plus contract, the contract specifies "allowed" cost that the Company can bill. These contracts allow the owner to design the scope as they go, and allows flexibility to change the scope of the project. As of 31 December 2024G, the Company has 3 cost plus contracts out of 106 ongoing contract. The revenue from such contracts amounted to 4%, 3%, 6%, and 13.4% of the Company's revenue for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively.

4.15.4 Client Relationships Management

Client relationships management is a multifaceted process that encompasses the establishment of clear communication channels, the definition of roles and responsibilities, and the continuous evaluation of service performance. It is pivotal for maintaining long-term, productive relationships, supporting client satisfaction, and meeting contractual obligations. Some of the key components followed by the Company are as follows.

1. **Communication and Escalation Matrix** – A well-structured communication and escalation framework is essential for identifying the right stakeholders, setting clear expectations, and ensuring a smooth flow of information.
2. **Routine Meetings for Operational Updates and Escalation Management** - Regular meetings between service teams and clients are essential for maintaining alignment and addressing operational challenges. These meetings are structured to provide operational updates, track service delivery performance, and handle any escalations effectively.
3. **Governance Through Contractual SLA/KPIs** - A well-defined Service Level Agreement (SLA) and Key Performance Indicators (KPIs) provide a framework for service delivery and performance monitoring. These contractual elements remove subjectivity and ensure that both the service provider and client have a shared understanding of expectations. SLAs and KPIs are legally binding and clearly outline penalties or incentives related to performance. This creates a structured governance model that holds both parties accountable.
4. **Continuous and Regular Feedback Mechanisms** - Regular feedback loops are essential for understanding client concerns, adapting to changing needs, and improving service delivery. By integrating continuous feedback mechanisms, client satisfaction can be monitored in real-time, and adjustments can be made swiftly.
5. **Quality Assurance Audits for Monitoring Service Performance** - Quality assurance (QA) audits are a critical part of maintaining high service standards. These audits allow the service provider to review the processes, systems, and workflows in place to identify any potential gaps and address them proactively.
6. **Reliance on CAFM System for Reporting and Performance Tracking** - CAFM systems offer real-time data, helping service providers to track performance, identify trends, and generate detailed reports. CAFM systems typically come with customizable dashboards that allow service providers and clients to view performance data in a way that is most relevant to their needs.

4.16 Infrastructure

The Company boasts a comprehensive network of supporting facilities and services designed to enhance operational efficiency and service delivery. As of 31 December 2024G, the Company has 6 strategically located offices, the Company supports accessibility and responsiveness to client needs across various regions. Complementing this infrastructure, the Company has over 60 staff accommodations, providing comfortable and convenient living arrangements for employees, which is vital for maintaining a motivated and productive workforce. Additionally, the Company manages central store and warehouse, facilitating effective inventory management and logistical support for its diverse range of services. This is further bolstered by the presence of over 25 satellite stores (site-based stores which are project specific in nature depending on operational complexity and strategy), which expand the Company's reach and enable it to deliver localized services swiftly and efficiently. Together, these facilities create a robust support ecosystem that not only enhances the Company's operational capabilities but also ensures a seamless experience for clients, reinforcing its commitment to high-quality service delivery across all sectors.

Table 4.61: Details of Service Infrastructure Assets as of 31 December 2024G

Infrastructure	Location	Address		Size of office
Offices	Riyadh (HQ)	6784 Prince Faisal Bin Bandar, 6784 An Narjis, 13315 Riyadh		15,645 sq. ft.
	Jeddah	7717 Al Amir Majid Branch, 2219 As Safa Dist., 23452 Jeddah		3,487 sq. ft.
	Dammam	2658 King Fahd Bin Abdulaziz Rd, 7725 Al Khobar Al Shamaila, 34426 Al Khobar		1,883 sq. ft.
	Al Ula	7498 Prince Abdul Majeed, 5120, 43561 Alula		1,076 sq. ft.
	Tabuk	Building # 0225 King Fahd Road, Alshifa, Tabuk 47919		11,933 sq. ft.
	Duba	49315, King Abdul Aziz, Duba		1,883 sq. ft.
Facilities	Location	No. Facilities with more than 50 capacity	No. facilities with less than 50 capacity	Total Employee Capacity
Staff Accommodation	Riyadh	4	5	1,686
	Dammam	2	10	664
	Jeddah	8	4	2,969
	Duba	11	7	1,062
	Tabuk	8	-	1,189
	Sharma	1	-	86
	Al Ula	-	2	35
	Makkah	1	-	57
	Total	35	28	7,748

Source: The Company

4.17 Relationship with EFS Group

EFS Group is a founding shareholder of the Company, currently holding 55% of the company's share capital, and a key strategic partner of the Company. The Company has a Technical Service Agreement with EFS Group since 2008G under which EFS Group provides the Company with technical, know-how, system solutions, recruitment services and other services. Further, the Company is often offered the Saudi part of global contracts EFS Group wins. Local contracts sourced through EFS Group amounted to 2.6% of revenue, 5.4%, 5.7% and 5.9% for the years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. The Company licenses its trademark from the EFS Group and therefore relies on it for its marketing identity. Please refer to Section (12.7.a)) ("**Technical Support Agreement with EFS Facilities Services Group Limited**") for more information regarding the services and the technical support agreement, and Section (2.1.15) ("**Risks related to the relationship with EFS Group and the use of its services**") for more details about associated risks.

4.18 International Operations and Assets

The Company has no assets or activities outside of the Kingdom.

4.19 New Projects

The Company continuously evaluates opportunities for strategic expansion and enhancement of its service offerings. As part of its forward-looking growth strategy, the Company is actively exploring several initiatives that align with its commitment to operational excellence, market leadership, and value creation. While these initiatives are at various stages of development, none have reached a stage of formal agreement as of the date of this Prospectus. The following outlines the key new projects currently under review:

(i) Potential Strategic Partnership through Acquisition in the Saudi Facilities Management Sector

The Company is in preliminary discussions regarding a potential strategic acquisition of a facilities management company in the Kingdom. This entity is part of a larger conglomerate with significant assets and ongoing developments that would provide long-term revenue visibility for the Company. The acquisition, if realized, would enable the Company to expand its market presence, leverage synergies, and capitalize on a diversified client portfolio. As of the date of this Prospectus, discussions remain at a preliminary stage, with no formal agreements executed. Any potential transaction remains subject to further due diligence, negotiation of definitive terms, and regulatory approvals.

(ii) Joint Venture for Integrated Facilities Management (IFM) Services in a Master Community

The Company is evaluating a potential joint venture to provide integrated facilities management (IFM) services for a large-scale master community development in the Kingdom. The project, currently in its early conceptualization phase, represents a significant opportunity to establish a long-term service agreement for comprehensive FM solutions, including infrastructure maintenance, security, cleaning, and energy management. Discussions with relevant stakeholders are ongoing, but no binding agreements have been signed as of the date of this Prospectus.

(iii) Strategic Partnership in Waste Management Services

The Company is actively exploring opportunities to collaborate with an international waste management service provider to develop technical expertise in this sector. This initiative aims to expand the Company's service portfolio by incorporating advanced waste management solutions, including sustainable and environmentally responsible waste disposal and recycling. Discussions are currently ongoing with multiple potential partners, with no definitive agreements finalized at this stage.

(iv) Expansion into Landscaping Consultancy and Services

To strengthen its capabilities in landscaping services and enhance its expertise in design, maintenance, and green space management, the Company is in discussions with leading international landscaping consultancy firms. The objective is to establish a strategic partnership that would support the Company in delivering high-quality landscaping solutions across its existing and prospective contracts. As of the date of this Prospectus, negotiations remain in progress, with no conclusive agreements signed.

The aforementioned initiatives reflect the Company's strategic intent to expand its operational capabilities and market footprint. However, these initiatives remain subject to further evaluation, regulatory compliance, commercial feasibility assessments, and successful negotiations with potential partners. There can be no assurance that these initiatives will materialize into binding agreements or that they will be completed on the expected terms.

4.20 Research and Development

Although the Company does not maintain a formal research and development department/policy, its business development team actively explores local industry trends and engages potential clients to identify emerging needs. This proactive approach enables the Company to remain agile and responsive, leveraging market intelligence to shape strategic decisions and drive innovation across its product and service offerings. The Company's commitment to ongoing research aims to keep it ahead of industry trends, delivering impactful solutions and creating long-term value for stakeholders.

4.21 Awards and Recognitions

Year	Award
2025G	Sustainable Facilities Solutions Provider, World ESG Summit
2024G	Top 10 Happiest Companies for Work 2024G, IT Future Summit in Saudi Arabia
2024G	IFM Company of the Year 2024G, Saudi Arabia Cleaning Waste Management & FM Awards
2024G	Industry Personality of Year - Commercial Cleaning, Saudi Arabia Cleaning, Waste Management & FM Awards
2023G	IFM Company of the Year 2023G, Saudi Arabia Cleaning Waste Management & FM Awards

Source: The Company

4.22 Employees

The table below shows the distribution of employees within the Company in the different key departments for the past three years.

Table 4.62: Company's Employees Overview

	2022G				2023G				2024G			
	Saudi	Non - Saudi	Total	Saudisation Percentage	Saudi	Non - Saudi	Total	Saudisation Percentage	Saudi	Non - Saudi	Total	Saudisation Percentage
Operations	536	1,279	1,815	29.5%	530	3,151	3,681	16.8%	943	4,371	5,314	17.7%
Human Resources	22	2	24	91.7%	24	5	29	82.8%	38	9	47	80.9%
Finance and Investor Relation	4	11	15	26.7%	4	14	18	22.2%	6	20	26	23.1%
Business Development	1	2	3	33.3%	1	4	5	20.0%	1	4	5	20.0%
Service Assurance and Operations Compliance	7	16	23	30.4%	11	32	43	25.6%	17	77	94	18.1%
Supply Chain and Procurement	4	13	17	23.5%	9	19	28	32.1%	13	30	43	30.2%
Legal and Corporate Affairs	1	2	3	33.3%	2	2	4	50%	2	2	4	50%
Information Technology	4	4	8	50%	6	10	16	37.5%	6	22	28	21.4%
Total	580	1,329	1,909	30.4%	588	3,237	3,825	15.3%	1,026	4,535	5,561	18.4%
Workforce via HR firms	None	822	822	Not Applicable	None	1,112	1,112	Not Applicable	None	1,678	1,678	Not Applicable
Specialized Service Providers	None	1,346	1,346	Not Applicable	None	660	660	Not Applicable	None	798	798	Not Applicable

Source: The Company

The following table shows the Company's compliance with the Saudization requirements for the Company and its branches as of 29/01/2025G:

Table 4.63: Saudization Overview

#	Entity	Update Date	Saudization Percentage	Nitaq
1	Company (head office)	09/07/2025G	14%	Medium Green
2	Jeddah	07/04/2025G	30%	High Green
3	Khobar	07/04/2025G	14%	Medium Green
4	Al-Ula	07/04/2025G	11%	Medium Green

Source: The Company

4.23 Business Continuation

There have been no interruptions in the Company's business within the past twelve (12) months which did, or could, materially impact the financial position of the Company.

4.24 Changes in the Nature of the Business

The Company has no intention of materially altering the nature of its business.

4.25 Tax Commitments Provided by EFS Group

EFS Group submitted a commitment dated 13 August 2025G, in which it undertakes to pay any taxes, fees, or costs imposed on the company by the Zakat, Tax and Customs Authority or any other competent authority inside or outside the Kingdom, resulting from EFS Group's ownership of the company's shares or any transaction related to those shares (including, but not limited to, withholding tax and capital gains tax). This commitment applies to any period starting from the date of the company's listing on the financial market, as well as any prior financial period for which tax returns have not yet been submitted or closed with the Zakat, Tax and Customs Authority. The commitment remains valid and binding as long as EFS Group owns shares in the company, and continues to apply to any tax obligations arising from periods during which EFS Group held shares, even if those obligations are assessed after its exit.



5. Organisational Structure and Corporate Governance

5. Organisational Structure and Corporate Governance

5.1 Ownership and Organisational Structure

5.1.1 Ownership Structure

The following table illustrates the ownership structure of the Company before and after the Offering:

Table 5.1: Ownership Structure of the Company Pre- and Post-Offering

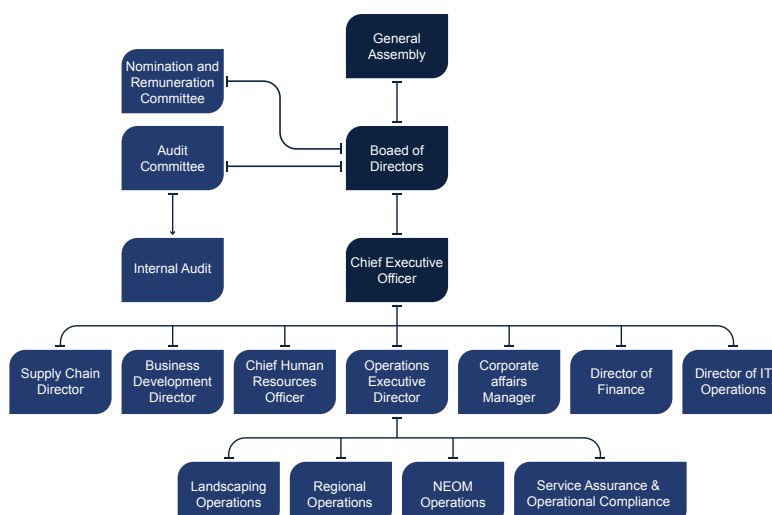
Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Ownership (%)	Overall Nominal Value (SAR)	Number of Shares	Ownership (%)	Overall Nominal Value (SAR)
EFS Group	24,750,000	55%	49,500,000	21,560,000	38.5%	43,120,000
AlKhafrah Company	6,750,000	15%	13,500,000	5,880,000	10.5%	11,760,000
Lama Company	5,850,000	13%	11,700,000	5,096,000	9.1%	10,192,000
Career First Company	4,500,000	10%	9,000,000	3,920,000	7%	7,840,000
Khaled bin Abdulrahman bin Abdullah AlKuwaiz*	3,150,000	7%	6,300,000	2,744,000	4.9%	5,488,000
Public	N/A	N/A	N/A	16,800,000	30%	33,600,000
Total	45,000,000	100%	90,000,000	56,000,000	100%	112,000,000

* Mr. Khaled bin Abdulrahman bin Abdullah AlKuwaiz will not be considered a substantial shareholder post the Offering as his ownership will fall below 5%. Accordingly, he will be considered part of the public after the offering.

5.2 Organisational Structure

5.2.1 Organisational Structure of the Company

Without prejudice to the powers of the General Assembly, the Board of Directors has all the powers necessary to manage the Company and achieve its purposes. To do so, the Board has delegated responsibility for the overall day-to-day management of the Company to the Executive Management of the Company and, in particular, the Chief Executive Officer. The following chart sets out the organisational structure of the Company:



5.3 Board of Directors and Secretary of the Board of Directors

5.3.1 Composition of the Board of Directors

The Board of Directors consists of nine (9) Directors who are appointed by the shareholders for a term of four (4) years, and the current term started on 08/08/1445H (corresponding to 18/02/2024G) and will expire on 22/09/1449H (corresponding to 18/02/2028G). The Directors were appointed pursuant to two resolutions. The current board was formed by a resolution of the shareholders dated 08/08/1445H (corresponding to 18/02/2024G), and then three (3) members were replaced with independent Directors pursuant to a resolution of the shareholders dated 01/09/1446H (corresponding to 01/03/2025G). The following table sets out the Directors details as of the date of this prospectus:

Table 5.2: Company's Board of Directors

#	Name	Position	Nationality	Status and Independence	Appointment Date ⁽¹⁾	Direct Share Ownership (%)		Indirect Ownership (%)	
						Pre-Of-fering	Post-Of-fering	Pre-Of-fering	Post-Of-fering
1	Abdulraouf Waleed A Albitar ⁽²⁾	Chairman	Saudi	Non-Executive	08/08/1445H (18/02/2024G)	N/A	N/A	21.4%	15.0%
2	Talal Jassem Mohammed Abdulrahman Albahar ⁽³⁾	Vice Chairman	Kuwaiti	Non-Executive	08/08/1445H (18/02/2024G)	N/A	N/A	2.0%	1.4%
3	Tariq Mohammed Chauhan ⁽⁴⁾	Director	Indian	Executive	08/08/1445H (18/02/2024G)	N/A	N/A	4.0%	2.8%
4	Taher Mustafa Jhanjharya	Director	Indian	Executive	08/08/1445H (18/02/2024G)	N/A	N/A	N/A	N/A
5	Khalidon Abdullah Ali Alfakhri	Director	Saudi	Independent	01/09/1445H (01/03/2024G)	N/A	N/A	N/A	N/A
6	Colin Patrick Caulfield	Director	British	Independent	01/09/1445H (01/03/2024G)	N/A	N/A	N/A	N/A
7	Bandar Sulaiman Abdulaziz Aljarallah	Director	Kuwaiti	Independent	01/09/1445H (01/03/2024G)	N/A	N/A	N/A	N/A
8	Saud bin Mubarak Adullah Al Khafrah ⁽⁵⁾	Director	Saudi	Non-Executive	08/08/1445H (18/02/2024G)	N/A	N/A	7.5%	5.3%
9	Abdullah Mohammed Abdulrahman Alothman ⁽⁶⁾	Director	Saudi	Non-Executive	08/08/1445H (18/02/2024G)	N/A	N/A	N/A	N/A

Source: The Company

⁽¹⁾ The dates stated are the dates of appointment within the current term. The current term spans four (4) years, commencing on 08/08/1445H (corresponding to 18/02/2024G) and ending on 22/09/1449H (corresponding to 18/02/2028G).

⁽²⁾ Mr Abdulraouf Waleed Abdulraouf Albitar owns (i) 13% of the Company indirectly through his ownership of 100% of Lama Company, which in turn owns 13% of the Company prior to the Offering, and (ii) 8.4% of the Company indirectly through his ownership of 100% of LHC Investments LLC, which in turn owns 15.34% of EFS Group, which in turn owns 55% of the Company prior to the Offering.

⁽³⁾ Mr. Talal Jassem Mohammed Abdulrahman Albahar owns 26.39% of Mad AlBahar Holding, which in turn effectively owns 100% of AlRana General Trading and Contracting Company, AlShamiya Investment Company, and AlDahiya Investment Company and Kuwait Holding Company, and noting that (i) these companies together own 14.98% of AlWafir Marketing Services Company, which owns 49% of AlAddan Real Estate which owns 37.18% of EFS Group and (ii) Kuwait Holding Company owns 11.4% in EFS Group. As EFS Group owns 55% of the Company, this together represents an indirect ownership of 2.03% of the Company's shares before the Offering.

⁽⁴⁾ Mr. Tariq Mohammed Chauhan owns 7.36% of EFS Group, through (i) direct ownership of 3.59%, and (ii) indirect holding of 3.77% through his 100% ownership in EFSIAN Commercial Brokers LLC, which in turn owns 55% of the Company prior to the Offering.

⁽⁵⁾ Mr. Saud bin Mubarak Abdullah Al Khafrah owns 50% of Al Khafrah Company, which in turn owns 15% of the Company prior to the Offering. Mr. Saud's brother owns the remaining 50% of Al Khafrah Company.

⁽⁶⁾ It is worth noting that Mr. Abdullah's father, Mr. Mohammed Al-Othman, owns 100% of Mohammed Al-Othman Holding Company, which in turn owns 100% of the share capital of Career First Company. Career First Company holds 10% of the Company's shares prior to the offering. For more information regarding the ownership of Career First Company, please refer to Section (4.7.2.4) ("**Career First Company**").

5.3.2 Responsibilities of the Board of Directors

5.3.2.1 Board of Directors

Subject to the powers of the General Assembly as stated in the Companies Law and its Implementing Regulations, the Board of Directors is vested with full powers to manage the business of the Company and supervise its affairs to achieve its purposes. The responsibilities of the Board of Directors include the following:

1. Laying down the plans, policies, strategies and main objectives of the Company, supervising their implementation and reviewing them periodically, and ensuring that the human and financial resources required to fulfill them are available, including:
 - a. setting a comprehensive strategy for the Company, key business plans and policies and mechanisms of the risk management and review and guide them;
 - b. determining the most appropriate capital structure for the Company, its strategies and financial objectives, and approving all kinds of estimated budgets;
 - c. overseeing the main capital expenditures of the Company and the acquisition or disposal of assets;
 - d. setting performance indicators, and monitoring the implementation thereof and the overall performance of the Company;
 - e. reviewing and approving the organisational and human resources structures of the Company on a periodic basis; and
 - f. ensuring that the financial and human resources required for achieving the objectives and main plans of the Company are available.
2. Setting rules and procedures for internal control and generally overseeing them, including:
 - a. developing a written policy to remedy actual and potential conflicts of interest scenarios. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties;
 - b. ensuring the integrity of the financial and accounting rules, including rules relating to the preparation of financial reports;
 - c. ensuring the implementation of appropriate control procedures for risk assessment and management by generally forecasting the risks that the Company may encounter and creating an environment which is aware of the culture of risk management at the Company level and disclosing such risks transparently to the stakeholders and parties related to the Company; and
 - d. reviewing the effectiveness of the Company's internal control procedures on an annual basis.
3. Setting forth specific and explicit policies, standards and procedures for membership in the Board and implementing them following approval by the General Assembly.
4. Developing a written policy that regulates the relationship with stakeholders pursuant to the provisions of the CGRs.
5. Setting policies and procedures to ensure the Company's compliance with the laws and regulations and the Company's obligation to disclose material information to shareholders and stakeholders, and ensuring the compliance of the Executive Management with these policies and procedures.
6. Supervising the management of the Company's finances, its cash flows as well as its financial and credit relationships with third parties.
7. Providing recommendations to the Extraordinary General Assembly as to:
 - a. Any increase or reduction of the Company's share capital; and
 - b. Dissolution of the Company prior to the term specified in its Articles of Association or a resolution to continue its existence.
8. Providing recommendation to the Ordinary General Assembly as to what it deems appropriate regarding:
 - a. use of the Company's reserves, if they are not allocated for a specific purpose in the Company's Bylaws;
 - b. forming additional financial allocations or reserves for the Company; and
 - c. the method of distributing the net profits of the Company.
9. Preparing the Company's interim and annual financial statements and approving them before publishing them.
10. Preparing the Board report and approving it before publishing it.
11. Ensuring the accuracy and integrity of the data and information which must be disclosed pursuant to the applicable policies and systems in respect of disclosure and transparency.

12. Developing effective communication channels allowing shareholders to continuously and periodically review the various aspects of the Company's businesses as well as any material developments.
13. Specifying the types of remunerations granted to the Company's employees, such as fixed remunerations, remunerations linked to performance and others.
14. Notifying the Ordinary General Assembly when convened of the businesses and contracts in which any Board member has a direct or indirect interest in accordance with applicable laws.
15. Setting the values and standards that govern the work at the Company.

5.3.2.2 Chairman and Vice Chairman

Without prejudice to the competencies of the Board, the Chairman shall be responsible for leading the Board and supervising its operations and the effective performance of its duties. The competencies and duties of the Chairman shall in particular include the following:

1. Ensuring that the Board members obtain complete, clear, accurate and non-misleading information in due course.
2. Ensuring that the Board effectively discusses all fundamental issues in due course.
3. Representing the Company before third parties in accordance with the Companies Law and its implementing regulations and the Company's Bylaws.
4. Encouraging the Board members to effectively perform their duties in order to achieve the interests of the Company.
5. Ensuring that there are actual communication channels with shareholders and conveying their opinions to the Board.
6. Encouraging constructive relationships and effective participation between the Board and the Executive Management on the one hand, and the executive, non-executive and independent directors on the other hand, and creating a culture that encourages constructive criticism.
7. Preparing agendas of the Board meetings, taking into consideration any matters raised by Board members or the external auditor and consult with the Board members and the Chief Executive Officer upon preparing the Board's agenda.
8. Convening periodic meetings with the non-executive directors without the presence of any executive officers of the Company.

5.3.2.3 Secretary

The Secretary assume the following responsibilities:

1. Documenting the Board meetings and preparing minutes therefore, which shall include the discussions and deliberations carried during such meetings, as well as the place, date, times on which such meetings commenced and concluded; and recording the decisions of the Board and voting results and retaining them in a special and organized register, and including the names of the attendees and any reservations they expressed (if any).
2. Retaining the reports submitted to the Board and the reports prepared by the Board.
3. Providing the Board members with the agenda of the Board meeting and related worksheets, documents and information and any additional information, related to the topics included in the agenda items, requested by any Board member.
4. Ensuring that the Board members comply with the procedures approved by the Board.
5. Notifying the Board members of the dates of the Board's meetings within sufficient time prior to the date specified for the meeting.
6. Presenting the draft minutes to the Board members to provide their opinions on them before signing the same.
7. Ensuring that the Board members receive, fully and promptly, a copy of the minutes of the Board's meetings as well as the information and documents related to the Company.
8. Coordinating among the Board members.
9. Maintaining a register of disclosures by Board members and executive management in accordance with applicable regulatory requirements, if any.
10. Providing assistance and advice to the Board members.

5.3.3 The Board's Contracts

Except the CEO, Mr. Tariq Chauhan, and the CFO Mr. Taher Mustafa Jhanjharya, the Company does not have any current or proposed service contracts with any of the Directors. For more details about the employment contract with the CEO and the CFO, please refer to Section (5.6) ("**Senior Executives**").

5.3.4 Biographies of the Directors and Secretary of the Board

The experience, qualifications, and the current and other positions of each of the Directors and the Secretary are set out below:

5.3.4.1 Abdulraouf Waleed A Albitar, Chairman of the Board of Directors

Nationality:	Saudi
Age:	65 years
Position:	Chairman of the Board of Directors
Status:	Non-Executive \ Non-Independent
Academic and Professional Qualifications:	Bachelor's degree in civil engineering, Syracuse University, New York, United States, 1982.
Appointment Date:	08/08/1445H (corresponding to 18/02/2024G)
Current Positions:	- Board Member, EFS Facilities Management Ltd, a private company (UAE), facilities management sector, since 2019G. - Board Member, Al Hassan Ghazi Ibrahim Shaker Co., a listed joint stock company (KSA), home appliances and ACs sector, since 2010G. - Board Member, Gulf Insulation Group (GIG), a closed joint stock company (KSA), insulation manufacturing, since 2012G. - Director, Springs Beverage Factory & Flexible Packaging (SBF&FP), a limited liability company (KSA), food and beverage manufacturing, since 2009G. - Director, Converged Generation Communications (CGC), a limited liability company (KSA), service implementation, integration and commission, since 2009G. - Director, Etihad Pioneer Company, a limited liability company (KSA), training academy, since 2009G. - Director, Mawaduna Company, a limited liability company (KSA), training academy, since 2009G. - Director, Delicious Meats for Fresh Meat Company, a limited liability company (KSA), fast food, since 2023G.
Key Past Professional Experience:	- Board member, Middle East Specialized Cables Co. (MESCC), a listed joint stock company (KSA), manufacturing and exporting cables, from 1994 to 2016G - Board member, Saudi Tabreed, a closed joint stock company (KSA), district cooling sector, from 2009G to 2019G. - Board Member, Tabreed, a closed joint stock company (UAE), district cooling, from 2009G to 2019G.

5.3.4.2 Talal J M A Albahar, Member of the Board of Directors

Nationality:	Kuwaiti
Age:	46 years
Position:	Vice Chairman
Status:	Non-Executive \ Non-Independent
Academic and Professional Qualifications:	Bachelor's degree in business administration, Loyola Marymount University, Los Angeles, United States of America, 2001G.
Appointment Date:	08/08/1445H (corresponding to 18/02/2024G).
Current Positions:	- Chairman, EFS Facilities Management Ltd, a private company (UAE), facilities management sector, since 2017G. - Member of the Remuneration and Nomination Committee, the Company, since 2025G. - CEO, Kuwait Real Estate Company, a listed joint stock company (Kuwait), real estate development and investment sector, since 2018G. - Chairman, Arzan Financial Group, a listed joint stock company (Kuwait), investment sector, since 2023G. - Board Member, Boursa Kuwait, a listed joint stock company (Kuwait), capital market exchange, since 2019G. - Vice Chairman, Kuwait Real Estate Company, a listed joint stock company (Kuwait), real estate development and investment sector, since 2017G. - Board Member, Miami International Holdings, an unlisted joint-stock company (United States), financial-markets sector, since 2011G. - Board Member, Commercial Real Estate Company, a listed joint stock company (Kuwait), real estate development and investment sector, since 2009G. - Vice Chairman, IFA Hotels & Resorts, a listed joint stock company (Kuwait), real estate development and investment sector, since 2009G. - Chairman of the Board, United Investments Portugal, an unlisted joint-stock company (Portugal), financial-markets sector, since 2008G.
Key Past Professional Experience:	- Chairman, International Financial Advisors Holding, a listed joint stock company (Kuwait), investment sector, from 2008G until 2012G. - Vice Chairman, Aldeera Holding, a listed joint stock company (Kuwait), investment sector, from 2005G until 2006G. - Board Member, Kuwait Invest, a listed joint stock company (Kuwait), investment sector, from 2002G until 2005G.

5.3.4.3 Tariq Chauhan, Member of the Board of Directors

Nationality:	Indian
Age:	59 years
Position:	Member of the Board of Directors and CEO
Status:	Executive \ Non-Independent
Academic and Professional Qualifications:	– Bachelor's degree in economics, Aligarh Muslim University, Aligarh, India, 1986; and – Executive Program in global leadership, Harvard Business School, Massachusetts, United States, 2000G.
Appointment Date:	08/08/1445H (corresponding to 18/02/2024G)
Current Positions:	– CEO, the Company, since 2025G. – Member of the Global Board of Directors, International Facility Management Association (IFMA), starting from July 2025G. – Vice Chairman, EFS Facilities Management Ltd, a private company (UAE), facilities management sector, from 2024G. – Director, Concordia DMCC, a limited liability company (UAE), facilities management sector, since 2010G. – Founding Member, Emerge Education, a foundation (US), investment in education, since 2022G. – Founding Board Member, UAE India Business Council – UAE Chapter, foundation (UAE), business enhancement and trade facilitation, since 2023.
Key Past Professional Experience:	– Group CEO, EFS Group, a private company (UAE), facilities management sector, from 2009G until 2024G. – Founder, President & CEO, KOL Corporation, a limited liability company (UAE), technology sector, from 2003G to 2009G. – Managing Director, Wall Street Group, a limited liability company (UAE), finance sector, from 1998 until 2002G. – CEO and Founder, Elfina Banking & Financial Investments Company, a limited liability company (UAE), banking and financial services, from 1995 to 1997. – Corporate Treasurer, Bughshan Group, a limited liability company (KSA), finance sector, from 1992 until 1994. – Manager, Treasury & Risk, Banque Indosuez India, a limited liability company (India), banking sector, from 1990 until 1992. – Manager, Bank of Oman, a limited liability company (Oman), banking sector, from 1987 until 1990.

5.3.4.4 Bandar Sulaiman Abdulaziz Aljarallah, Member of the Board of Directors

Nationality:	Kuwaiti
Age:	48 years
Position:	Member of the Board of Directors
Status:	Independent \ non-executive
Academic and Professional Qualifications:	Bachelor's degree in Business Administration, California State University, California, USA, 2006G.
Appointment Date:	01/09/1446H (corresponding to 01/03/2025G).
Current Positions:	– Chairman of Remuneration Committee, the Company since 2025G. – Independent Director, IFA Hotels & Resorts, Listed Company, Kuwait, Hotels and Resorts, since 2018G. – Independent Director, Kuwait Cotton Products Co, Listed Company, Kuwait, Manufacturing, since 2007G. – CEO, Al Jarallah Group Transport, limited liability company, Kuwait, transport, since 2005G.
Key Past Professional Experience:	Acting CEO, Kuwait Cotton Products Co, Listed Company, Kuwait, Manufacturing, from 2007G- 2019G.

5.3.4.5 Taher Mustafa Jhanjharya, Member of the Board of Directors

Nationality:	Indian
Age:	37 years
Position:	Chief Financial Officer and Member of the Board of Directors
Status:	Executive \ Non-Independent
Academic and Professional Qualifications:	- Bachelor's degree in finance, University of Athabasca, Athabasca, Canada, 2010G; - Member of Institute of Financial Accountants, London, United Kingdom, 2014G; - Executive degree in general management, Indian Institute of Management, Ahmedabad, India, 2014G; and - Member of Chartered Institute of Management Accountants, London, United Kingdom, 2019G.
Appointment Date:	08/08/1445H (corresponding to 18/02/2024G)
Current Positions:	- CFO, the Company, since 2025. - Advisor to the Board, EFS Facilities Management Ltd., a private company (UAE), facilities management, since 2025. - Director, Concordia DMCC, a limited liability company (UAE), facilities management sector, since 2016. - Director, EFS Facilities Services India Pvt Ltd., a limited liability company (India), facilities management, since 2018. - Director, EFS Phoenix Pvt Ltd., a limited liability company (India), facilities management, since 2019. - Director, EFS Facilities Services Sri Lanka Pvt Ltd, a limited liability company (Sri Lanka), facilities management, since 2016. - Director, EFS Facilities Services Tunisa, a limited liability company (Tunisa), facilities management, since 2018. - Director, EFS Facilities Services Kenya, a limited liability company (Kenya), facilities management, since 2017. - Director, EFS Facilities Services Egypt, a limited liability company (Egypt), facilities management, since 2014.
Key Past Professional Experience:	- CFO of the Group, EFS Facilities Services Management Ltd, a limited liability company (UAE), facilities management, from 2020G until 2024G. - Group Financial Controller, EFS Facilities Services Group Limited, a limited liability company (UAE), facilities management, from 2018G until 2020G. - Financial Controller UAE, EFS Facilities Services Group Limited, a limited liability company (UAE), facilities management, from 2016G until 2018G. - Group Investment Manager, EFS Facilities Services Group Limited, a limited liability company (UAE), facilities management, since 2014G until 2016G. - Group Chief Accountant, EFS Facilities Services Group Limited, a limited liability company (UAE), facilities management, since 2013G until 2014G. - Group Accountant, EFS Facilities Services Group Limited, a limited liability company (UAE), facilities management, from 2010G until 2013G.

5.3.4.6 Khaldon Abdullah A Alfakhri, Member of the Board of Directors

Nationality:	Saudi
Age:	62 years
Position:	Member of the Board of Directors
Status:	Independent \ non-executive
Academic and Professional Qualifications:	– Master's degree in accounting, Colorado State University, Colorado, United States of America, 1989; and – Bachelor of Science, Computer Information Science, Weber State University, Utah, United States of America, 1987.
Appointment Date:	14/08/1446H (corresponding to 13/02/2025G).
Current Positions:	– Chairman of the Audit Committee, the Company, since 2025G. – Member of the Audit and Risk Committee, Riyadh Investment and Development Company, a closed joint stock company (KSA), investment and development sector, since 2024G. – Member of the Audit and Risk Committee, King Salman International Airport Development Company (KSIA Dev Co.), a closed joint stock company (KSA), construction management, since 2023G. – Member of the Audit and Risk Committee, the Saudi Mortgage Guarantee Service Company, a closed joint stock company (KSA), real estate insurance sector, since 2023G. – Member of the Audit and Risk Committee, Sidra Capital, a closed joint stock company (KSA), investment sector, since 2023G. – Member of the Audit and Risk Committee, Saudi EXIM Bank, a closed joint stock company (KSA), finance and credit insurance, since 2022G. – Member of the Audit and Risk Committee, Saudi Pharmaceuticals and Medical Supplies Company (SPIMACO), a listed joint stock company (KSA), pharmaceuticals sector, since 2020G. – Board Member and a member of the Credit and Risk Committee and the Executive Committee, Al Yusr Leasing and Finance Company, a closed joint stock company (KSA), leasing and finance sector, since 2019G.
Key Past Professional Experience:	– Advisor to the Board and Chairman of the Executive Committee, Best Trading Company, a closed joint stock company (KSA), car leasing sector, from 2022G until 2024G. – Member of the Risk, Governance and Compliance Committee, the General Organization for Social Insurance (previously Public Pension Agency), government body (KSA), from 2020G until 2021G. – Member of the Risk, Governance and Compliance Committee, Chubb Arabia Cooperative Insurance Company, a listed joint stock company (KSA), insurance sector, from 2020G until 2021G. – Chief Risk Officer, Al Awwal Bank (now, SAB), a listed joint stock company (KSA), banking sector, from 2013G until 2019G. – Acting Chief Risk Officer, Al Rajhi Bank, a listed joint stock company (KSA), banking sector, from 2010G until 2013G. – Head of Corporate Credit / Senior Credit Officer, Al Rajhi Bank, a listed joint stock company (KSA), banking sector, from 2008G until 2010G. – Senior Credit Officer and other positions, Samba Financial Group (now, SNB), a listed joint stock company (KSA), banking sector, from 1990 until 2008G.

5.3.4.7 Colin Patrick Caulfield, Member of the Board of Directors

Nationality:	British
Age:	55 years
Position:	Member of the Board of Directors
Status:	Independent \ non-executive
Academic and Professional Qualifications:	- Diploma (Dip.Arb), International Arbitration, Royal Institution of Chartered Surveyors (RICS), London, United Kingdom, 2017G; - Master of Science Degree (MSc), Facilities Management, University of Reading, Reading, United Kingdom, 2008G; and - Legal Letters Diploma (LL.Dip), Law, University of Northumbria at Newcastle, Newcastle Upon Tyne, United Kingdom, 2002G.
Appointment Date:	14/08/1446H (corresponding to 13/02/2025G).
Current Positions:	- Member of Audit Committee, the Company, since 2025G. - Designated Member, Landswood Consulting, a limited liability partnership (United Kingdom), management consulting sector, since 2023G.
Key Past Professional Experience:	- Designated Member, Diablo Asset and Facilities Management, a limited liability partnership (UK), facilities management advisory services, from 2013G until 2015G. - Executive Director, Clean Concierge, Limited company (UK), households as employers of domestic personnel, from 2010G until 2013G. - Executive Director, Cleanvu, limited company (UK), undifferentiated service-producing activities, from 2009G until 2013G. - President, Cleanevent France, a simplified joint stock company (France), cleaning sector, from 2009G until 2013G. - Executive Director, Lynk FM, Limited Company (UK), construction of commercial buildings sector, from 200G until 2013G. - Executive Director, Cleanevent UK, Limited Company (UK), cleaning services, from 2009G until 2013G. - Executive Director, Clean Waste Solutions, Limited Company (UK), cleaning services, from 2009G until 2013G. - Executive Director, Clean Domain, Limited Company (UK), cleaning services, from 2009G until 2013G. - Executive Director, CE Property Services Group, Limited Company (UK), households as employers of domestic personnel, from 2009G until 2013G. - Executive Director, CE Risk, Safety and Security, Limited Company (UK), private security sector, from 2009G until 2010G. - Executive Director, CE Environmental and Property Services Group, Limited liability partnership (UK), Combined facility support sector, from 2008G until 2013G.

5.3.4.8 Saud Mubarak Abdullah Alkhafrh, Member of the Board of Directors

Nationality:	Saudi
Age:	31 years
Position:	Member of the Board of Directors
Status:	Non-Executive \ Non-Independent
Academic and Professional Qualifications:	- Master's degree in business administration, ESADE University, Barcelona, Spain, 2024G; and - Bachelor's degree in industrial engineering with minor in business administration, Northeastern University, Boston, United States of America, 2015G.
Appointment Date:	08/08/1445H (corresponding to 18/02/2024G).
Current Positions:	- Member of the Remuneration and Nomination Committee, the Company, since 2023G. - Deputy Chief Executive Officer, Alkhafrh Company, a limited liability company (KSA), investment sector, since 2024G. - Board Member, National Lighting Company, a limited liability company (KSA), industrial sector, since 2023G. - Managing Director, TexoFib Geotextile (TexoFib), a limited liability company (KSA), industrial sector, since 2020G, and board member since 2018G. - Board Member and a Member of the Audit and Executive Committees, Gulf Chemicals & Industrial Oils Company, a closed joint stock company (KSA), Industrial sector, since 2019G. - Board Member, Saudi Bitumen Manufacturing Company, a limited liability company (KSA), industrial sector, since 2019G. - Board Member, GSAE Environmental Company, a limited liability company (UK), engineering sector, since 2018G.
Key Past Professional Experience:	- Head of Industrial Sector, Alkhafrh Company, a limited liability company (KSA), investment sector, from 2020G to 2024G. - General Manager, TexoFib Geotextile (TexoFib), a limited liability company (KSA), industrial sector, from 2019G to 2021G. - Deputy General Manager, TexoFib Geotextile (TexoFib), a limited liability company (KSA), industrial sector, from 2018G to 2019G. - Project Manager, TexoFib Geotextile (TexoFib), a limited liability company (KSA), industrial sector, from 2017G to 2018G. - Management Consultant, Strategy& (part of PwC), Listed Company (KSA), management consulting, from 2016G to 2017G. - Operations Development Engineer, Crystal America, a joint stock company (USA), industrial sector, during 2014G.

5.3.4.9 Abdullah Mohammed A Alothman, Member of the Board of Directors

Nationality:	Saudi
Age:	31 years
Position:	Member of the Board of Directors
Status:	Non-Executive \ Non-Independent
Academic and Professional Qualifications:	Bachelor's degree in finance, Chapman University, California, United States, 2017G.
Appointment Date:	08/08/1445H (corresponding to 18/02/2024G).
Current Positions:	- Member of the Audit Committee, the Company, since 2023G. - Board Member and Member of the Executive Committee, Middle East Propulsion Company Ltd. (MEPC), a limited liability company (KSA), aircraft engine maintenance sector, since 2025G. - Board Member and Member of the Executive Committee, Wesco Anixter Saudi Arabia Ltd., a limited liability company (KSA), information technology equipment and services sector, since 2024G. - Board Member and VP of Finance, Mohammed ALOthman Holding Company, a limited liability company (KSA), since 2019G. - Chairman of the board of directors of EIRWATER AS, limited liability company, Kingdom of Norway, bottled water, since 2023G. - Board Member of Arabian Railway Company, limited liability company (KSA), railway, since 2018G. - Board Member of International Energy Company Ltd, limited liability company (KSA), energy, since 2019G. - Board Member of Saudi Aerospace Company, limited liability company (KSA), aerospace, since 2020G.
Key Past Professional Experience:	- Member of the Audit Committee, Middle East Propulsion Company Ltd. (MEPC), a limited liability company (KSA), aircraft engine maintenance sector, from 2023G to 2024G. - Business Development Manager, Sitar Alulaa Company, a limited liability company (KSA), from 2017G to 2018G.

5.3.4.10 Bassel Jamaluddin Ghoubar, Board Secretary

Nationality:	Lebanese
Age:	46 years
Position:	Board Secretary
Academic and Professional Qualifications:	Bachelor degree, Law, Faculty of Law Lebanese University, Beirut, 2002G Master's degree, University of Saint Joseph (USJ), Beirut, 2022G
Appointment Date:	01/09/1446H (corresponding to 01/03/2025G).
Current Positions:	Group Legal Counsel of EFS Facilities Management Ltd, a private company, UAE, facilities management, since 2016G.
Key Past Professional Experience:	– Board member, the Company, from 2018G to 2024G. – Legal Manager of Damac properties, a listed joint stock company, UAE, real estate, from 2014G to 2016G. – Legal Advisor of Emirates Advocates and Legal consultants, professional license, UAE, Legal, from 2009G to 2014G. – Legal advisor of Jalal Chamseddin Law firm, Lebanon, professional license, Legal, from 2006G to 2009G.

5.4 Board Committees

The Board of Directors formed two committees in line with the CGRs, which are the Remuneration and Nomination Committee and the Audit Committee. The following is a summary of the structure, responsibilities and current members of each Committee:

5.4.1 Audit Committee

The Audit Committee was formed and its members were appointed by Board resolution dated 01/09/1446H (corresponding to 01/03/2025G), for a term corresponding to the Board's term. The Audit Committee is comprised of the following members:

Table 5.3: Audit Committee Members

Name	Role
Khaldon Abdullah A Alfakhri	Chairman
Abdullah Mohammed Abdulrahman Al Othman	Member
Colin Patrick Caulfield	Member

Source: The Company

5.4.1.1 Biographies of the Members of the Audit Committee

The experience, qualifications, and the current and other positions of the members of the Audit Committee are set out below:

A. Khaldon Abdullah A Alfakhri, Audit Committee Chairman.

Please refer to Section (5.3.4) ("**Biographies of the Directors and Secretary of the Board**") for further details regarding the experience, qualifications, and the current and previous positions of Khaldon Abdullah Alfakhri.

B. Abdullah Al Othman, Audit Committee Member.

Please refer to Section (5.3.4) ("**Biographies of the Directors and Secretary of the Board**") for further details regarding the experience, qualifications, and the current and previous positions of Abdullah Al Othman.

C. Colin Patrick Caulfield, Audit Committee Member.

Please refer to Section(5.3.4) ("**Biographies of the Directors and Secretary of the Board**") for further details regarding the experience, qualifications, and the current and previous positions of Colin Caulfield.

5.4.1.2 Responsibilities of the Audit Committee

A. Financial Reporting:

- Reviewing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendation thereon to the Board, to ensure their integrity, fairness and transparency.
- Providing a technical opinion, upon the request of the Board, on whether the Board report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy, and whether they have been prepared in accordance with the regulatory requirements for preparing and presenting them.
- Analyzing any important or non-familiar issues in the financial statements, and making recommendations thereon, if necessary.
- Investigating the matters raised by the Company's chief financial officer (or whoever assumes such role), the compliance officer, or the external auditor.
- Examining the accounting estimates in respect of significant matters that are contained in the financial reports.
- Examining the financial and accounting policies adopted by the Company and making recommendations thereon to the Board.

B. Internal Audit:

- Supervising and monitoring the performance of the internal auditor or internal audit department, to ensure the availability of the necessary resources and verifying its effectiveness in carrying out its duties and responsibilities.
- Examining and reviewing the Company's internal and financial control systems and risk management system.
- Analysing and reviewing internal audit's regular reports and the results of any special investigations, and following up on the implementation of corrective actions pertaining to the issues indicated.
- Providing a recommendation to the Board on appointing the manager of the internal audit function or the internal auditor and his/her remuneration.
- Review and approve the internal audit plan at least annually.

C. External Auditor:

- Recommending to the Board the appointment or dismissal of external auditors and determining their fees, after assessing their performance, independence, scope of work, and terms of engagement.
- Verifying the independence of the external auditor and their objectivity, fairness, and effectiveness in the light of the relevant regulations and standards.
- Reviewing the external auditor's plan and work to ensure that they do not provide any technical or administrative work that are beyond its scope of work, and provides its opinion thereon.
- Responding to queries of the external auditor and providing the auditor with the support necessary to perform its duties.
- Examining the external auditor's reports and its observations on the financial statements, and following up on the actions taken in this respect.

D. Compliance:

- Reviewing reports from regulators on the Company's compliance with regulatory requirements, and ensuring that necessary actions in their respect are taken.
- Ensuring that the Company complies with relevant laws, regulations, policies, and instructions.
- Reviewing related parties' transactions and providing its opinion thereon to the Board.
- Reporting and recommending to the Board the actions to be taken in matters that the Committee deems necessary.

E. Whistleblowing

- Establishing appropriate procedures for the Company's employees to report violations of the Company's internal control systems, including the systems relating to financial statement preparation, and ensuring that the whistle-blowers' rights are not prejudiced, and elevate such procedures for the Board for approval.

F. Risk Management

- Developing a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the Company's activities, monitoring their implementation, and reviewing and updating them based on the Company's internal and external changing factors.
- Determining and maintaining an acceptable level of risk that may be faced by the Company and ensuring that the Company does not go beyond such level.

- Ensuring the feasibility of the Company continuation, the successful continuity of its activities and determining the risks that threaten its existence during the following twelve (12) months.
- Overseeing the Company's risk management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Company in order to determine areas of inadequacy therein.
- Regularly reassessing the Company's ability to take risks and be exposed to such risks (through stress tests as an example).
- Preparing detailed reports on the exposure to risks and the recommended measures to manage such risks, and presenting them to the Board.
- Providing recommendations to the Board on matters related to risk management.
- Ensuring the availability of adequate resources and systems for risk management.
- Reviewing the organisational structure for risk management and providing recommendations regarding the same before approval by the Board.
- Verifying the independence of the risk management employees from activities that may expose the Company to risk.
- Ensuring that the risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk.

5.4.2 The Remuneration and Nomination Committee

The Remuneration and Nomination Committee was formed and its members were appointed by Board resolution dated 01/09/1446H (corresponding to 01/03/2025G), for a term corresponding to the Board's term. The Remuneration and Nomination Committee is comprised of the following members:

Table 5.4: The Remuneration and Nomination Committee Members

Name	Role
Bandar Suleiman Abdulaziz Al Jarallah	Chairman
Talal Jassem Mohammed Abdulrahman Al Bahar	Member
Saud Mubarak Abdullah Al Khafrah	Member

Source: The Company

5.4.3 Biographies of the Members of the Remuneration and Nomination Committee

The experience, qualifications, and the current and other positions of the members of the Remuneration and Nomination Committee are set out below:

A. Bandar Suleiman Abdulaziz Al Jarallah, Remuneration and Nomination Committee Chairman

Please refer to Section (5.3.4) ("**Biographies of the Directors and Secretary of the Board**") for further details regarding the experience, qualifications, and the current and previous positions of Bandar Al Jarallah.

B. Talal Jassem Mohammed Abdulrahman Al Bahar, Remuneration and Nomination Committee Member

Please refer to Section (5.3.4) ("**Biographies of the Directors and Secretary of the Board**") for further details regarding the experience, qualifications, and the current and previous positions of Talal Al Bahar.

C. Saud Mubarak Abdullah Al Khafrah, Remuneration and Nomination Committee Member

Please refer to Section (5.3.4) ("**Biographies of the Directors and Secretary of the Board**") for further details regarding the experience, qualifications, and the current and previous positions of Saud Mubarak Abdullah Al Khafrah.

5.4.4 Responsibilities of the Remuneration and Nomination Committee

A. Remuneration:

- Developing the Company's remunerations policy for Board members, Board committee members and senior executives and providing recommendations thereon to the Board for approval by the general assembly.
- Reviewing the remuneration policy periodically to, among other items, ensure consistency with any changes in relevant legislation and regulations, the Company's strategic objectives, and the skills and qualifications required; and recommending proposed changes to the Board.
- Recommending to the Board the remuneration of the members of the Board, Board committees and senior executives in accordance with the approved remuneration policy.
- Specifying and clarifying the relation between the paid remuneration and the adopted remuneration policy, and highlighting any material deviation from that policy.

B. Board of Directors:

- Developing the board membership policy, and recommending the policy to the Board for approval by the general assembly.
- Recommending to the Board nominees for Board membership according to the approved Board membership policy.
- Conducting an annual review of the required skills and expertise for Board membership and updating, if needed, a description of the required capabilities and qualifications.
- Examining the size and composition of the Board and recommending, if deemed appropriate, possible changes.
- Establishing, if not addressed in existing policies or charters, procedures to address vacancies of the Board and Board committees and making recommendations to the Board thereon.
- Providing recommendations to the Board on performance measures to evaluate the Board's activities, members, and Board committees.
- Evaluating the Board and Board Committees against the performance measures and reporting to the Board on the results of the evaluation and, where deemed appropriate by the Committee, proposing improvements in line with the Company's interest.

C. Board Members:

- Defining the time that the Board member shall allocate for performing Board duties.
- Verifying, annually, the independence of the independent directors and absence of conflict of interest in case the member is also a member of the Board of another company.
- Developing job descriptions of executive, non-executive, and independent directors.
- Recommending to the Board the re-nomination or dismissal of Board and committee members.

D. Orientation Program for Newly Appointed Board Members and Committee Members:

- Recommendation to the Board of Directors to establish an orientation program for newly appointed Board members and committee members, covering the Company's activities, nature of operations, and its financial and legal aspects.

E. Senior Executives:

- Recommending to the Board appropriate policies and standards for the appointment of senior executives and identifying the required capabilities and skills; and reviewing such policies and standards regularly to ensure their consistency with changes in the Company's strategic objectives and the required skills and qualifications to achieve them.
- Developing job descriptions for senior executives, reviewing the Company's organizational structure, and making recommendations to the Board on possible changes.
- Developing succession planning processes for senior executive positions and making recommendations to the Board thereon.
- Conducting an annual review of the skills and expertise required of the senior executives.

5.5 Executive Management

5.5.1 Executive Management Departments

The Company's Executive Management is comprised of qualified Saudi and non-Saudi members with significant local and international expertise in the facilities management and value-added services to its business sectors. The primary responsibility of the Chief Executive Officer is to manage the Company's business and supervise its performance in line with the objectives and guidance of the Board of Directors and Shareholders.

5.5.2 Operations Department

This department is responsible for overseeing the day-to-day management of client facilities, ensuring efficient operations, maintenance, and service delivery. The key responsibilities of the Operations Department are summarized below:

1. **Service Delivery:** Manage the delivery of contractual facilities management services according to client specifications and agreed contract terms.
2. **Staff Management:** Supervise and coordinate the human resources to ensure optimal utilisation of the resources available.
3. **Health and Safety Compliance:** Ensure compliance with health, safety, and environmental regulations to maintain a safe working environment.
4. **Vendor Management:** Manage relationships with external suppliers and contractors, negotiating contracts and overseeing service quality.
5. **Cost Control:** Monitor operational budgets, control expenses, and identify cost-saving opportunities without compromising service quality.
6. **Client Relations:** Maintain strong relationships with clients, addressing their needs, concerns, and ensuring high levels of satisfaction.
7. **Performance Monitoring:** Track and report on key performance indicators (KPIs) to measure service efficiency, quality, and client satisfaction.

5.5.3 Service Assurance and Operational Compliance Department

This department is under the Operations Department, and its responsibility is to ensure delivery of high-quality services, adherence to regulations, continuous improvement, and the safety of operations. The key responsibilities of the Service Assurance and Operational Compliance Department are summarized below:

1. **Service Assurance:** Monitor and evaluate service delivery to ensure it meets client expectations, contract terms, and quality standards.
2. **Operational Compliance:** Ensure all operations comply with relevant industry standards, regulations, and client-specific requirements.
3. **Centre of Excellence (CoE):** Develop and implement best practices, standardized processes, and innovative solutions to enhance service quality and operational efficiency.
4. **Health, Safety, and Environment (HSE):** Oversee health, safety, and environmental protocols, ensuring a safe working environment and compliance with legal safety regulations.
5. **Performance Monitoring:** Track operational performance metrics (KPIs), identify areas for improvement, and implement corrective actions.
6. **Audit and Reporting:** Conduct internal audits, risk assessments, and generate reports to ensure compliance with safety and quality standards.

5.5.4 Human Resources Department

This department is responsible for managing the workforce and ensuring that the company attracts, develops, and retains talent while fostering a positive organizational culture. This department plays a critical role in nurturing the organization's most valuable asset, its people, and ensure alignment with the People First approach. The key responsibilities of the Human Resources Department are summarized below:

1. **Talent Acquisition:** Oversee recruitment and onboarding processes to attract and hire top talent for various roles within the company.
2. **Employee Development:** Design and implement training, development programs, and career growth opportunities to enhance employee skills and performance.
3. **Compensation and Benefits:** Manage employee compensation structures, benefits programs, and performance-based incentives.

4. **Employee Relations:** Address employee concerns, foster positive workplace relationships, and enable a productive work environment.
5. **Performance Management:** Implement performance appraisal systems, set clear expectations, and support managers in providing feedback and managing employee performance.
6. **Compliance and Legal:** Oversee compliance with labor laws, workplace regulations, and the Company policies to mitigate risks and promote fair treatment.
7. **Organizational Culture:** Foster a positive organizational culture that aligns with the Company's values, enhancing employee engagement and retention.
8. **Succession Planning:** Develop and implement strategies for identifying and preparing future leaders within the Company.

5.5.5 Finance Department

This department is responsible for managing the Company's financial activities, ensuring accurate reporting, compliance with regulations, and supporting strategic decision-making. The key responsibilities of the Finance Department are summarized below:

1. **Financial Reporting:** Prepare and present financial statements (income statement, balance sheet, cash flow) in compliance with accounting standards and regulatory requirements.
2. **Budgeting and Forecasting:** Develop and manage annual budgets, as well as financial forecasts, to guide the Company's operations and strategic decisions.
3. **Cash Flow Management:** Oversee cash management, ensuring liquidity to meet operational and financial obligations.
4. **Tax Compliance:** Ensure compliance with tax regulations, managing corporate tax filings and optimizing tax strategies.
5. **Financial Analysis:** Provide financial analysis and insights to support decision-making, identify trends, and measure performance against targets.
6. **Risk Management:** Identify and manage financial risks (e.g., currency, credit, and interest rate risks) and identify mitigation plans.
7. **Investor Relations Support:** Work closely with the Investor Relations department to provide the necessary financial data and insights for communication with shareholders and analysts.
8. **Internal Controls:** Establish and maintain robust internal controls to prevent fraud and ensure the accuracy of financial data.

The department will also act as the primary bridge (Investor Relations) between the Company and its shareholders, analysts, and the broader investment community, with an objective to effectively communicate the Company's financial performance, strategy, and outlook to ensure transparency with investors.

5.5.6 Business Development Department

This department focuses on identifying and pursuing growth opportunities, including new markets, partnerships, and revenue streams. All bids and propositions are worked on by this department. The key responsibilities of the Business Development Department are summarized below:

1. **Tender Identification and Bid Preparation:** Monitor and identify relevant tender opportunities and lead the preparation of submissions that meet the technical, financial, and legal requirements, aligned with the Company's capabilities and strategic objectives.
2. **Costing and Pricing:** Collaborate with relevant teams to prepare cost estimates, pricing strategies, and financial proposals that align with the Company's goals and market expectations.
3. **Risk Management:** Identify potential risks within the tender process (e.g., legal, financial, operational) and work on mitigation strategies to address them.
4. **Client Communication and Negotiation:** Serve as the primary point of contact for clients during the tendering process, addressing any questions or clarifications needed.
5. **Market Research and Analysis:** Conduct research to identify new market trends, customer needs, and competitive dynamics to inform business strategies.
6. **Partnerships and Alliances:** Establish and manage strategic partnerships, joint ventures, and alliances to expand the Company's reach and capabilities.
7. **Sales Strategy:** Collaborate with the Operations Department to develop strategies that drive growth, including targeting new customers or market segments.

5.5.7 Supply Chain and Procurement Department

This department plays a crucial role in optimizing operational performance and maintaining strong supplier relationships for managing the flow of input goods and services required for delivering exceptional facilities management services to the end-clients. The key responsibilities of the Supply Chain and Procurement Department are summarized below:

1. **Procurement:** Source and acquire goods, services, and consumables, ensuring cost-effective purchasing while maintaining quality standards.
2. **Supplier Management:** Build and maintain relationships with suppliers, negotiate contracts, and monitor performance to achieve reliability and competitiveness.
3. **Inventory Management:** Oversee inventory levels, ensuring optimal stock levels to meet operational needs and avoiding stock out situation for critical spares and consumables.
4. **Logistics and Distribution:** Manage the transportation, storage, and distribution of goods (warehousing across central and satellite stores) to ensure timely delivery to customers or internal departments.
5. **Cost Control:** Monitor and manage procurement costs, identify savings opportunities, and drive cost efficiency across the supply chain.
6. **Compliance:** Ensure compliance with regulations, Company policies, and ethical sourcing practices in procurement and supply chain operations.

5.5.8 Legal and Corporate Affairs Department

This department is responsible for managing legal affairs, the Company's relationships with key stakeholders, such as law firms, local and regional authorities and regulators. The key responsibilities of the Legal and Corporate Affairs Department are summarized below:

1. **Legal Affairs:** Develop, address and track all legal matters for and against the Company with the objective to find the best resolution in benefit of the Company.
2. **Regulatory Compliance:** Ensure compliance with relevant laws and regulations, including licenses, authority submissions and approvals and any other certification to ensure the continuation of the Company's ability to deliver its services in full compliance.
3. **Stakeholder Engagement:** Maintain strong relationships with key external stakeholders such as government agencies, industry bodies, and others.
4. **Contract Reviews and Tracking:** Ensuring review and compliances related to legal contracts for the Company

5.5.9 Information Technology Department

This department plays a crucial role in supporting the Company's operations by supporting technology solutions and infrastructure support to enhance the operational efficiency, productivity, and security of the Company. The key responsibilities of the Information Technology Department are summarized below:

1. **Support and Maintenance:** Ensure the smooth operation of all IT systems and infrastructure, providing timely support and maintenance to minimize downtime.
2. **Security and Compliance:** Protect the Company's data and IT assets by implementing robust security protocols measures, compliance with relevant regulations and standards, and respond to incidents to safeguard organizational data.
3. **User Training and Adoption Support:** Provide training and resources to empower users to effectively utilize technological tools and services, extended by the EFS Group.
4. **IT Procurement:** Manage the acquisition of hardware and ancillary software, ensuring cost-effectiveness and alignment with organizational needs.

5.6 Senior Executives

The Executive Management of the Company is comprised of qualified and experienced members with the necessary knowledge and expertise to run the Company's business in line with the objectives and directives of the Board of Directors. The Company has been successful in recruiting and retaining its Executive Management team, developing qualified employees and promoting them to senior positions in the Company. The following table sets out the details of the members of the Company's Executive Management:

Table 5.5: Details of Senior Executives

Name	Position	Appointment Date	Shareholding (Pre-Offering)					Shareholding (Post-Offering)		
			Nationality	Age (Years)	Number of Shares Held Pre-Offering	Direct Ownership (%)	Indirect Ownership (%)	Number of Shares Held Post-Offering	Direct Ownership (%)	Indirect Ownership (%)
Tariq Chauhan ⁽¹⁾	Chief Executive Officer	1 Jan 2025G	Indian	59	N/A	N/A	4.0%	N/A	N/A	2.8%
Mirza Salim Baig	Executive Director of Operations	1 April 2024G	Pakistani	67	N/A	N/A	N/A	N/A	N/A	N/A
Taher Mustafa Jhanjharya	Chief Financial Officer	27 Feb 2025G	Indian	37	N/A	N/A	N/A	N/A	N/A	N/A
Abdullah Alzaid	Chief Operating Officer	1 Feb 2022G	Saudi	59	N/A	N/A	N/A	N/A	N/A	N/A
Huda Ragheb	Chief Human Resource Officer	2 Feb 2025G	Saudi	39	N/A	N/A	N/A	N/A	N/A	N/A
Anthony Roy Hill	Chief Service Assurance and Compliance Officer	3 Nov 2024G	British	63	N/A	N/A	N/A	N/A	N/A	N/A
Muhammad Umer Noor	Director of Business Development	1 Jan 2025G	Pakistani	38	N/A	N/A	N/A	N/A	N/A	N/A
Shakil Ahmed	General Manager of Internal Audit	24 Nov 2024G	Indian	41	N/A	N/A	N/A	N/A	N/A	N/A
Munif Salem Matar Albarghiesh Alshammari	Senior General Manager - Legal and Corporate Affairs	1 Dec 2020G	Saudi	43	N/A	N/A	N/A	N/A	N/A	N/A
Vacant ⁽²⁾	Head of IT	-	-	-	-	-	-	-	-	-
Vacant ⁽²⁾	Head of Supply Chain and Procurement	-	-	-	-	-	-	-	-	-

⁽¹⁾ Mr. Tariq Mohammed Chauhan owns 7.36% of EFS Facilities Services Group Ltd., through (i) direct ownership of 3.59%, and (ii) indirect holding of 3.77% through EFSIAN Commercial Brokers LLC, which in turn owns 55% of the Company prior to the Offering.

⁽²⁾ The Company expects to appoint individuals to these positions before the end of the second quarter of 2026G.

Source: The Company

5.6.1 Biographies of the Senior Executives

The experience, qualifications, and the current and other positions of each Senior Executive are set out below:

5.6.1.1 Tariq Chauhan, Chief Executive Officer

Please refer to Section (5.3.4) (“**Biographies of the Directors and Secretary of the Board**”) for further details regarding the experience, qualifications, and the current and previous positions of Tariq Chauhan.

5.6.1.2 Taher Mustafa Jhanjharya, Chief Financial Officer

Please refer to Section (5.3.4) (“**Biographies of the Directors and Secretary of the Board**”) for further details regarding the experience, qualifications, and the current and previous positions of Taher Jhanjharya.

5.6.1.3 Mirza Salim Baig, Executive Director of Operations

Nationality:	Pakistani.
Age:	67 years
Position:	Executive Director of Operations.
Academic and Professional Qualifications:	– Diploma of Associate Engineer (Electrical), Sind Board of Technical Education, Karachi Pakistan, 1976. – Certificate of Commerce, Sind Board of Technical Education, Karachi Pakistan, 1973.
Appointment Date:	22/09/1446H (corresponding to 01/04/2024G).
Current Positions:	Board Member, EFS Facilities Services Pakistan Pvt. Ltd (Pakistan), facilities management, since 2018G.
Key Past Professional Experience:	– Chief Operating Officer, the Company, from 2019G to 2024G. – Senior Director – Transition, EFS Group, limited liability company (UAE), facilities management, from 2018G to 2019G. – Director of Operations, the Company, from 2011G to 2018G. – Head – Group Transition, EFS Group, limited liability company (UAE), facilities management, from 2007G to 2011G. – FM Lead – Eastern Province, Saudi British Bank (SAB), joint stock company (KSA), banking, from 1981 to 2006G.

5.6.1.4 Abdullah Abdulwahed Mansour Al Zaid, Chief Operating Officer

Nationality:	Saudi
Age:	59 years
Position:	Chief Operating Officer
Academic and Professional Qualifications:	– Bs. Sc. Electrical Engineering from Wichita State University, Wichita USA, 1987. – Master’s Certification, Project Management from Stevens Institute, Riyadh KSA, 2002G.
Appointment Date:	29/06/1443H (corresponding to 01/02/2022G).
Current Positions:	N/A
Key Past Professional Experience:	– Facilities Manager, ExxonMobil Saudi Arabia Inc, limited liability company (KSA), oil and gas, from 2005G to 2022G. – Program Manager, Lucent Technologies Inc., limited liability company (KSA), telecommunications, from 1997 to 2004G. – Project Coordinator, Saudi Arabian Oil Company (Saudi Aramco), a listed joint stock company (KSA), energy, from 1992 to 1997.

5.6.1.5 Huda Mohammed Sameer Ragheb, Chief Human Resources Officer

Nationality:	Saudi
Age:	39 years
Position:	Chief Human Resources Officer
Academic and Professional Qualifications:	- Executive Master of Business Administration (EMBA), Prince Mohammed Bin Salman College, Riyadh KSA, 2026G. - CIPD 5, CIPD UK, Riyadh KSA, 2018G. - Organisation Design in GCC, CIPD UK., Riyadh 2017G. - Certified International HR Manager, AIBFM Leron, Riyadh KSA, 2017G. - HR Quality Management System, Cambridge, Riyadh KSA, 2015G. - CIPD 3, CIPD UK, Riyadh KSA, 2014G. - Bachelor's degree in English language and translation, King Saud University, Riyadh, KSA, 2010G.
Appointment Date:	03/08/1446H (corresponding to 02/02/2025G).
Current Positions:	N/A
Key Past Professional Experience:	- Senior Human Resources Manager, Jasara Program Management Company, limited liability company (KSA), project management, from 2023G to 2025G. - Business Manager, Saudi Arabian Bechtel Company, limited liability company (KSA), project management security and defense, from 2022G to 2023G. - Country HR Manager, Saudi Arabian Bechtel Company, limited liability company (KSA), infrastructure, oil and gas, mining and metal, from 2018G to 2022G. - Group HR Manager, Al Manahil Holding, limited liability company (KSA), recreation, hospitality, and interior designing, from 2016G to 2018G. - HR Manager, Arabian Apparel, limited liability company (KSA), retail, from 2015G to 2016G. - Human Resources Business Partner, Majid Al Futtaim, limited liability company (KSA), retail, from 2014G to 2015G.

5.6.1.6 Anthony Roy Hill, Chief Service Assurance and Compliance Officer

Nationality:	British
Age:	63 years
Position:	Chief Service Assurance and Compliance Officer.
Academic and Professional Qualifications:	- Master of Business Administration, Open University United Kingdom, 2007G. - Master of Arts, Kings College London, United Kingdom, 2001G.
Appointment Date:	01/05/1446H (corresponding to 03/11/2024G).
Current Positions:	N/A
Key Past Professional Experience:	- Facilities Management Director, DAA International LLC, limited liability company (KSA), aviation, from 2022G to 2024G. - Associate, Modalis Infrastructure Partners Inc, limited liability partnership (United Kingdom), aviation projects, from 2021G to 2022G. - Senior Consultant Operations & Maintenance, SNC Lavalin LLC, limited liability company (KSA), project management and site supervision services, from 2019G to 2021G. - Associate, Modalis Infrastructure Partners Inc, limited liability partnership (United Kingdom), aviation projects, from 2014G to 2019G. - National Operations Manager/ Director, Construction Design Management Ltd, private company (United Kingdom), housing sector, from 2012G to 2014G. - Managing Director, Hillstone's Associates LLC, limited liability company (United Kingdom), infrastructure consulting, from 2008G to 2011G. - Facilities Management Director, Ecovert FM Limited, LLC, limited liability company (Cyprus), aviation, from 2005G to 2007G. - Wing Commander - Infrastructure Specialist, Royal Air Force, government entity (United Kingdom), military industry, from 1979 to 2005G.

5.6.1.7 Muhammad Umer Noor, Director of Business Development

Nationality:	Pakistani
Age:	38 years
Position:	Director of Business Development
Academic and Professional Qualifications:	– Master of Science (MSC) International Business, Aston University United Kingdom, 2010G. – Bachelor of Business Administration (BBA), Institute of Business Management, Pakistan, 2009G.
Appointment Date:	01/07/1446H (corresponding to 01/01/2025G).
Current Positions:	N/A
Key Past Professional Experience:	– Group Director - Business Development, EFS Group, limited liability company (UAE), facilities management, from 2022G to 2024G. – General Manager - Bids and Propositions, EFS Group, limited liability company (UAE), facilities management, from 2019G to 2022G. – Senior Bid Manager, EFS Group, limited liability company (UAE), facilities management, from 2016G to 2019G. – Bid Specialist, Beeah Group, private company (UAE), waste management, from 2014G to 2016G. – Bid Manager, Serco Group PLC, public limited company (United Kingdom), health and pathology, from 2010G to 2013G. – Sales Executive, Sun4U Ltd, private company (United Kingdom), travel and tourism, from 2009G to 2010G.

5.6.1.8 Shakil Ahmed, General Manager of Internal Audit

Nationality:	Indian
Age:	41 years
Position:	General Manager of Internal Audit
Academic and Professional Qualifications:	– Certified Internal Auditor (CIA), IIA, USA, 2024G. – Certified Information Systems Auditor (CISA), ISACA, USA, 2022G. – Certified Fraud Examiner (CFE), ACFE, USA, 2020G. – Chartered Accountant (ACA), ICAI, India, 2011G. – Bachelor of Commerce, Bangalore University, India, 2004G.
Appointment Date:	22/05/1446H (corresponding to 24/11/2024G).
Current Positions:	N/A
Key Past Professional Experience:	– Senior Auditor - Internal Audit, El-Seif Operation and Maintenance, limited liability company (KSA), facilities management, from 2019G to 2024G. – Senior Internal Auditor, Al-Othman Holding Company, closed joint stock company (KSA), construction, FMCG and hospitality, from 2015G to 2019G. – Internal Audit Specialist, Colorlines Clothing India Pvt Ltd., private limited company (India), manufacturing, from 2010G to 2015G. – Articled Assistant, MS Girish Murthy and Kumar, chartered accountants firm (India), consultancy, from 2007G to 2010G.

5.6.1.9 Munif Salem Matar Albarghiesh Alshammari, Senior General Manager - Legal and Corporate Affairs

Nationality:	Saudi
Age:	43 years
Position:	Senior General Manager - Legal and Corporate Affairs.
Academic and Professional Qualifications:	- General and Business English, International House, New Castle, 2024G. - Leadership Development Programme, Human Resources Development Fund in Cranfield University, KSA, 2022G. - Project Management Professional, Project Management Institute, KSA, 2018G. - HR Business Partner, Society for Human Resource Management, KSA, 2016G. - Saudi Labor Law, Technical Accountancy, KSA, 2014G. - Human Resource Management Professional, Society for Human Resource Management at Morgan International, KSA, 2014G. - Diploma in Human Resource Management, Riyadh Commerce Training Center, Riyadh, KSA, 2009G. - Diploma in English, Al-Khaleej Training & Electronic Industries, Riyadh, KSA, 2006G. - Bachelor's degree in administrative science, King Saud University, Riyadh, KSA, 2005G.
Appointment Date:	16/04/1442H (corresponding to 01/12/2020G).
Current Positions:	N/A
Key Past Professional Experience:	- Senior General Manager - HR, the Company, from 2023G to 2024G. - General Manager - HR, the Company, from 2022G to 2023G. - Assistant General Manager - HR, the Company, from 2022G to 2022G. - Senior HR Manager, the Company, from 2021G to 2022G. - HR Manager, the Company, from 2020G to 2021G. - Group HR Manager, Al Nafees International Holding Company, limited liability company (KSA), maintenance, construction, real estate, architecture, and media, from 2018G to 2020G. - Deputy Director of Human Resources, Alamoudi Holding, Limited Liability Company (KSA), real estate, and media, from 2013G to 2017G. - Assistant of HR Manager, FRiENDi's Mobile, limited liability company (KSA), telecommunication, from 2012G to 2013G. - Personnel Officer, Dr. Erfan and Bagedo General Hospital, limited liability company (KSA), healthcare, from 2011G to 2012G. - Deputy Site Manager, Al-Zamil O&M Co Ltd, limited liability company (KSA), operation, maintenance, and facilities management, from 2007G to 2010G.

5.7 Employment Contracts with Senior Executives

The following table shows a summary of the employment contracts between the Company and the Chief Executive Officer and the Chief Financial Officer:

Table 5.6: Summary of Employment Contracts with the CEO and CFO

Name	Position	Nationality	Contract Date	Contract Termination Date
Tariq Chauhan	Chief Executive Officer	Indian	01 Jan 2025G	31 Dec 2025G
Taher Jhanjharya	Chief Financial Officer	Indian	27 Feb 2025G	26 Feb 2026G

Source: The Company

5.8 Remuneration of Directors and Senior Executives

Remuneration of the Directors is determined in accordance with the Companies Law, the Bylaws, the Remuneration Policy and relevant instructions.

The following table sets out the remuneration of the Directors and top five Senior Executives (including the Chief Executive Officer and the Chief Financial Officer) granted by the Company for the financial years ended 31 December 2022G, 2023G, and 2024G, respectively.

Table 5.7: Remuneration of Board Members and Senior Executives

	Financial Year Ended 31 December		
	2022G	2023G	2024G
	(SAR Million)		
Directors	Nil	Nil	Nil
Members of the Committees	Nil	Nil	Nil
Top Five Senior Executives	SAR 3.7	SAR 4.7	SAR 5.5

5.9 Corporate Governance

5.9.1 Overview

The Company has established an internal corporate governance framework designed in accordance with the Corporate Governance Regulations issued by the CMA. The Company's internal policies and regulations govern the various relationships among the Board, Senior Executives, Shareholders and other stakeholders by setting forth rules and procedures that facilitate decision-making processes. This framework aims to safeguard the rights of shareholders and other stakeholders while promoting the principles of integrity, fairness, competitiveness, and transparency. The Company's corporate governance framework consists of the following policies and regulations:

1. Audit Committee Charter, which was approved by a shareholders' resolution of the Company's general assembly on 01/09/1446H (corresponding to 01/03/2025G).
2. Remuneration and Nomination Committee Charter, which was approved by a shareholders' resolution on 01/09/1446H (corresponding to 01/03/2025G).
3. Competition Standards, which were approved by a shareholders' resolution on 01/09/1446H (corresponding to 01/03/2025G).
4. Remuneration Policy, which was approved by a shareholders' resolution on 01/09/1446H (corresponding to 01/03/2025G).
5. Board Membership Policy, which was approved by a shareholders' resolution on 01/09/1446H (corresponding to 01/03/2025G).
6. Professional Conduct Policy, which was approved by a resolution of the Board on 01/09/1446H (corresponding to 01/03/2025G).
7. Disclosure Policy, which was approved by a resolution of the Board on 01/09/1446H (corresponding to 01/03/2025G).
8. Dividend Distribution Policy, which was approved by a resolution of the Board on 01/09/1446H (corresponding to 01/03/2025G).
9. Board Policy Procedures, which was approved by a resolution of the Board on 01/09/1446H (corresponding to 01/03/2025G).
10. Conflict of Interest Policy, which was approved by a resolution of the Board on 01/09/1446H (corresponding to 01/03/2025G).
11. General Assembly Procedures, which was approved by a resolution of the Board on 01/09/1446H (corresponding to 01/03/2025G).
12. Reporting Violations/ Whistleblowing Policy, which was approved by a resolution of the Board on 01/09/1446H (corresponding to 01/03/2025G).
13. Stakeholder Management Policy, which was approved by a resolution of the Board on 01/09/1446H (corresponding to 01/03/2025G).

The Company's internal policies include provisions in relation to the following:

- rights of the Shareholders;
- the Board of Directors (including the Board formation, membership, meetings, working procedures, competencies, duties and powers, development, support, evaluation and remuneration);
- committees of the Board of Directors;
- executive management;
- internal control and audit; and
- internal policies.

5.9.2 Compliance with the Corporate Governance Regulations

The Company complies with the mandatory provisions of the Corporate Governance Regulations, except for articles which do not apply to it given that it is not yet a listed company, including but not limited to:

- Article 8(a) regarding the election of the Board and the publication of the candidates' information.
- Article 13(d)-(e) on publishing the invitation to the General Assembly on the websites of the Exchange and its website, and amendment of such agenda.
- Article 14(c) on making information related to the General Assembly's agenda available to the Shareholders through the websites of the Exchange and Company.
- Article 15(d)-(e) on granting the Shareholders and the CMA access to the minutes of the General Assembly meeting and announcement of the results.
- Article 17(d) on notifying the CMA of the names of the members of the Board of Directors, a description of their memberships, as well as any changes in their memberships.
- Article 26(8) regarding arranging meetings between the Chairman and the non-executive Director routinely without any executive attending.
- Article 44(3) regarding publishing the Competition Standards on the Company's website.
- Article 54 on the Audit Committee meetings at least four times during the Company's financial year, as well as meeting periodically with the Company's external and internal auditor.
- Article 65 on the Company publishing the Board membership nomination announcement on the websites of the Company and the Exchange.
- Articles 73 to 75 regarding the internal audit plan and report.
- Article 78(4) on the presentation of two candidates for the appointment of the external auditor by the Ordinary General Assembly.
- Article 87 in relation to the items to be covered under the Board report.
- Article 88(b) on the Board of Directors making copies of the audit committees' report available at the Company's head office and publishing it on the Company's and the Exchange's websites.

5.10 Conflicts of Interest

Neither the Company's Bylaws nor the Company's internal policies grant any of the Board members or the CEO the power to vote on any contract or transaction in which he has a direct or indirect interest. This is in compliance with Article 27 and 71 of the Companies Law. The Directors confirm that:

- they are compliant with Articles 26 and 27 of the Companies Law and Articles 42 and 44 of the Corporate Governance Regulations;
- they will not vote on General Assembly resolutions that relate to any contract in which the Directors have a direct or indirect interest; and
- they will not compete with the Company's business without the authorization of the Ordinary General Assembly in accordance with Article 27 of the Companies Law.

As of the date of this Prospectus, none of the Directors, Senior Executives, Board Secretary nor any of their Relatives have any direct or indirect interest in the Shares of the Company or any matter that may in any way affect the business of the Company, except as disclosed in Tables (5.2) and (5.6) above.

As of the date of this Prospectus, except as disclosed below, none of the Directors or Senior Executives has any direct or indirect interest in the Company's business or contract.

Table 5.8: Contracts concluded that involve an interest for the members of the Board

#	Year	Contract	Date	Nature	Value (SAR)	Counterparty	Relation	Relevant Board members	Reason for Board relation
1	Ongoing	Technical Support Agreement (and its annex that includes the licensing agreement)	22 October 2008G and amendments and its annex in 2025G	Provision of technical support services in various fields within the Company's scope	No fixed value, detailed above	EFS Group	Major shareholder	Talal Al Bahar, Tariq Chauhan, Taher Jhanjharya, Abdurraouf Al Bitar, Bassel Ghoubar (ex-Director and current Secretary)	The interest arises from the fact that certain former and current members (Mr. Bassel and Mr. Taher) are employees of the counterparty, while others (Mr. Talal, Mr. Tariq, and Mr. Abderrauof) are shareholders with varying ownership percentages therein, and also due to their membership on the board of the company that owns the counterparty (Mr. Abderrauof, Mr. Talal, and Mr. Tariq).
2	2022G	Shareholders Agreement*	January - December 2022G	Secondment salaries for administrative employees	2,684,754				
3	2022G	Shareholders Agreement*	January - December 2022G	IT and IT infrastructure fees	2,590,800				
4	2023G	Shareholders Agreement*	January - December 2023G	Secondment salaries for administrative employees	3,838,711				
5	2023G	Shareholders Agreement*	January - December 2023G	IT and IT infrastructure fees	3,888,753				
6	2024G	Shareholders Agreement*	January - December 2024G	Secondment salaries for administrative employees	1,955,322				
7	2024G	Shareholders Agreement*	January - December 2024G	IT and IT infrastructure fees	6,390,365				
8	2022G	Shareholders Agreement*	January - December 2022G	License fees	3,665,092				
9	2023G	Shareholders Agreement*	January - December 2023G	License fees	5,491,254				
10	2024G	Shareholders Agreement*	22 October 2008G and amendments in 2025G	License fees	8,060,028				
11	2024G	Without Written Agreement	January - December 2022G	Bonus for professional services	690,000	Tariq Chauhan, Taher Jhanjharya, Bassel Ghoubar	Board Members	Tariq Chauhan, Taher Jhanjharya, Bassel Ghoubar (ex-Director and current Secretary)	The members are the counterparty providing the service.
12	2023G	Without Written Agreement	January - December 2022G	Bonus for professional services	400,000	Tariq Chauhan	Board Member	Tariq Chauhan	The members are the counterparty providing the service.
13	2023G	Without Written Agreement	January - December 2022G	Loan	20,000,000	All Shareholders	Major Shareholders	All members at that time(2)	At that time, all members were either shareholders in the shareholders, employees thereof, or members of their management or of the shareholders therein.

#	Year	Contract	Date	Nature	Value (SAR)	Counterparty	Relation	Relevant Board members	Reason for Board relation
14	2022G	Without Written Agreement	January - December 2023G	Loan	4,300,000	EFS Facilities Services Group Limited	Major shareholder	Talal Al Bahar, Tariq Chauhan, Taher Jhanjharya, Abdulraouf Al Bitar, Bassel Ghoubar (ex-Director and current Secretary)	The interest arises from the fact that certain current and former members (Mr. Bassel and Mr. Taher) are employees of the counterparty, while others (Mr. Talal, Mr. Tariq, and Mr. Abderrauof) are shareholders with varying ownership percentages therein, and also due to their membership on the board of the company that owns the counterparty (Mr. Abderrauof, Mr. Talal, and Mr. Tariq).

(1) The Company previously received licensing services and certain other services under the Shareholders' Agreement, which governed the relationship among the shareholders. These services were transitioned to be governed under the Technical Support Agreement in preparation for the Offering. A termination agreement for the Shareholders' Agreement was signed on 19/09/1446H (corresponding to 19/03/2025G), such that the Shareholders' Agreement will terminate on the Listing Date, as it is no longer necessary or suitable.

(2) This does not include the current independent members, as they were not members at the time.

The Directors also declare that, as of the date of this Prospectus, the Directors do not conduct any business competing with the Company's business. To engage in businesses competing with the Company, the Directors must obtain approval from the General Assembly in accordance with Article 44 of the Corporate Governance Regulations and Article 27 of the Companies Law.

5.11 Number of Employees

The following table shows the number of employees of the Company by department/administration as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

Table 5.9: Number of Employees of the Company by Business Segment as of 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G:

	Year ended 31 December 2022G				Year ended 31 December 2023G				Year ended 31 December 2024G				The Three-Month Period Ended 31 March 2025G			
	Saudi	Non - Saudi	Total	Saudi-sation Percentage	Saudi	Non - Saudi	Total	Saudi-sation Percentage	Saudi	Non - Saudi	Total	Saudi-sation Percentage	Saudi	Non - Saudi	Total	Saudi-sation Percentage
Operations	536	1,279	1,815	29.5%	530	3,151	3,681	16.8%	943	4,371	5,314	17.7%	881	4,665	5,546	15.9%
Human Resources	22	2	24	91.7%	24	5	29	82.8%	38	9	47	80.9%	47	23	70	67.1%
Finance and Investor Relation	4	11	15	26.7%	4	14	18	22.2%	6	20	26	23.1%	6	21	27	22.2%
Business Development	1	2	3	33.3%	1	4	5	20.0%	1	4	5	20.0%	1	7	8	12.5%
Service Assurance and Operations Compliance	7	16	23	30.4%	11	32	43	25.6%	17	77	94	18.1%	37	105	142	26.1%
Supply Chain and Procurement	4	13	17	23.5%	9	19	28	32.1%	13	30	43	30.2%	14	31	45	31.1%
Legal and Corporate Affairs	1	2	3	33.3%	2	2	4	50%	2	2	4	50%	3	2	5	60.0%
Information Technology	4	4	8	50%	6	10	16	37.5%	6	22	28	21.4%	2	21	23	8.7%
Total	580	1,329	1,909	30.4%	588	3,237	3,825	15.3%	1,026	4,535	5,561	18.4%	991	4,875	5,866	16.9%

Source: The Company

5.12 Employees Shares

As of the date of this Prospectus, the Company does not have any employee share schemes in place for its employees or any other existing similar arrangement involving the employees in the capital of the Company.

5.13 Events of Bankruptcy and Insolvency Involving the Directors

None of the Directors, Senior Executives or the Secretary has at any time been declared bankrupt or been subject to bankruptcy proceedings.

None of the companies in which any of the Directors, Senior Executives or Secretary was serving in a managerial or supervisory capacity, was declared insolvent or bankrupt during the past five years preceding the date of this Prospectus.



6. Management's Discussion and Analysis of Financial Position and Results of Operations

6. Management's Discussion and Analysis of Financial Position and Results of Operations

6.1 Introduction

The Management's Discussion and Analysis of the Company's Financial Position Section of this Prospectus provides an analysis of EFSIM Facilities Management Company (the "Company" or "EFSIM") operating performance and its financial position as of and for the financial years ended 31 December 2022G, 2023G, 2024G and the three-months period ended 31 March 2024G and 2025G. This Section has been prepared on the basis of the Company's audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G, which have been prepared by the Company's management and audited by Deloitte and Touche & Co. Chartered Accountants in accordance with the International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA) ("IFRS-KSA") for the financial years ended 31 December 2022G, 2023G and 2024G.

The reviewed financial statements for the three-month period ended 31 March 2025G, have been prepared by the Company's management and reviewed by Deloitte and Touche & Co. Chartered Accountants in accordance with the International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA) ("IFRS-KSA") and International Accounting Standard 34, "Interim Financial Reporting", as endorsed in the Kingdom of Saudi Arabia, respectively.

Neither Deloitte and Touche & Co. Chartered Accountants nor any of their affiliates, employees (forming part of the team serving the Company), and their relatives, own any shares or interests of any kind in the Company that may affect their independence as at the date of the Independent Auditor's report on the Financial Statements. As at the date of this Prospectus, Deloitte and Touche & Co. Chartered Accountants have given and not withdrawn their written consent to refer in this prospectus to their role as the Company's independent auditor for the financial years, ended 31 December 2022G, 2023G and 2024G, and the three-month period ended 31 March 2024G and 2025G.

The above-mentioned financial statements also form an integral part of this Prospectus, and this must be read along with the financial statements and the accompanying notes, which can be found in Section (19) ("**Financial Statements and Auditors' Report**") of this Prospectus.

All amounts in this Section have been rounded to the nearest thousand SAR unless otherwise noted, and figures and ratios have been rounded to the nearest decimal. Therefore, the sum of these figures may differ from that shown in the tables. All ratios, indicators, annual expenditures and compound annual growth rates are based on rounded figures.

The financial information for the year ended 31 December 2022G has been derived from the comparative financial information presented in the Company's audited financial statements for the year ended 31 December 2023G. The financial information for the years ended 31 December 2023G and 2024G has been extracted from the Company's audited financial statements for the year ended 31 December 2024G. The financial statements for the year ended 31 December 2024G include a reclassification of certain financial statement line items from the prior year 2023G. For more information, please refer to Section (6.6.5) ("**Prior period reclassifications**"). The financial information for the three-month period ended 31 March 2024G has been derived from the comparative financial information presented in the Company's reviewed financial statement for the three-month period ended 31 March 2025G.

This Section may include forward-looking statements related to the Company's future expectations, based on management's plans and projections regarding the Company's growth, operational results, and financial position, as well as the associated risks and uncertainties. Actual results may differ materially from the expected outcomes due to a number of factors, risks, and future events, including those discussed in this Section of the Prospectus or elsewhere, particularly in Section (2) "**Risk Factors**" of this prospectus.

6.2 Directors' Declaration on the Financial Statements

The members of the Company's Board of Directors acknowledge the following:

1. The financial information contained in this Section has been extracted without material change and is presented in accordance with the Company's audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G and the reviewed financial statements for the three-months period ended 31 March 2024G and 2025G, and accompanying notes thereto, which have been prepared in accordance with the International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA) ("IFRS-KSA").

2. The Company has sufficient working capital for the 12 months immediately following the date of publication of this prospectus.
3. There has been no material adverse change in the financial and commercial position of the Company during the three financial years immediately preceding the date of application for registration and offering of securities to the end of the period covered by the Auditor's Report and up to the date of approval of this Prospectus.
4. There is no intention to make any material changes in the nature of the Company's activities.
5. The Company's operations have not ceased in any manner that could significantly affect or has already affected its financial position during the past 12 months.
6. The Board members declare that all material facts related to the company and its financial performance have been included in this prospectus, and that there are no other facts whose omission would render any statement contained herein misleading.
7. The Company does not have any assets, including contractual securities or other assets whose value is subject to fluctuations or whose value is difficult to ascertain, which would materially affect the assessment of the financial position.
8. That no commissions, discounts, brokerage fees, or non-cash compensation has been given by the Company the three (3) years immediately preceding the date of filing the application for registration and offering of securities.
9. The Board members declare that the Company does not have any capital under option.
10. Other than as disclosed in Section number (12.3.2) ("**Financing Agreements**"), The Board members declare that the Company has not issued debt instruments, borrowings, indebtedness, term loans, secured or unsecured, current or approved but unissued mortgages, and that the Company has no loans or other indebtedness including overdrafts from bank accounts and no guarantee obligations (including personal guarantees, unsecured, collateralized or uncollateralized), subordinated obligations, credit or hire purchase obligations.
11. Other than as disclosed in Section number (12.4.2) ("**Financing Agreements**"), The Company does not have any contingent liabilities or guarantees as of the date of this prospectus and as of 31 March 2025G.
12. Other than as disclosed in this prospectus, There are no significant fixed assets planned to be purchased or leased by the Company as of the date of this prospectus and as of 31 March 2025G.

6.3 Company Overview

EFSIM Facilities Management Company ("the Company") is a Saudi Unlisted Joint Stock Company registered in the Kingdom of Saudi Arabia under National Unified Number 7001574883 dated 27 Dhul- Hijjah 1429H (corresponding to 25 December 2008G). The Company is a subsidiary of EFS Facilities Services Group Limited (the "Parent Company") which owns 55% of the share capital.

On 13 Jammad-ul-Awwal 1445H (corresponding to 27 November 2023G), the Company changed its legal name from Saudi EMCOR Company Limited to EFSIM Facilities Management Company and re-registered from limited liability company to a Saudi Unlisted Joint Stock Company and changed its articles of association by laws dated 20 Rajab, 1445H (corresponding to February 1, 2024G). For further details on the historical development, please refer to Section (4.7.5) ("**Historical Capital and Shareholding Development**").

The Company is engaged in executing operation, maintenance and cleaning contracts for commercial, residential and industrial facilities and its related maintenance, repair of equipment, electrical and mechanical appliances, restoration and maintenance of buildings and infrastructure facilities, storage and catering facilities, renting leisure and fishing boats, firefighting rescue teams and equipment, in accordance with Ministry of Investment of Saudi Arabia (MISA) License No. 10202911835 dated 21 Dhul-Qadah 1429H (corresponding to November 20, 2008G).

The Company has an investment in its associate The Agency Limited for Entertainment Events, owning 33% of the share capital. The associate provides temporary staffing solutions for events, luxury retail establishments, and hospitality venues.

The Company's financial statements include the results, assets and liabilities of these branches:

Table 6.1: Company's branches as of 31 March 2025G

Branch name	National Unified Number
Dammam	7004023789
Riyadh	7035395560
Al-Ula	7028426356
Tabuk	7035373153
Jeddah	7012342783

Source: Reviewed financial statements for the three-months period ended 31 March 2025G

6.4 Key Factors Affecting the Company's Operations

6.4.1 Economic Conditions

The Company heavily depends on the economic and political stability of the Kingdom of Saudi Arabia and the labor-supplying countries. Any changes in economic conditions, locally or globally-such as a global recession, economic sanctions, or diplomatic tensions-could lead to operational disruptions and increased costs, impacting the Company's revenue and profitability. These effects could be even more severe in the event of sudden economic downturns, potentially threatening business continuity and sustainable growth.

6.4.2 Interest Rates

The Company relies on variable-rate loans to finance its operations, exposing it to the risk of unexpected increases in interest rates, which could significantly raise borrowing costs. If interest rates rise unexpectedly, it would negatively affect the Company's available cash flows, limiting its ability to invest in new operational initiatives. This could result in lower profitability, especially if the Company is unable to pass on increased costs to customers through price adjustments.

6.4.3 Political Stability

Although the Company operates within the Saudi market, it remains exposed to the broader political climate in the region. Political stability in the Middle East is vulnerable to ongoing geopolitical and economic developments. Any unexpected political shifts may hinder customer attraction and investment flows, while a decline in political stability may lead to market volatility and weaker financial performance, adversely affecting the Company's growth prospects and competitive position in local and regional markets.

6.4.4 Demand for the Company's Services

Demand for facility management services is a critical determinant of the Company's performance. A slowdown in the economy, changing customer priorities, or evolving technological and regulatory trends could reduce demand for such services. This may negatively impact revenues and intensify market competition, especially as the client base narrows. In such scenarios, the Company may struggle to maintain profit margins, attract new clients, or retain its existing customer base, thereby affecting its future profitability growth.

6.4.5 Regulatory Factors

The Company is subject to a range of legal and regulatory obligations, including taxation, Saudization rules, and data protection requirements, which increase operational costs. Any changes in laws-such as the implementation of the new Civil Transactions Law-may impose additional liabilities on the Company. These changes could create legal and financial complexities that disrupt daily operations and require the Company to adjust its strategies, adding cost burdens and negatively impacting long-term profitability.

6.4.6 Changes in Labor Regulations and Employment Costs

The Company relies significantly on foreign labor, making it vulnerable to changes in employment policies-such as restrictions on labor recruitment or rising employment costs. Any amendments to Saudization rules or foreign labor regulations could increase operational expenses, impacting profitability. If the Company fails to quickly adapt to these changes, it may face challenges in sustaining operations and maintaining service quality and efficiency.

6.4.7 Market Competition

The Company faces intense competition from both local and international players, which increases pricing pressure and squeezes profit margins. To remain competitive, the Company must continually invest in service quality and innovation, which can strain resources. Price-based or service-based competition may threaten the Company's financial stability and ability to attract clients. Moreover, fierce competition demands frequent strategy updates, affecting the Company's agility and market responsiveness.

6.4.8 Foreign Exchange Fluctuations

Due to transactions in foreign currencies, such as payments to suppliers or foreign labor, the Company is exposed to exchange rate fluctuations. A depreciation of the Saudi Riyal against other currencies can significantly increase the cost of foreign labor and imported goods and services. If the Company is unable to pass on these higher costs to customers, it may face a decline in competitiveness and profitability, leading to financial challenges in cost management and sustainable growth.

6.4.9 Limited Market Awareness of Facility Management Services

The Company's ability to grow is tied to the level of awareness among potential clients regarding the benefits of facility management services. Some markets still lack clear understanding of their value in improving operational efficiency and reducing costs. This may cause hesitancy-especially among SMEs-to outsource such services, limiting expansion opportunities. If market awareness is not enhanced through education, case studies, and demonstration of added value, the Company may face sluggish demand and difficulty in achieving its growth targets.

6.5 Accounting Policy Summary

6.5.1 New and amended IFRS applied with no material effect on the financial statements

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2024G. Their adoption has not had any material impact on the disclosures or on the amounts reported in this section.

Standard, interpretation, amendments	Description	Effective for annual periods beginning on or after
Amendment to IFRS 16 – Lease Liability in sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024G
Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024G
Amendments to IAS 1 - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024G

6.5.2 New and revised IFRS in issue but not yet effective and not early adopted

At the date of authorization of the financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Standard, interpretation, amendments	Description	Effective for annual periods beginning on or after
Amendment to IFRS 21 – Lack of exchangeability:	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025G
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB amended IFRS 9 to clarify when a financial asset or financial liability is recognized and derecognized, and provide an exception relating to the derecognition of financial liabilities that are settled using an electronic payment system.	1 January 2026G

Standard, interpretation, amendments	Description	Effective for annual periods beginning on or after
IFRS -18 Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as management-defined performance measures (MPMs). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027G
IFRS 19, Subsidiaries without Public Accountability: Note	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027G

6.5.3 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), collectively hereafter referred to as ("IFRS").

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue its operations and will discharge its liabilities, in the normal course of business. Accordingly, the financial statements do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

The financial statements have been prepared on the historical cost basis except for the employees' defined benefit obligations, which has been actuarially valued and for right of use of assets and lease liabilities that have been recorded at the present value of future lease rent payable, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

6.5.4 Property and equipment

Property and equipment, except for land, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land is stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes accounted for on a prospective basis.

The Company applies the following estimated useful lives:

Table 6.2: Useful lives of property and equipment as at 31 December 2024G

Asset	Years
Leasehold improvements	5 (or lease term if less)
Furniture and fixtures	5
Office and machinery equipment	5
Vehicles	5
Computers	3

Source: Audited financial statements for the financial years ended 31 December 2024G

Leasehold improvements are depreciated over the shorter of their useful lives or the lease term. Land is not depreciated.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain and loss on derecognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the statement of profit or loss.

Maintenance and normal repairs which do not materially extend the estimated useful life of an asset are charged to the statement of profit or loss, as and when incurred. Major renewals and improvements, if any, are recognized in the carrying amount of the property and equipment.

6.5.5 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

6.5.6 Financial instruments

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

The Company recognizes financial assets on trade date basis at which the Company becomes a party to the contracted provisions of the instruments.

All recognized financial assets are subsequently measured in their entirety at amortized cost using the effective interest rate ("EIR") method (if the impact of discounting or any transaction costs is significant). Interest income from the financial assets is included in finance income. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / expenses.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any financial asset that meets the criteria to be classified as subsequently measured at 'fair value through profit or loss' or at 'fair value through other comprehensive income' nor it has elected to irrevocably designate its financial assets to be subsequently measured at 'fair value through profit or loss' or at 'fair value through other comprehensive income'.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that

form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the EIR method for debt instruments measured subsequently at amortized cost. Interest income is calculated by applying the EIR to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the EIR to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the EIR to the gross carrying amount of the financial asset.

Impairment of financial assets

The Company recognizes loss allowances for ECL on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables, due from related parties and loan to a shareholder are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 360 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement and recognition of expected credit losses

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the customer;
- a breach of contract such as a default or being more than 450 days past due;
- it is probable that the customer will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off policy

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

6.5.7 Trade receivables

Trade receivables are initially measured at their transaction price, subsequently measured at amortized cost using the effective interest method, less loss allowance. At the end of each reporting period, the carrying amounts of trade receivable are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, a loss allowance is recognized immediately in statement of profit and loss.

6.5.8 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and current accounts held with banks, all of which are available for use by the Company unless otherwise stated and have maturities of 90 days or less from the date of acquisition, which are subject to insignificant risk of changes in values.

6.5.9 Investments in associates

Investments in associates are accounted for using the equity method. The carrying amount of the investment in an associate is calculated at cost plus the entity's subsequent share of the associate's comprehensive income. If at the end of a reporting period indications show that an investment in an associate may be impaired, the entire carrying amount of the investment is tested for impairment. If the carrying amount of the investment is found to be higher than its recoverable amount, the carrying amount is reduced to its recoverable amount and an impairment loss is immediately recognized in profit or loss.

6.5.10 Employee benefits

Employee defined benefit liabilities

The employee defined benefit liability is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- remeasurements

The Company presents the first two components of defined benefit costs in profit or loss in relevant line items.

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave, air tickets and sick leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Retirement benefits

Retirement benefits made to defined contribution plans are expensed when incurred.

6.5.11 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

6.5.12 Zakat and income tax

Zakat

The Company is subject to the Regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is provided on an accruals basis. The zakat charge is computed on the zakat base. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

Income Tax

Income tax is applied at specified rate on adjusted share of income of foreign shareholders determined as per Saudi regulations applicable in Kingdom of Saudi Arabia.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The

carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

6.5.13 Value added tax (VAT)

Sales, expenses and assets are recognized net of the amount of Value added tax, except when the value added tax on purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. The net amount of value added tax receivable from, or payable to, the taxation authority is included as part of receivable or payables in the statement of financial position.

6.5.14 Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers the ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

6.5.15 Revenue

The Company's revenue mainly consists of revenue from facility management services, which includes, among others, hard services, soft services, Mechanical, Electrical and Plumbing (MEP), civil works, Health, Safety and Environment (HSE) maintenance and accounts management services, and variations and out of scope works (e.g. procurement of equipment, spares and consumables, non-routine and other additional services).

Under IFRS 15, the Company recognizes revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the Company's performance completed to date. Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a customer.

Facilities Management Revenue

Facilities management services are structured as fixed-price contracts and re-measurable contracts, which typically include a minimum contract value. These contracts generally span a term of two to five years. Control is assessed to be transferred over time for facilities management services, as the customer simultaneously receives and consumes the benefits provided by the Company.

Revenue for facility management services is recognized based on the actual services provided in the reporting period as a proportion of the total services to be provided.

For key accounts where the Company provides a variety of direct benefits to the customer, this is determined based on the actual costs incurred relative to the total expected costs to complete the service. Estimates of labor hours and costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. Management consider that this approach provides an appropriate measure of the progress towards complete satisfaction of the performance obligations under IFRS 15 for these key accounts.

For all other facility management services contracts (generally small to medium sized contracts), revenue is recognized on a straight line basis over the term of the project.

When the Company satisfies a performance obligation over time by delivering the promised services, it creates a contract asset based on the amount of consideration earned by the performance. The amount previously recognized as a contract asset is reclassified to trade receivables upon invoicing the balance to the customer.

Customers are invoiced on a monthly basis in accordance with contractual terms, and payment terms are agreed on an individual basis.

Variations and Out-of-Scope Works

Variations and out-of-scope works include procurement of equipment, spares and consumables, non-routine and other additional services requested by the customers. Typically these services do not meet the requirements for revenue recognized over time, and are therefore recognized at a point in time.

For goods, customers obtain control of the products when the goods are delivered to the customers' location. For services, customers obtain control upon the completion of work order and the entity has the right to invoice the customer for an amount that corresponds directly with performance as per the agreement.

6.5.16 Expenses

Costs incurred in relation to contracts and employees directly related to projects is classified as cost of revenue.

All other expenses, excluding cost of revenue and financial charges, are classified as general and administrative expenses. Allocations of common expenses between cost of revenue and general and administrative expenses, when required, are made on a consistent basis.

6.5.17 Foreign currency translation

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Saudi Riyals at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in profit or loss.

6.5.18 Critical accounting judgments and key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

1. Allowance for expected credit losses of trade receivables

The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information.

For instance, if forecast economic conditions are expected to change, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses ("ECLs") is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

2. Useful lives and residual values of property and equipment

Estimated useful lives of property and equipment are determined for calculating depreciation, taking into account the expected usage of assets and physical wear and tear. Residual values and estimated useful lives are reviewed annually.

3. Employee defined benefit liabilities

Employee defined benefit liabilities are determined using an actuarial valuation which requires estimates to be made of the various inputs. These estimates have been disclosed in note 14.

4. Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of the lease, which ranges from 4.4% to 6%

5. Percentage of completion and costs to complete

The Company uses the input method to recognise revenue on the basis of entity's efforts or inputs to the satisfaction of a performance obligation in accounting for its revenue on key accounts. This is done by measuring the costs incurred to date relative to the total expected costs to be incurred (forecast final costs). At each reporting date, the Company is required to estimate stage of completion and costs to complete on its facility management service contracts for key accounts.

These estimates require the Company to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. These estimates also include the cost of meeting all contractual obligations to the customers. The effects of any revision to these estimates are reflected in the year in which the estimates are revised. The Company uses its commercial teams together with project managers to estimate the costs to complete key its key projects. Factors such as changes in the scope of work, changes in material prices, increase in labour and other costs are included in the total cost estimates based on best estimates updated on a regular basis.

6. Project Costs

The customer base includes a number of large and complex facility management services contracts.

Management makes detailed assessments of the contractual terms and generally concludes that the contracts include one performance obligation. Management estimates the amount of revenue expected to be received based on services delivered, including an assessment of the probability of such amount being reversed subsequently.

Significant management judgement is required to determine the extent that the cost of upfront mobilization activities represent activities that transfer a benefit to the customer, which can be controlled by the customer. Where this criteria is met, such costs will be considered in measuring progress of the performance obligation, and revenue will be recognized against those costs.

For key account contracts, the outcome may vary significantly, should the judgements and assumptions applied by management in their assessments not be realized as expected.

6.6 Results of Operations for the Financial Years Ended 31 December 2022G, 2023G and 2024G

6.6.1 Statement of Profit and Loss and Other Comprehensive Income

Table 6.3: Statement of Profit and Loss and Other Comprehensive Income

SAR in 000s	FY22G Audited	FY23G Audited	FY24G Audited	Variance FY22G - FY23G	Variance 2023G - 2024G	CAGR 2022G - 2024G
Revenue	337,518	520,413	802,912	54.2%	54.3%	54.2%
Cost of revenue	(300,079)	(462,758)	(692,207)	54.2%	49.6%	51.9%
Gross profit	37,439	57,655	110,705	54.0%	92.0%	72.0%
General and administrative expenses	(13,574)	(19,507)	(37,994)	43.7%	94.8%	67.3%
Operating profit	23,865	38,149	72,712	59.9%	90.6%	74.6%
Finance costs	(3,932)	(6,300)	(13,986)	60.2%	122.0%	88.6%
Share of result of associate	-	-	724	n/a	n/a	n/a
Profit before zakat and tax	19,933	31,849	59,449	59.8%	86.7%	72.7%
Zakat and income tax expense	(2,833)	(4,002)	(7,817)	41.3%	95.3%	66.1%
Profit for the year	17,100	27,847	51,633	62.8%	85.4%	73.8%
Other comprehensive income						
Items that will not be reclassified to profit or loss:						
Re-measurement loss on employee defined benefit liability	(900)	(3,702)	(3,331)	311.3%	(10.0%)	92.4%
Deferred tax credit recognized in statement of other comprehensive income	181	365	366	102.2%	0.4%	42.5%
Total comprehensive income for the year	16,381	24,510	48,668	49.6%	98.6%	72.4%
As a % of revenue					Ppt.	
Gross margin	11.1%	11.1%	13.8%	-	2.7	2.7
Operating profit margin	7.1%	7.3%	9.1%	0.3	1.7	2.0
Net profit margin	5.1%	5.4%	6.4%	0.3	1.1	1.4

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Revenue is generated from services rendered by the Company under contracts with varying terms and types. The revenue primarily consists of five service categories: Integrated Facility Management, which accounted for c.63% of total revenue in FY24G, Soft Services (c.24%); Input FM Services (c.6%), and other niche services, including Hard Services, Environmental, among others.

Revenue increased by 54.2% from SAR337.5 million in FY22G to SAR520.4 million in FY23G, driven by,

- The recently awarded contract for soft services to a large aviation client which was signed in Jun FY22G and contributed SAR60.0 million to the increase in revenue between FY22G and FY23G;
- The 9 new contracts signed in FY23G with one of the largest giga projects in Saudi Arabia generated SAR52.7 million during FY23G; and
- The increase of SAR28.6 million came from new contracts awarded in FY23G. This increase was partially offset by 12 expired contracts between FY22G and FY23G, which resulted in a revenue decline of SAR29.6 million.

Revenue further increased by 54.3% from SAR520.4 million in FY23G to SAR802.9 million in FY24G mainly driven by:

- (i) The ramp-up of contracts signed in mid and end of FY23G and recognised full year in FY24G (Increase by SAR135.4 million), mainly for Giga project client which had 9 contracts signed in FY23G; and
- (ii) The additions of 51 contracts in FY24G, which contributed SAR149.6 million in the increase between FY23G and FY24G, including 7 contracts from one of the Giga project clients (Increase by SAR109.0 million). This increase is offset by the expiry of 16 contracts in FY24G which reduced revenue with SAR53.0 million.

The Company performs a preliminary assessment of contracts to identify performance obligations that require site mobilization and resource preparation, which often involve initial setup costs. Where such costs are identified, the Company applies the percentage-of-completion method to recognize revenue related to these contracts. Based on this assessment, the Company reclassified previously capitalized mobilization costs to direct expenses and incorporated them within the percentage-of-completion calculation for the relevant contracts. As a result, the Company recognized additional revenue amounting to SAR21.7 million in FY24G, given the recoverable value associated with the now-expensed mobilization costs. The Company will continue to apply this treatment consistently in future reporting periods.

The Company's capacity and headcount grew from 4,076 employees (including direct and outsourced) in FY22G to 8,037 in FY24G. The average revenue per employee increased from SAR83.9 thousand in FY22G to SAR101.4 thousand in FY24G. This reflects the Company's ability to scale operations efficiently, optimizing workforce utilization to support both existing and new contracts while driving revenue growth.

Cost of revenue ("CoR") mainly consists of subcontractor costs (c.50% of CoR in FY24G) and employee costs (c.37%), along with other expenses.

CoR increased by 54.2% from SAR300.1 million in FY22G to SAR462.8 million in FY23G, driven largely by SAR76.0 million increase in subcontractor costs, mainly due to the increase reliance on subcontractors, mainly on direct services provided such as specialized services. This was further coupled with a SAR50.7 million increase in employee costs, following an increase in the number of direct employees from 1,853 in FY22G to 3,761 in FY23G, primarily due to newly awarded contracts such as the one with Aviation client in FY22G.

CoR increased by 49.6% from SAR462.8 million in FY23G to SAR692.2 million in FY24G, primarily driven by a SAR135.5 million rise in subcontractor costs, reflecting the increase in outsourced manpower and specialized services required for contract execution. Additionally, employee costs increased by SAR59.7 million, in line with the expansion of direct employees to 5,439, in addition to charges from the capitalized mobilization expenses which was fully expensed in FY24G and amounted to SAR10.4 million.

Gross profit increased by 54.0% from SAR37.4 million in FY22G to SAR57.7 million in FY23G, in line with the growth in revenue and costs during the historical period. The gross profit margin remained stable at 11.1% across FY22–23G, reflecting consistent margins on most contracts and effective cost management.

Gross profit increased by 92.0% from SAR57.7 million in FY23G (gross margin of 11.1%) to SAR110.7 million in FY24G (13.8%), in line with revenue and cost growth, driven by new contract awards in FY24G. Additionally, margin expansion in FY24G was supported by operational efficiencies on new contracts and the higher profitability of newly awarded contracts, primarily with a key Giga project client.

General and administrative expenses ("G&A") mainly consisted of employee costs (which accounted for c.70% of total G&A in FY24G), depreciation of right-of-use assets (c.10%) and I.T cost (c.7%), amongst others.

General and administrative expenses increased by 43.7% from SAR13.6 million in FY22G to SAR19.5 million in FY23G, primarily driven by a SAR1.7 million rise in employee costs due to an increase in head office and administrative staff headcount. This was coupled with increases in IT costs by SAR1.2 million, depreciation of property and equipment by SAR1.0 million following the increase in head office expenses and expansion in the management team headcount.

G&A further increased by 94.8% from SAR19.5 million in FY23G to SAR38.0 million in FY24G primarily due to the increase in employee costs by SAR14.1 million in line with the increase in management and head office headcount, and the hiring of senior team members with higher costs. This was coupled with an increase in depreciation of right-of-use assets by SAR2.8 million and I.T costs by SAR1.0 million over the same period, related to the new office leases and new I.T related costs for this expansion and number of employees.

Finance costs comprise interest on borrowings (c.88% of total finance cost in FY24G), interest on lease liabilities (c.8%) and interest on defined benefits obligation (c.4%).

Finance cost increased by 60.2% from SAR3.9 million in FY22G to SAR6.3 million in FY23G and further by 122% to SAR14.0 million in FY24G as a result of the increase in interest on borrowings following the additional financing taken by the Company to finance their operations and expansions.

Share of result of associate pertains to the Company's equity stake of 33% in The Agency LTD for Entertainment Events – Limited Liability Company ("THAKSA") which was established in FY23G and commenced its operation in FY24G, and recognised SAR724 thousand from their FY24G results.

Zakat and income tax expense increased by 41.3% from SAR2.8 million in FY22G to SAR4.0 million in FY23G and further increase by 95.3% to SAR7.8 million in FY24G as a result of the increase in the zakat base in line with the increase in net revenues and assets during the FY22G to FY24G period.

Profit for the year increased by 62.8% from SAR17.1 million (and a net profit margin of 5.1%) in FY22G to SAR27.8 million (margin of 5.4%) in FY23G and further increase by 85.4% to SAR51.6 million (margin of 6.4%) in FY24G following the increase in gross profit and operation profit mainly stemming from the increase in the Company's revenues and expansions with the new contracts. This was slightly offset by the increase in overall expenses such as CoR, G&A, finance cost and zakat and income tax expenses on a slower pace, which kept the margins increasing between FY22G and FY24G.

6.6.1.1 Revenue

Table 6.4: Revenue for the financial years ended 31 December 2022G, 2023G, and 2024G

SAR in 000s	FY22G Audited	FY23G Audited	FY24G Audited	Variance 2022G-2023G	Variance 2023G – 2024G	CAGR 2022G-2024G
Service transferred over time	284,774	445,216	651,104	56.3%	46.2%	51.2%
Service transferred at a point in time	52,744	75,198	151,809	42.6%	101.9%	69.7%
Total revenue	337,518	520,413	802,912	54.2%	54.3%	54.2%

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Service Transferred Over Time

Revenue consists of the core contractual revenue from signed agreements with customers, which are time-bound and value-defined. The Company conducts a preliminary assessment of each contract to identify performance obligations requiring site mobilization and resource deployment. Based on this assessment, revenue is recognized using the percentage-of-completion method, which accounted for 61.0% of total revenue in FY24G. Other contracts that do not require upfront mobilization costs represented 20.1% of total revenue in FY24G and are recognized on a straight-line basis over the contract term.

Revenue from services transferred over time increased by 56.3% from SAR284.8 million in FY22 to SAR445.2 million in FY23G, in line with the onboarding of new contracts from key clients, including the aviation client contract signed in June of FY22G.

Revenue further increased by 46.2% from SAR445.2 million in FY23G to SAR651.1 million in FY24G, primarily driven by the expansion of newly awarded contracts, particularly with a key Giga project client.

Service Transferred at a Point in Time

This represents revenue recognized from variation orders specifically requested by customers in addition to the core contractual scope. Revenue from services transferred at a point in time increased by 42.6% from SAR52.7 million in FY22G to SAR75.2 million in FY23G, in line with the increase in active contracts and the demand from clients for additional services.

Revenue further increased by 101.9% from SAR75.2 million in FY23G to SAR151.8 million in FY24G, due to the expansion in the number of core contracts, in addition to the extended scope of services provided to the aviation client in Jeddah during FY24G.

Table 6.5: Revenue by region for the financial years ended 31 December 2022G, 2023G, and 2024G

SAR in 000s	FY22G MA	FY23G MA	FY24G MA	Variance 2022G-2023G	Variance 2023G – 2024G	CAGR 2022G-2024G
North region	102,766	172,322	367,991	67.7%	113.5%	89.2%
West region	134,775	200,040	196,670	48.4%	(1.7%)	20.8%
Central region	48,952	93,674	160,074	91.4%	70.9%	80.8%
East region	51,025	54,377	78,178	6.6%	43.8%	23.8%
Total revenue	337,518	520,413	802,912	54.2%	54.3%	54.2%
As a % of total					Ppt.	
North region	30.4%	33.1%	45.8%	2.7	12.7	15.4
West region	39.9%	38.4%	24.5%	(1.5)	(13.9)	(15.4)
Central region	14.5%	18.0%	19.9%	3.5	1.9	5.4
East region	15.1%	10.4%	9.7%	(4.7)	(0.7)	(5.4)

Source: Management's accounts for the financial years ended 31 December 2023G and 2024G

Revenue generated in different regions, including North which represent 46% of the total revenue in FY24G, West and represents 25% of the total revenue in FY24G, Central and represents 20% and lastly East region which account of 10% of the total revenue.

North region consists of the contracts including a large giga project located in the north area of Saudi Arabia and increased by 67.7% from SAR102.8 million in FY22G to SAR172.3 million in FY23G, and further increased by 113.5% to SAR368.0 million in FY24G. This increase is a result of new contracts signed with one of Giga Project clients, including 24 contracts between FY22G and FY24G, which increased revenue by SAR273.7 million, including Contract 1 signed in FY24G, Contract 2 signed at the end of FY23G, in addition to other contracts with the same client.

West region consist of multiple contracts including a large contract with Aviation client located in Jeddah. Revenue from this region increased by 48.4% from SAR134.8 in FY22G to SAR200.0 million in FY23G driven by the increase in one contract signed in June FY22G with an Aviation client and added revenue of SAR77.2 million between FY22G and FY23G. The revenue slightly decreased by 1.7% from SAR200.0 million in FY23G to SAR196.7 million in FY24G due to the expiry of some contracts in this region, including one large contract with Education institutions in west area, due to the inability to renew the contract with feasible terms to the Company.

The **Central** Region, which primarily comprises contracts located in the Riyadh area, recorded an increase in revenue from SAR49.0 million in FY22G to SAR93.7 million in FY23G, and further to SAR160.1 million in FY24G. This growth was driven by new contracts awarded to large international companies operating in the Central Region.

Revenue from the **Eastern** Region increased from SAR51.0 million in FY22G to SAR54.4 million in FY23G, and further to SAR71.1 million in FY24G. This growth was driven by the addition of nine new contracts, along with the renewal of existing contracts with oil and gas clients operating in the Eastern Region.

Table 6.6: Revenue by key contracts for the financial years ended 31 December 2022G, 2023G, and 2024G

SAR in 000s	FY22G MA	FY23G MA	FY24G MA	Variance 2022G-2023G	Variance 2023G – 2024G	CAGR 2022G-2024G
Aviation client - contract 1	92,044	152,071	169,272	65.2%	11.3%	35.6%
Giga projects - contract 1	-	-	66,736	n/a	n/a	n/a
Giga projects - contract 2	-	5,368	44,975	n/a	737.9%	n/a
Oil and gas - contract 1	20,985	24,828	36,494	18.3%	47.0%	31.9%
Giga projects - contract 3	-	16,701	34,509	n/a	106.6%	n/a
Giga projects - contract 4	14,390	31,436	29,839	118.4%	(5.1%)	44.0%
Giga projects - contract 5	-	-	27,146	n/a	n/a	n/a
Giga projects - contract 6	-	2,415	24,047	n/a	895.9%	n/a
Giga projects - contract 7	-	11,708	19,833	n/a	69.4%	n/a
Giga projects - contract 8	-	7,026	19,752	n/a	181.1%	n/a
Others	210,098	268,861	330,310	28.0%	22.9%	25.4%
Total revenue	337,518	520,413	802,912	54.2%	54.3%	54.2%
As a % of total	Ppt.					
Aviation client - contract 1	27.3%	29.2%	21.1%	2.0	(8.1)	(6.2)
Giga projects - contract 1	0.0%	0.0%	8.3%	-	8.3	8.3
Giga projects - contract 2	0.0%	1.0%	5.6%	1.0	4.6	5.6
Oil and gas - contract 1	6.2%	4.8%	4.5%	(1.4)	(0.2)	(1.7)
Giga projects - contract 3	0.0%	3.2%	4.3%	3.2	1.1	4.3
Giga projects - contract 4	4.3%	6.0%	3.7%	1.8	(2.3)	(0.5)
Giga projects - contract 5	0.0%	0.0%	3.4%	-	3.4	3.4
Giga projects - contract 6	0.0%	0.5%	3.0%	0.5	2.5	3.0
Giga projects - contract 7	0.0%	2.2%	2.5%	2.2	0.2	2.5
Giga projects - contract 8	0.0%	1.4%	2.5%	1.4	1.1	2.5
Others	62.2%	51.7%	41.1%	(10.6)	(10.5)	(21.1)

Source: Management's accounts for the financial years ended 31 December 2023G and 2024G

The largest contract in terms of value and revenue generated is from contract 1 with **Aviation client**, which was awarded in FY22G and generated revenue of SAR92.0 million in FY22G and increase by 65.2% to SAR152.1 million in FY23G due to the ramp-up of the contracts and recognizing full year in FY23G. The revenue from this contract further increased by 11.3% to SAR169.3 million in FY24G, due to the additional contract which associated with the same client awarded in FY24G.

Other contracts with one of the **Giga project** clients include 24 contracts, with contract 1 which was signed in FY24G and generating the largest revenue amounted to SAR66.7 million in FY24G. Additionally, contract 2 which was signed in FY23G and generated revenue of SAR5.4 million in FY23G and increased to SAR45.0 million in FY24G after recognition for the full year.

The fourth largest contract related to a contract with one of the **Oil and Gas** clients, which is a legacy contract existed before FY22G and had increasing revenue from SAR21.0 million in FY22G to SAR24.8 million in FY23G and further to SAR36.5 million in FY24G, following the increase in scope of the contract and the price adjustments occurred throughout the life cycle of the contract.

The remaining 6 contracts out of the top 10 contracts related to the same client within the Giga project sector and signed on different periods between FY22G and FY24G.

Table 6.7: Revenue by type of customer for the financial years ended 31 December 2022G, 2023G, and 2024G

SAR in 000s	FY22G MA	FY23G MA	FY24G MA	Variance 2022G-2023G	Variance 2023G – 2024G	CAGR 2022G-2024G
Government owned Enterprises	209,531	363,813	594,636	73.6%	63.4%	68.5%
Private companies	104,761	133,871	189,224	27.8%	41.3%	34.4%
Government	23,225	22,729	19,052	(2.1%)	(16.2%)	(9.4%)
Total revenue	337,518	520,413	802,912	54.2%	54.3%	54.2%
As a % of total	Ppt.					
Government Owned Enterprises	62.1%	69.9%	74.1%	7.8	4.2	12.0
Private Companies	31.0%	25.7%	23.6%	(5.3)	(2.2)	(7.5)
Government	6.9%	4.4%	2.3%	(2.5)	(2.1)	(4.6)
Total	100.0%	100.0%	100.0%	-	-	-

Source: Management's accounts for the financial years ended 31 December 2023G and 2024G

Government Owned Enterprises, consists of 41 contracts in FY24G including two of the largest customers, Aviation client and one of Giga project clients, in addition to several contracts with one of the Giga project clients, including the two major contracts 1 and 2 signed between FY23G and FY24G. Revenue increased from these clients by 73.6% from SAR209.5 million in FY22G to SAR594.6 million in FY24G, driven by the increase of SAR60.0 million from the new contract signed with Aviation client in FY22G (contract 1) and the multiple contracts signed with one of the Giga project clients between FY22G and FY23G amounted to SAR72.5 million. In addition to the contracts awarded from one of the Giga project clients and the ramp-up of the existing contracts which contributed to SAR149.6 million for the increase in revenue between FY23G and FY24G.

Private companies, consist of 109 contracts from multiple customers, with Oil and Gas and International clients being the largest. Revenue increase from these clients by 27.8% from SAR104.8 million in FY22G to SAR133.9 million in FY23G, following the addition of 55 contracts (increase by SAR30.9 million) during FY23G.

Revenue further increased by 41.3% from SAR133.9 million in FY23G to SAR189.2 million in FY24G following the addition of 40 contracts which added SAR27.4 million to revenue in FY24G.

Government, consist of 4 contracts and decreased by 2.1% from SAR23.2 million in FY22G to SAR22.7 million in FY23G.

Revenue further decreased by 16.2% from SAR22.7 million in FY23G to SAR19.1 million in FY24G, following the expiry of 2 large contracts with Government authority client located in north area.

6.6.1.2 Revenue and profitability by vertical

Table 6.8: Profitability by vertical for the financial years ended 31 December 2022G, 2023G, and 2024G

SAR in 000s	FY22G MA	FY23G MA	FY24G MA	Variance 2022G-2023G	Variance 2023G – 2024G	CAGR 2022G-2024G
Revenue						
Giga Projects	104,849	183,810	394,522	75.3%	114.6%	94.0%
Aviation	93,878	155,249	176,463	65.4%	13.7%	37.1%
Assorted Commercial	39,986	39,611	75,070	(0.9%)	89.5%	37.0%
Oil and Gas	50,331	52,620	72,436	4.5%	37.7%	20.0%
International	8,803	28,067	45,192	218.8%	61.0%	126.6%
Education	31,788	41,069	19,391	29.2%	(52.8%)	(21.9%)
Event Staffing Solutions	7,883	19,987	19,840	153.6%	(0.7%)	58.6%
Total	337,518	520,413	802,912	54.2%	54.3%	54.2%
Gross profit						
Giga Projects	14,193	29,616	66,962	108.7%	126.1%	117.2%
Aviation	9,034	2,951	12,612	(67.3%)	327.4%	18.2%
Assorted Commercial	5,336	6,112	11,193	14.5%	83.1%	44.8%
Oil and Gas	4,733	5,575	9,790	17.8%	75.6%	43.8%
International	1,310	3,592	5,726	174.3%	59.4%	109.1%
Education	2,351	5,158	2,694	119.4%	(47.8%)	7.0%
Event Staffing Solutions	482	4,650	1,728	865.6%	(62.8%)	89.4%
Total	37,439	57,655	110,705	54.0%	92.0%	72.0%
Gross profit margin (%)						
					Ppt.	
Giga Projects	13.5%	16.1%	17.0%	2.6	0.9	3.4
Aviation	9.6%	1.9%	7.1%	(7.7)	5.2	(2.5)
Assorted Commercial	13.3%	15.4%	14.9%	2.1	(0.5)	1.6
Oil and Gas	9.4%	10.6%	13.5%	1.2	2.9	4.1
International	14.9%	12.8%	12.7%	(2.1)	(0.1)	(2.2)
Education	7.4%	12.6%	13.9%	5.2	1.3	6.5
Event Staffing Solutions	6.1%	23.3%	8.7%	17.2	(14.6)	2.6
Total	11.1%	11.1%	13.8%	-	2.7	2.7

Source: Management's accounts for the financial years ended 31 December 2023G and 2024G

Giga projects represented c.49% of total revenue in FY24G and relates mainly to 24 contracts awarded between FY20-FY24G for facility management services to different areas and projects. A single client in the Northern Region accounted for 88.1% of the total revenue generated in this segment in FY24G. This client represents the Company's largest customer in terms of both the number and value of contracts.

Revenue increased from SAR104.8 million in FY22G (12 contracts) to SAR183.8 million in FY23G (24 contracts), and SAR394.5 million in FY24G (33 contracts) driven by the new contracts awarded.

Gross profit increased from SAR14.2 million in FY22G (margin of c.14%) to SAR29.6 million in FY23G (margin of c.16%) and further to SAR67.0 million in FY24G (margin of c.17%). This growth was primarily driven by the growth in the Company's operations and increase in the gross profit of the new contracts.

Aviation, which represents c.22% of total revenue in FY24G and relates to aviation customers.

Revenues from the aviation sector increased from SAR93.9 million in FY22G (4 contracts) to SAR155.2 million in FY23G (4 contracts), primarily driven by the ramp-up of a major client contract (increase by SAR60.0 million), which signed in mid-FY22G and generated full year revenue in FY23G. Additional contributions came from the ramp-up of contracts started at the end of FY22G. Revenue further increased from SAR155.2 million in FY23G to SAR176.5 million in FY24G (6 contracts), mainly driven by the new contracts, coupled with the increase from variations.

Gross margin declined from c.10% in FY22G to c.2% in FY23G, primarily due to high costs associated with a major client contract, driven by its large scope and significant human capital mobilization at the start of the contract. However, margins rebounded to c.7% in FY24G as the impact of initial costs diminished, stabilizing to the original budgeted margin of c.5-7%.

Assorted Commercial (c.9%) which includes several sectors such as real estate, professional services and retail.

Revenue remained relatively stable at SAR40.0 million between FY22-23G, with the expiry of 9 contracts (decrease by SAR9.2 million), offset by the additions of 10 contracts (increase by SAR5.4 million) in the same period. Revenue increased to SAR75.1 million in FY24G due to the addition of 15 contracts which added SAR18.1 million in FY24G revenue.

Gross margins increased from c.13% in FY22G to c.15% in FY23G, driven by more profitable contracts awarded in FY23G, compared to the lower-margin legacy contracts, while in FY24G, margins remained stable at c.15%.

Oil and Gas (c.9%) relates mainly to legacy contracts started prior to FY22G and continuing.

Revenue increased from SAR50.3 million in FY22G to SAR52.6 million in FY23G, driven by stable revenue from most legacy contracts and the full recognition of a new contract awarded at the end of FY22G (increase by SAR3.0 million). Revenue increased from SAR52.6 million in FY23G to SAR72.4 million in FY24G, mainly on the back of the new contracts awarded in FY24G (increase by SAR1.6 million), coupled with the increase in existing contracts (increase by SAR16.8 million) due to the variations and additions made on these contracts.

Gross margins improved from c.9% in FY22G to c.11% in FY23G, attributed to enhanced operational efficiencies achieved by the Company on the existing contracts, while margins increased further to c.14% in FY24G due to profitable variations made on these contracts.

International (c.6%), including large international clients.

Revenue increased from SAR8.8 million in FY22G to SAR28.1 million in FY23G due to new contracts signed during the year (increase by SAR14.6 million), in addition to the ramp-up of contracts initiated at the end of FY22G. Revenue further increased to SAR45.2 million in FY24G, following the additions of 8 new contracts in FY24G (increase by SAR9.4 million), in addition to the ramp-up of contracts signed in FY22-23G.

Education (c.2%) recorded an increase in revenue from SAR31.8 million in FY2022G to SAR41.1 million in FY2023G, driven by new contract awards and the expansion of existing contracts (increase of SAR10.6 million).

Gross margins improved from approximately 7% in FY22G to around 13% in FY23G, primarily due to the non-renewal of lower-margin contracts. However, revenue declined to SAR19.4 million in FY24G as a result of the expiration of key contracts, while margins remained stable at approximately 14% in FY24G.

Event Staffing Solutions (c.3%) consist of contracts related to "THA KSA," while short-term agreements were transferred to the associate entity during FY24G.

Revenue increased from SAR7.9 million in FY22G to SAR20.0 million in FY23G, before slightly declining to SAR19.8 million in FY24G. This fluctuation is linked to the seasonality of this segment, as contracts are typically short-term agreements with event clients.

Gross margins rose from approximately 6% in FY22G to around 23% in FY23G, driven by profitable short-term event management contracts during the year. However, margins declined to approximately 9% in FY2024G following the normalization of seasonal contract effects.

6.6.1.3 Cost of revenue

Table 6.9: Cost of revenue for the financial years ended 31 December 2022G, 2023G, and 2024G

SAR in 000s	FY22G MA	FY23G Audited	FY24G Audited	Variance 2022G-2023G	Variance 2023G – 2024G	CAGR 2022G-2024G
Sub-contractor cost	137,308	213,350	348,890	55.4%	63.5%	59.4%
Employee costs	144,336	195,082	254,764	35.2%	30.6%	32.9%
Supplies and consumables	-	24,500	40,976	n/a	67.2%	n/a
Depreciation of property and equipment	2,421	5,547	10,212	129.1%	84.1%	105.4%
Marketing and license fees	3,669	5,525	8,060	50.6%	45.9%	48.2%
Vehicle running expenses	1,587	3,366	5,730	112.1%	70.2%	90.0%
Depreciation of right-of-use assets	2,868	2,629	5,233	(8.3%)	99.0%	35.1%
I.T support charges	1,459	2,053	3,661	40.7%	78.4%	58.4%

SAR in 000s	FY22G MA	FY23G Audited	FY24G Audited	Variance 2022G-2023G	Variance 2023G – 2024G	CAGR 2022G-2024G
Communication expenses	716	949	1,582	32.4%	66.8%	48.6%
Others*	5,714	9,759	13,099	70.8%	34.2%	51.4%
Total	300,079	462,758	692,207	54.2%	49.6%	51.9%
KPIs						
Direct employees under CoR at the end of the year	1,853	3,761	5,439	1,908	1,678	3,586
Outsourced employees at the end of the year	2,168	1,772	2,476	(396)	704	308
Total headcount (under CoR)	4,021	5,533	7,915	1,512	2,382	3,894

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G, and Management's accounts

* Management has reclassified certain items for FY23G and FY24G under other expenses in the financial statements for FY24G. Consequently, the figures for the FY22G have been reclassified in the same manner for the purpose of comparison.

Cost of revenue ("CoR") mainly comprises subcontractor cost (c.50% of total in FY24G) and employee costs (c.37%) amongst others.

Sub-contractor cost relates manpower, services and supplies provided by third parties to support the Company on mobilization of their resources and delivery of contracts.

Sub-contractor cost increased by 55.4% from SAR137.3 million in FY22G to SAR213.4 million in FY23G, driven by the expanded use of outsourced services, mainly the specialized services with the Company outsourced it to specific and experts subcontractors, such as waste management and others. This is coupled with normal services and manpower supply to support newly awarded contracts and the Company's operational growth.

Subcontractor costs further increased by 63.5% from SAR213.4 million in FY23G to SAR348.9 million in FY24G, driven by a rise in outsourced manpower along with an increase in specialized and other subcontracted services. This growth aligned with the expansion of contracts, which required greater capacity and specialized expertise for execution.

Employee costs relate to costs incurred on the direct employees working on the contracts, such as field workers and field supervisors. These costs include salary, food, accommodation, transportation, mobile, visa, overtime, and others.

Employee costs increased by 35.2% from SAR144.3 million in FY22G to SAR195.1 million in FY23G, in line with the rise in headcount from 1,853 in FY22G to 3,761 in FY23G. This growth was primarily driven by the deployment of new employees for newly awarded contracts, with Aviation client alone, accounting for an increase of 1,006 employees between FY22G and FY23G.

Employee costs increased by 30.6% from SAR195.1 million in FY23G to SAR254.8 million in FY24G, primarily driven by the continued rise in headcount, reaching 5,439 employees. This growth was necessary to support the expansion of business operations, particularly with new contracts awarded for one of Giga project contracts and other large-scale projects requiring increased workforce capacity.

Supplies and consumables relate to materials expenses to support the execution of the contracts and it increased from nil in FY22G to SAR24.5 million in FY23G and further to SAR41.0 million in FY24G. as the expenses in reclassified from subcontractors cost to separate cost line item in FY23G and FY24G.

Depreciation of property and equipment pertains to the depreciation charge allocated to office equipment, computers, leasehold improvement and furniture and fixtures.

Depreciation of property and equipment increased by 129.1% from SAR2.4 million in FY22G to SAR5.5 million in FY23G due to the new addition made on the offices opened in north region and the equipment purchased to support the operational expansion.

Depreciation of property and equipment increased by 84.1% from SAR5.5 million in FY23G to SAR10.2 million in FY24G due to the additions in the machines, equipment used in the execution of the contracts, and the new equipment and furniture new staff accommodation location in north region.

Marketing and license fees relate to group license fees, brand and marketing services.

Marketing and license fees increased from SAR3.7 million in FY22G to SAR5.5 million in FY23G and SAR8.1 million in FY24G following the increase in license fees paid during the year, which is a percentage of 1-1.5% of revenue paid to the parent company.

Vehicle running expenses relate to short-term rental contracts, fuel and repair costs, and it increased from SAR1.6 million in FY22G to SAR3.4 million in FY23G and SAR5.7 million in FY24G mainly due to increased consumptions with larger teams and headcount hired in between FY22G and FY24G to accommodate for the increasing employee requirements.

Amortization of right-of-use assets relates to allocated cost of the leased asset over the lease term, and it decreased by 8.3% from SAR2.9 million in FY22G to SAR2.6 million in FY23G mainly due to the write-offs made in FY23G, related to terminated lease contracts, which was replaced with new leases.

Amortization of right-of-use assets increased by 99.0% from SAR2.6 million in FY23G to SAR5.2 million in FY24G in line with the increase in RoU following the additions to the leased properties for the branches in NEOM and Tabuk.

I.T support charges relate to technical support and assistance by IT charges, and it increased from SAR1.5 million in FY22G to SAR2.1 million in FY23G and SAR3.7 million in FY24G due to the increase in the usage of the IT system and the new charges associated with the expansion of the team.

Communication expenses relate to mobile, internet, facsimile, landline, and it increased by SAR716 thousand in FY22G to SAR949 thousand in FY23G and SAR1.6 million in FY24G as a result of the increased usage of the communications and the new charges associated with the increase in headcount and branches across the Kingdom.

Other relates to pantry cost, amortization of mobilization cost, utilities, courier, tender application, and it increased from SAR5.7 million in FY22G to SAR9.8 million in FY23G and SAR13.1 million in FY24G mainly due to the increase in transport services associated with new contracts in remote locations such as NEOM and the increase in tenders' applications.

Table 6.10: Subcontractor cost for the financial years ended 31 December 2022G, 2023G, and 2024G

SAR in 000s	FY22G MA	FY23G MA	FY24G MA	Variance 2022G-2023G	Variance 2023G – 2024G	CAGR 2022G-2024G
Specialized Services	60,509	80,366	152,991	32.8%	90.4%	59.0%
Manpower	34,710	46,929	70,833	35.2%	50.9%	42.9%
Other Services	42,089	86,054	125,067	104.5%	45.3%	72.4%
Total	137,308	213,350	348,890	55.4%	63.5%	59.4%

Source: Management's accounts for the financial years ended 31 December 2023G and 2024G

Subcontractor costs accounted for the largest portion of cost of revenues, representing c.46% in FY22G and FY23G and c.50% in FY24G. These costs are related to manpower supply, specialized services such as waste management, firefighting, catering, and other services that support the Company's resources in fulfilling contract scopes.

Subcontractor costs increased from SAR137.3 million in FY22G to SAR213.4 million in FY23G, driven by the expanded use of outsourced services to support the Company's growing operations. This increase was primarily due to the need to accommodate large contracts awarded between FY22G and FY23G. Additionally, the Company increased its reliance on specialized services that it does not perform in-house, outsourcing them to specialized suppliers for services such as waste management and catering, among others.

Subcontractor costs increased from SAR213.4 million in FY23G to SAR348.9 million in FY24G, driven by growth across all categories, including manpower supply. The number of outsourced and specialized workers increased to 2,476 during FY24G. This was accompanied by a rise in specialized services, reflecting growing demand for such offerings. The increase in specialized service costs is aligned with corresponding revenue growth, underscoring the Company's increasing reliance on subcontractors to meet its operational requirements. Subcontractors form a core part of the Company's operating model and cost structure.

In previous financial years, the Company primarily sourced manpower through subcontractors. The number of indirect employees stood at 2,168 in FY22G but declined to 1,772 in FY23G, reflecting a shift in strategy toward outsourcing full-service delivery by subcontractors rather than relying solely on manpower supply. The number rose again to 2,476 in FY24G, driven by the need for additional labor support to execute new projects, particularly those associated with Giga project clients.

At the same time, a large portion of services continued to fall under the "Specialized Services" category, consistent with the Company's strategy to fully outsource these services to external vendors instead of relying on in-house resources or traditional manpower supply. This approach led to a notable concentration in subcontractor spending, with the top 20 suppliers accounting for approximately 58% of total subcontracting costs.

Table 6.11: General and administrative expenses for the financial years ended 31 December 2022G, 2023G, and 2024G

SAR in 000s	FY22G MA	FY23G Audited	FY24G Audited	Variance 2022G-2023G	Variance 2023G – 2024G	CAGR 2022G-2024G
Employee costs	10,839	12,568	26,618	15.9%	111.8%	56.7%
Amortization of right-of-use assets	267	1,115	3,958	317.9%	255.0%	285.2%
I.T cost	529	1,711	2,729	223.5%	59.5%	127.2%
Impairment of trade receivables	-	996	1,526	n/a	53.3%	n/a
Depreciation of property and equipment	157	1,189	1,173	658.5%	(1.4%)	173.5%
Other*	1,782	1,929	1,990	8.2%	3.2%	5.7%
Total	13,574	19,507	37,994	43.7%	94.8%	67.3%
KPIs	Var.					
Nb. of direct employees (under G&A)	55	64	122	9	58	67

Source: Audited financial statements for the financial years ended 31 December 2024G, and Management's accounts

* Management has reclassified certain items for FY23G and FY24G under other expenses in the financial statements for FY24G. Consequently, the figures for FY22G have been reclassified in the same manner for the purpose of comparison.

General and administrative ("G&A") expenses mainly consisted of employee costs (which accounted for c.70% of total G&A in FY24G), Amortization of right-of-use assets (c.10%) and I.T cost (c.7%), amongst others.

Employee costs relate to costs of the head office and management employees.

Employee costs increased by 15.9% from SAR10.8 million in FY22G to SAR12.6 million in FY23G and further increase by 111.8% to SAR26.6 million in FY24G driven by an increase in head office and management staff headcount from 55 employees in FY22G to 122 employees in FY24G. This growth reflects the addition of key management positions, as part of the Company's efforts to reduce reliance on parent group resources and adding headcount to the management and head office team.

Amortisation of right-of-use assets relates to allocated cost of the leased asset over the lease term.

Amortisation of right-of-use assets increased by 317.9% from SAR267 thousand in FY22G to SAR1.1 million in FY23G as a result of the established building and rest house in Tabuk.

Amortisation of right-of-use assets increased by 255.0% from SAR1.1 million in FY23G to SAR4.0 million in FY24G driven by the additions of the new Riyadh office in Narjis area.

I.T cost relates to technical support and assistance and IT charges.

I.T costs increased by 127.2% CAGR from SAR529 thousand in FY22G to SAR1.7 million in FY23G and SAR2.7 million in FY24G mainly due to increased spending on the IT charges associated with the increased headcount.

Impairment of trade receivables relates to the impairment cost charged for the year related to account receivables.

Impairment of trade receivables increased from nil in FY22G to SAR996 thousand in FY23G and SAR1.5 million in FY24G based on the management ECL assessment to increase the provision in FY23G-FY24G.

Depreciation of property and equipment pertains to the depreciation charge allocated to office equipment, computers, leasehold improvement and furniture and fixtures.

Depreciation of property and equipment increased by 173.5% CAGR from SAR157 thousand in FY22G to SAR1.2 million in FY24G on the back of expansion of the headquarters and support service facility.

Other mainly consists of legal and professional fees, rent, pantry and stationery of the head office.

Others increased from SAR1.8 million in FY22G to SAR1.9 million in FY23G and further to SAR2.0 million in FY24G mainly due to the increase in spendings following: (i) the increase in headcount of management, (ii) expansion of company operations, and (iii) the increase in initial public offering expenses.

6.6.1.4 Finance cost

Table 6.12: Finance cost for the financial years ended 31 December 2022G, 2023G, and 2024G

SAR in 000s	FY22G Audited	FY23G Audited	FY24G Audited	Variance 2022G-2023G	Variance 2023G – 2024G	CAGR 2022G-2024G
Interest on borrowings	3,466	5,441	12,323	57.0%	126.5%	88.6%
Interest on lease liabilities	325	469	1,118	44.2%	138.3%	85.4%
Interest on defined benefits obligations	141	390	545	177.3%	39.8%	96.9%
Total	3,932	6,300	13,986	60.2%	122.0%	88.6%

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Finance costs comprise interest on borrowings (c.88% of total finance cost over the historical period), interest on lease liabilities (c.8%) and interest on defined benefits obligation (c.4%).

Finance cost increased from SAR3.9 million in FY22G to SAR6.3 million in FY23G and further to SAR14.0 million in FY24G as a result of the increase in interest on borrowings following the additional financing taken by the Company to finance their operations and expansions.

6.6.2 Statement of Financial Position Data

Table 6.13: Statement of Financial Position Data as of 31 December 2022G, 2023G and 2024G

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Assets			
Non-current assets			
Property and equipment	15,920	32,078	51,741
Right of use assets	8,723	14,895	25,340
Deferred tax assets	1,500	1,738	2,091
Long term prepayments	6,591	-	-
Investment in associate	-	-	889
Total non-current assets	32,734	48,712	80,061
Current assets			
Contract assets	31,786	83,276	115,949
Trade receivables	81,937	174,991	230,684
Prepayments and other current assets	29,261	27,299	33,402
Due from related parties	-	-	6,347
Cash and cash equivalents	24,930	21,868	64,934
Total current assets	167,914	307,434	451,316
Total assets	200,648	356,145	531,377
Equity and liabilities			
Equity			
Share Capital	10,000	10,000	10,000
Statutory reserve	5,000	5,000	-
Retained earnings	40,825	69,277	128,360
Total equity	55,825	84,277	138,360
Non-current liabilities			
Employees' defined benefit liabilities	9,597	12,213	15,431
Lease liabilities – non current portion	5,472	8,704	13,179
Bank borrowing – long term	2,750	23,458	19,928
Total non-current liabilities	17,819	44,376	48,537

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Current liabilities			
Bank borrowings – short term	27,180	77,115	101,061
Lease liabilities – current portion	2,955	5,192	9,763
Loans from shareholders	-	11,580	20,000
Trade and other payables	82,063	130,390	199,601
Due to related parties	11,827	303	8,756
Accrued zakat and income tax	2,978	2,911	5,299
Total current liabilities	127,004	227,492	344,479
Total liabilities	144,823	271,868	393,017
Total equity and liabilities	200,648	356,145	531,377
KPIs			
Day Sales Outstanding (“DSO”)	90	124	106
DSO (including Contract assets)	124	182	159
Days Purchases Outstanding (“DPO”)	121	111	110
Return on Assets (“RoA”) (%)	8.5%	7.8%	9.7%
Return on Equity (“RoE”) (%)	30.6%	33.0%	37.3%
Debt to equity ratio	0.54	1.33	1.02

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Assets

Non-current assets increased from SAR32.7 million as of 31-Dec-22G to SAR48.7 million as of 31-Dec-23G mainly resulting from (i) the increase in property and equipment (increase by SAR16.2 million) driven by large additions on office and machinery equipment, and (ii) the increase in right-of-use assets (increase by SAR6.2 million) on the back of the 5 new lease contracts acquired in FY23G.

Non-current assets increased from SAR48.7 million as of 31-Dec-23G to SAR80.1 million as of 31-Dec-24G mainly resulting from (i) the increase in property and equipment (increase by SAR19.7 million) driven by large additions on office and machinery equipment, and (ii) the increase in right-of-use assets (increase by SAR10.4 million) on the back of additions relating to the new leased offices in Riyadh.

Current assets increased from SAR167.9 million as of 31-Dec-22G to SAR307.4 million as of 31-Dec-23G resulting from the increase in (i) trade receivables (increase by SAR93.1 million) driven by revenue growth and new contracts awarded, (ii) contract assets (increase by SAR51.5 million) driven by revenue growth and expanded contract scopes, which extended the time required to bill. This was partially offset by the decrease in cash and cash equivalents by SAR3.1 million.

Current assets increased from SAR307.4 million as of 31-Dec-23G to SAR451.3 million as of 31-Dec-24G resulting from the increase in (i) trade receivables (increase by SAR55.7 million), (ii) contract assets (increase by SAR32.7 million) driven by the further growth in the Company's operations, and (iii) cash and cash equivalents (increase by SAR43.1 million) mainly driven by the positive cash flow from operating activities.

Shareholder's equity increased from SAR55.8 million as of 31-Dec-22G to SAR84.3 million as of 31-Dec-23G resulting from the increase in retained earnings by SAR28.5 million in line with the increase in the Company's net profit during the period, while no dividends were distributed during FY23G.

Shareholder's equity increased from SAR84.3 million as of 31-Dec-23G to SAR138.4 million as of 31-Dec-24G resulting from the increase in retained earnings by SAR59.1 million in line with the increase in the Company's net profit during the period, while no dividends were distributed during FY24G.

Liabilities

Non-current liabilities increased from SAR17.8 million as of 31-Dec-22G to SAR44.4 million as of 31-Dec-23G mainly on the back of the increase in long-term bank borrowings by SAR20.7 million following the additional loans acquired to finance the mobilization of the new contracts.

Non-current liabilities increased from SAR44.4 million as of 31-Dec-23G to SAR48.5 million as of 31-Dec-24G driven by the increase in non-current portion of lease liabilities (increase by SAR4.5 million) in parallel with the increase in RoU, employee's defined benefit liabilities (increase by SAR3.2 million) in line with the increase in headcount, and long-term bank borrowings (decrease by SAR3.5 million) upon the additional loans acquired.

Current Liabilities increased from SAR127.0 million as of 31-Dec-22G to SAR227.5 million as of 31-Dec-23G mainly due to the increase in (i) short-term bank borrowings by SAR49.9 million driven by the additional loans acquired in FY23G, (ii) trade and other payables (increase by SAR48.3 million). This was slightly offset by the decrease in due to related parties (decrease by SAR11.5 million) due to settlement of related parties balances.

Current liabilities increased from SAR227.5 million as of 31-Dec-23G to SAR344.5 million as of 31-Dec-24G mainly driven by the increase in trade and other payables (increase by SAR69.2 million) as a result of the increased reliance and spending on subcontractor costs with the expansion of the contracts size and value, coupled with the increase in short-term bank borrowings (increase by SAR23.9 million).

6.6.2.1 Property and equipment

Table 6.14: Net book value of property and equipment as of 31 December 2022G, 2023G, and 2024G

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Leasehold improvements	369	649	912
Furniture and fixtures	1,945	2,373	4,664
Office & machinery equipment	13,045	28,491	38,362
Vehicles	57	71	6,739
Computers	504	494	1,063
Total	15,920	32,078	51,741

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Table 6.15: Additions to property and equipment during the financial years ended 31 December 2022G, 2023G, and 2024G

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Leasehold improvements	388	394	473
Furniture and fixtures	1,775	1,059	3,335
Office & machinery equipment	11,137	21,107	19,191
Vehicles	70	35	7,034
Computers	462	298	1,020
Total	13,833	22,893	31,053

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Table 6.16: Accumulated depreciation of property and equipment as of 31 December 2022G, 2023G, and 2024G

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Leasehold improvements	319	432	642
Furniture and fixtures	2,829	3,461	4,505
Office & machinery equipment	7,379	13,041	22,361
Vehicles	13	34	399
Computers	1,445	1,754	2,198
Total	11,986	18,721	30,105

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Property and equipment increased from SAR15.9 million as of 31-Dec-22G to SAR32.1 million as of 31-Dec-23G driven by additions of SAR22.9 million primarily relating to office and machinery equipment (SAR21.1 million) consisting of new head office and machines used in cleaning and maintenance, slightly offset by the depreciation charge of SAR6.7 million incurred for the period.

Property and equipment increased from SAR32.1 million as of 31-Dec-23G to SAR51.7 million as of 31-Dec-24G driven by additions of SAR31.0 million primarily relating to new furniture and equipment to the head office in Riyadh and machinery equipment (SAR19.2 million), slightly offset by the depreciation charge of SAR11.4 million incurred for the period.

Leasehold improvement (1.8% of total as of 31-Dec-24G) mainly relates to head office renovation such as glass work, paint, carpet and lighting installation, among others.

The balance increased from SAR369 thousand as of 31-Dec-22G to SAR649 thousand as of 31-Dec-23G driven by the improvements done predominantly on Riyadh head office (increase by SAR198 thousand) and Jeddah office (increase by SAR172 thousand).

The balance increased from SAR649 thousand as of 31-Dec-23G to SAR912 thousand as of 31-Dec-24G driven by improvements made on the new Riyadh office.

Furniture and fixtures (9.0%) represent office decorations and furniture relating to the Company's head office and branches.

The balance increased from SAR1.9 million as of 31-Dec-22G to SAR2.4 million as of 31-Dec-23G driven by additions amounting to SAR1.1 million which included the purchase of beds, cabinets, air conditioners and chairs in relation to various projects.

The balance increased from SAR2.4 million as of 31-Dec-23G to SAR4.7 million as of 31-Dec-24G driven by additions (increase by SAR3.3 million) on the new furniture related to the new Riyadh office.

Office and machinery equipment (74.1%) increased from SAR13.0 million as of 31-Dec-22G to SAR28.5 million as of 31-Dec-23G on the back of additions (increase by SAR21.1 million) related to capital-intensive equipment to deliver FM services, out of which SAR16.3 million related to specific contracts with one of the Giga project clients.

The balance increased from SAR28.5 million as of 31-Dec-23G to SAR38.4 million as of 31-Dec-24G driven by the additions of SAR19.2 million related to the equipment purchases to support the Company's operation and expansion, including washing machines, road sweepers and waste trucks.

Vehicles (13.0%) relates Company's cars and vehicles, and it increased from SAR57 thousand as of 31-Dec-22G to SAR71 thousand as of 31-Dec-23G.

The balance increased from SAR71 thousand as of 31-Dec-23G to SAR6.7 million as of 31-Dec-24G driven by the purchases of new vehicles to support the remote locations and staff transportation, including buses and trucks.

Computers (2.1%) relates to laptops and software, and it decreased from SAR504 thousand as of 31-Dec-22G to SAR494 thousand as of 31-Dec-23G on the back of the depreciation charge for the year.

The balance increased from SAR494 thousand as of 31-Dec-23G to SAR1.1 million as of 31-Dec-24G driven by the additions related additional headcount.

6.6.2.2 Right-of-use assets

Table 6.17: Right-of-use assets as of 31 December 2022G, 2023G and 2024G.

SAR in 000s	Vehicles	Properties	Total
Cost			
Balance at 1 January 2022G	3,981	3,992	7,973
Additions for the year	1,580	7,452	9,032
Write off	(1,602)	(2,835)	(4,437)
Balance at 31 December 2022G	3,959	8,609	12,568
Additions for the year	-	9,916	9,916
Balance at 31 December 2023G	3,959	18,526	22,485
Additions for the year	3,265	16,371	19,636
Balance at 31 December 2024G	7,224	34,897	42,121
Accumulated depreciation			
Balance at 1 January 2022G	2,032	3,115	5,147

SAR in 000s	Vehicles	Properties	Total
Depreciation for the year	1,315	1,820	3,135
Write off	(1,602)	(2,835)	(4,437)
Balance at 31 December 2022G	1,745	2,100	3,845
Depreciation for the year	818	2,926	3,744
Balance at 31 December 2023G	2,563	5,026	7,589
Depreciation for the year	1,204	7,987	9,191
Balance at 31 December 2024G	3,767	13,013	16,780
Net book value			
As of 31 December 2022G	2,214	6,510	8,723
As of 31 December 2023G	1,396	13,499	14,895
As of 31 December 2024G	3,457	21,884	25,340

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Right-of-use assets ("RoU") amounted to SAR25.3 million as of 31-Dec-24G and comprised leased property (SAR21.9 million) and vehicles (SAR3.5 million).

The balance increased from SAR8.7 million as of 31-Dec-22G to SAR14.9 million as of 31-Dec-23G driven by additions of SAR9.9 million relating to 5 new leased property contracts, related to the new offices and staff accommodations and stations in Tabuk. This was slightly offset by the depreciation charge of SAR3.7 million incurred for the period.

The balance increased from SAR14.9 million as of 31-Dec-23G to SAR25.3 million as of 31-Dec-24G mainly on the back of additions of SAR19.6 million made to the new leased offices (SAR16.4 million).

Properties (represents c.86% of total RoU as of 31-Dec-24G) comprises leased offices and warehouses with an average lease term of 3 years.

The balance increased from SAR6.5 million as of 31-Dec-22G to SAR13.5 million as of 31-Dec-23G on the back of additions amounting to SAR9.9 million relating to the 5 new lease contracts. These contracts cover 4 facilities in Tabuk consisting of a regional office, a guest house, and an office for a manpower contract. This was slightly offset by the depreciation charge of SAR2.9 million recorded for the period.

The balance increased from SAR13.5 million as of 31-Dec-23G to SAR21.9 million as of 31-Dec-24G on the back of additions amounting to SAR16.4 million relating to the new Riyadh offices. This was slightly offset by the depreciation charge of SAR8.0 million recorded for the period.

Vehicles (c.14%) comprises leased vehicles for both direct operations and support staff. Direct operations use buses for staff transportation and double cabin pickups for logistics. Support staff vehicles include those for G&A resources and management.

The balance decreased from SAR2.2 million as of 31-Dec-22G to SAR1.4 million as of 31-Dec-23G on the back of the depreciation charge of SAR818 thousand recorded for the period, coupled with no additions made during the same period.

The balance increased from SAR1.4 million as of 31-Dec-23G to SAR3.5 million as of 31-Dec-24G on the back of additions amounting to SAR3.3 million relating to leased vehicles supporting the Company's operations. This was slightly offset by the depreciation charge of SAR1.2 million recorded for the period.

6.6.2.3 Contract Assets

Table 6.18: Contract assets as of 31 December 2022G, 2023G and 2024G.

SAR in 000s	31-Dec-22G MA	31-Dec-23G MA	31-Dec-24G MA
Contract Assets	31,787	83,276	115,948
Total	31,787	83,276	115,948

Source: Management accounts for the financial years ended 31 December 2023G and 2024G

Table 6.19: Contract assets aging as of 31 December 2022G, 2023G and 2024G.

SAR in 000s	31-Dec-22G MA	31-Dec-23G MA	31-Dec-24G MA
Current	18,345	70,680	82,381
Day 30-60	7,446	8,532	17,211
Day 61-90	2,056	2,594	4,170
Day 91-120	1,774	754	4,218
Day 121-180	228	50	1,308
Day < 180	1,937	665	6,660
Total	31,786	83,276	115,948

Source: Management accounts for the financial years ended 31 December 2023G and 2024G

Contract assets represent unbilled revenue related to invoices that have not yet been verified or approved by customers. These balances remain classified as contract assets until invoicing occurs, which typically takes place within an average period of approximately 30 to 60 days.

Contract assets increased from SAR31.8 million as of 31 December 2022G to SAR83.3 million as of 31 December 2023G, primarily driven by an increase in the balance associated with the Company's key Giga project client (SAR26.3 million increase), given the longer verification and approval cycle for invoices with this client, which may range from zero to 60 days. The increase was also supported by new contracts that commenced during FY23G, including the aviation client and oil and gas clients during the same period.

Contract assets continued to grow, reaching SAR115.9 million as of 31 December 2024G, mainly due to higher balances associated with newly signed contracts with an international client, as well as further increases in the balances for the key Giga project client and one of the Company's oil and gas clients.

This increase was further supported by management's decision to fully expense previously capitalized mobilization costs during FY24G, which resulted in revenue recognition corresponding to those costs amounting to SAR21.7 million. These amounts remain within unbilled revenue and are expected to be invoiced progressively based on contract execution. As a result, contract assets increased by SAR31.7 million by the end of FY24G.

No impairment provision was recorded against contract assets, as these balances are unbilled and do not have fixed due dates. However, management performs an annual impairment assessment to evaluate any potential expected credit losses based on an aging analysis of the outstanding balances.

6.6.2.4 Trade receivables

Table 6.20: Trade receivables as of 31 December 2022G, 2023G and 2024G.

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Trade receivables	83,059	176,791	234,010
Less: allowance for impairment	(1,122)	(1,800)	(3,326)
Total	81,937	174,991	230,684

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Table 6.21: Movement in allowance for impairment on trade receivables of 31 December 2022G, 2023G and 2024G:

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Balance at 1 January	2,114	1,122	1,800
Charge of the year	-	996	1,526
Write off	(992)	(318)	-
Balance at 31 December	1,122	1,800	3,326

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Table 6.22: Trade receivables aging as of 31 December 2022G, 2023G and 2024G:

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
1-90 Days	62,496	101,981	201,460
91-180 Days	13,167	14,937	15,296
181-360 Days	2,429	52,610	8,193
360 < Days	4,968	7,263	9,062
Total	83,059	176,791	234,010

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Trade receivables pertain to the outstanding balances from customers on the billed revenue.

Net trade receivables balances increased over the historical period under review from SAR81.9 million as of 31-Dec-22G to SAR175.0 million as of 31-Dec-23G and SAR230.7 million as of 31-Dec-24G in line with the revenue growth and new contracts awarded over the period, which increased the billed revenue under receivables.

Credit terms are granted on a case-by-case basis, with flexibility extended for larger contracts, contributing to the higher receivables balance. Additionally, DSO increased from 90 days as of 31-Dec-22G to 124 days as of 31-Dec-23G, reflecting the extended credit terms, and slower collections especially on the initial phases on the contracts. However, DSO dropped to 106 days as of 31-Dec-24G, on the back of the faster collection in FY24G after the ramp-up of the contracts started in FY23G.

The Company had SAR8.2 million in balances aged between 181–360 days and SAR9.1 million aged over 1 year, including expired contracts. Management conducted an ECL assessment and recorded a provision of SAR3.3 million in FY24G, based on historical collection trends and customer default rates.

6.6.2.5 Prepayments and other current assets

Table 6.23: Prepayments and other current assets as of 31 December 2022G, 2023G and 2024G.

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Advances to suppliers	4,599	12,057	10,684
Refundable deposits	8,232	8,936	8,563
Prepaid expenses	10,800	3,029	6,210
Supplies	1,057	2,065	4,895
Advances to employees	1,088	849	1,831
Mobilization expenses	9,801	-	-
Others	275	362	1,219
Total	35,852	27,299	33,402
Less: long-term prepayments	(6,591)	-	-
Total	29,261	27,299	33,402

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Prepayments and other current assets amounted to SAR33.4 million as of 31-Dec-24G and mainly comprised advances to suppliers (c.32%), refundable deposits (c.26%), prepaid expenses (c.19%), suppliers (c.15%) amongst others.

Advances to suppliers relates to advance payments made to suppliers and sub-contractors.

The balance increased from SAR4.6 million as of 31-Dec-22G to SAR12.1 million as of 31-Dec-23G mainly due to the increase in the subcontractor costs, coupled with the purchase of property and equipment.

The balance decreased from SAR12.1 million as of 31-Dec-23G to SAR10.7 million as of 31-Dec-24G mainly driven by lower advance payments made to suppliers and faster utilization of the previous advances.

Refundable deposits increased from SAR8.2 million as of 31-Dec-22G to SAR8.9 million as of 31-Dec-23G due to the increase in deposits kept for the guarantees according to some contract terms.

The balance slightly decreased from SAR8.9 million as of 31-Dec-23G to SAR8.6 million as of 31-Dec-24G mainly due to limited changes in the refundable deposits as the amounts has been utilised.

Pre-paid expenses relate to medical expenses among others.

The balance decreased from SAR10.8 million as of 31-Dec-22G to SAR3.0 million as of 31-Dec-23G, due to the usage of the prepaid expenses by the Company at a faster pace than advance payments.

The balance increased from SAR3.0 million as of 31-Dec-23G to SAR6.2 million as of 31-Dec-24G in line with the increase in headcount and expansion in the Company's teams.

Supplies relates to inventory stocks of the Company such as spare parts, cleaning items and materials, stationery, and uniforms.

Supplies increased from SAR1.1 million as of 31-Dec-22G to SAR2.1 million as of 31-Dec-23G and SAR4.9 million as of 31-Dec-24G due to the increase in the consumptions and the need for stocking more supplies to serve the contract needs.

Advances to employees relates to advances paid to employees such as loans and petty cash that are recoverable.

The balance decreased from SAR1.1 million as of 31-Dec-22G to SAR849 thousand as of 31-Dec-23G with the collection of these advances.

The balance increased from SAR849 thousand as of 31-Dec-23G to SAR1.8 million as of 31-Dec-24G due to the increase in the headcount of the Company.

Mobilization cost relates to capitalized cost on specific contracts, where the Company amortize these costs on straight-line basis over the term of the respective contracts.

Mobilization cost decreased from SAR9.8 million as of 31-Dec-22G to nil as of 31-Dec-23G and 31-Dec-24G driven by management decision to expense this capitalized cost fully in FY24G.

Others increased from SAR275 thousand as of 31-Dec-22G to SAR362 thousand as of 31-Dec-23G as a result of the increase in some other expenses such as prepaid utilities and petty cash advances.

The balance increased from SAR362 thousand as of 31-Dec-23G to SAR1.2 million as of 31-Dec-24G mainly due to advances paid by the Company for the utilities in the new offices.

Long-term repayments relate to the long-term portion of the mobilization costs.

The balance eliminated as of 31-Dec-24G, due to the change in the accounting treatment which expenses the capitalized expenses in FY24G.

6.6.2.6 Investment in associate

Table 6.24: Investment in associate as of 31 December 2024G.

SAR in 000s	%	31-Dec-24G Audited
The Agency LTD Company for Entertainment Events Limited Liability Company	33.0%	165
Total	33.0%	165

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Table 6.25: Movement in investment in associate as of 31 December 2024G.

SAR in 000s	31-Dec-24G Audited
Opening balance	-
Value of shared owned by EFSIM Facilities Management Company	165
Share of the results for the year	724
Closing balance	889

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Investment in associate amounted to SAR889 thousand as of 31-Dec-24G, and it pertains to the establishment of the new entity with The Hostess Agency Ltd. L.L.C. which provides temporary staffing solutions for events, luxury retail establishments, and hospitality venues. The Agency LTD Company for Entertainment Events offers a comprehensive range of services, including guest-facing roles at events and luxury boutiques and offering expertise to curate exceptional shows.

The Agency LTD Company for Entertainment Events Limited Liability Company's share capital amount to SAR500,000 and was formed of 5,000 shares of SAR100 each allocated as follows: (i) 3,350 shares owned by THA UAE representing a shareholding of 67%, and (ii) 1,650 shares owned by EFSIM Facilities Management Company, representing a shareholding of 33%.

6.6.2.7 Cash and cash equivalents

Table 6.26: Cash and cash equivalents as of 31 December 2022G, 2023G and 2024G.

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Cash at banks – current account	24,853	21,780	64,872
Cash in hand	78	88	62
Total	24,930	21,868	64,934

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Cash and cash equivalents amounted to SAR64.9 million as of 31-Dec-24G and consisted of cash in hand and cash at banks.

The balance decreased from SAR24.9 million as of 31 December 2022G to SAR21.9 million as of 31 December 2023G, primarily due to a net cash outflow from operating activities amounting to SAR57.5 million during FY23G, in addition to a net cash outflow from investing activities of SAR22.9 million, driven by increased purchases of property and equipment. This was partially offset by a net cash inflow from financing activities of SAR77.3 million during the same year, resulting from higher proceeds from bank borrowings amounting to SAR282.6 million.

The balance increased from SAR21.8 million as of 31 December 2023G to SAR64.9 million as of 31 December 2024G, mainly driven by a net cash inflow from operating activities of SAR57.2 million and a net cash inflow from financing activities of SAR17.1 million during FY24G. This was partially offset by a net cash outflow from investing activities of SAR31.2 million during the same period.

6.6.2.8 Related parties balances and transactions

Table 6.27: Transactions with related parties for financial years ended 31 December 2022G, 2023G and 2024G.

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Parent Company			
Marketing and support services fee	(3,665)	(5,491)	(8,060)
Income/ WH tax charged/ reimbursement	2,798	920	1,906
Dividend declared	(4,400)	-	-
Reimbursement of tax	1,518	-	-
IT support	(2,591)	(3,889)	(6,390)
Services rendered/ (received) net of reimbursement	(879)	14,383	1,646
Shareholder's loan	-	6,600	4,400
Seconded salaries	(2,685)	(3,839)	(1,955)
Other shareholders			
Dividend declared	(3,600)	-	-
Dividend paid	(1,987)	-	-
Reimbursement for zakat	1,613	-	-
Shareholders' loan	-	4,980	4,020

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Table 6.28: Due from related parties as of 31 December 2022G, 2023G and 2024G.

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Zakat and income tax due from shareholders	-	-	5,415
The Agency LTD Company for Entertainment Events	-	-	933
Total	-	-	6,347

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Table 6.29: Due to a related party as of 31 December 2022G, 2023G and 2024G.

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
EFS Group	11,827	303	8,756
Total	11,827	303	8,756

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Due from related parties

The balance due from related parties pertains to the Company's agreement with its shareholders, whereby taxes and zakat paid during the year are reimbursed by the shareholders in proportion to their respective shareholding. The balance stood at nil as of 31 December 2022G and 31 December 2023G, as all related amounts were settled during those years. As of 31 December 2024G, the balance increased to SAR5.4 million, representing amounts still outstanding at year-end. In addition, a new balance of SAR933 thousand was recorded in FY24G with the associate company ("The Agency LTD for Entertainment Events – Limited Liability Company"), related to services and outsourcing support provided by EFSIM to the associate.

Due to a related party

The balance due to related parties decreased from SAR11.8 million as of 31 December 2022G to SAR303 thousand as of 31 December 2023G, mainly due to settlements made during the year, as well as the reclassification of outstanding amounts to shareholder loans.

The balance increased from SAR303 thousand as of 31 December 2023G to SAR8.8 million as of 31 December 2024G, primarily due to an increase in outstanding license fees and shareholder reimbursements.

Table 6.30: Shareholder's loan as of 31 December 2022G, 2023G and 2024G.

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Shareholder's loan	-	11,580	20,000
Total	-	11,580	20,000

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Shareholders' loan increased from nil as of 31-Dec-22G to SAR11.6 million as of 31-Dec-23G and SAR20.0 million as of 31-Dec-24G, and it represents a short-term interest-free loan from the shareholders provided to support the Company's operations and cashflow requirements which will be converted into equity by the decision of the shareholders and subject to the completion of all necessary legal formalities, including the re-registration of the share capital.

6.6.2.9 Share capital

The share capital of the Company as of 31-Dec-24G was SAR 10,000,000 divided into 100,000 shares of SAR 100 each, which are fully paid and owned as follows:

Table 6.31: Share capital as of 31 December 2024G.

SAR in 000s	No. of shares	%	Total value
EFS Group	55,000	55%	5,500,000
Al-Khafrah Company	15,000	15%	1,500,000
Lama Company	13,000	13%	1,300,000
Career First Company	10,000	10%	1,000,000
Khalid bin Abdulrahman bin Abdullah Al- Kuwaiz	7,000	7%	700,000
Total	100,000	100%	10,000,000

Source: Audited financial statements for the financial years ended 31 December 2024G

On 27 Rajab 1446H (corresponding to 27 January 2025G), the shareholders resolved to increase the Company's share capital from SAR10,000,000 to SAR90,000,000 through the conversion of shareholder loans amounting to SAR20,000,000 into share capital, and the capitalization of SAR60,000,000 from retained earnings. The shareholders also approved a stock split at a ratio of 50:1, whereby each share was divided into 50 shares, resulting in the Company's share capital being structured as follows:

Table 6.32: Share capital as adjusted pursuant to Note 29 (Events After the Reporting Date) in the financial statements for the year ended 31 December 2024G.

SAR in 000s	No. of shares	%	Total value
EFS Group	24,750,000	55%	49,500,000
Al-Khafrah Company	6,750,000	15%	13,500,000
Lama Company	5,850,000	13%	11,700,000
Career First Company	4,500,000	10%	9,000,000
Khalid bin Abdulrahman bin Abdullah Al- Kuwaiz	3,150,000	7%	6,300,000
Total	45,000,000	100%	90,000,000

Source: Audited financial statements for the financial years ended 31 December 2024G

6.6.2.10 Employees defined benefits liability

Table 6.33: Movement on employees defined benefits liability during the year ended 31 December 2022G, 2023G and 2024G.

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Balance on 1 January	7,219	9,597	12,213
Included in statement of profit and loss:			
Current service cost	3,378	2,346	6,062
Interest cost	141	390	545
	3,519	2,736	6,607
Included in statement of other comprehensive income:			
Actuarial loss recognized	900	3,702	3,331
	900	3,702	3,331
Benefits paid	(2,041)	(3,821)	(6,721)
Balance on 31 December	9,597	12,213	15,431

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Employee's defined benefit liabilities represent the estimate gratuity payable to employees upon termination under relevant local regulations and contractual agreements.

The balance increased from SAR9.6 million as of 31-Dec-22G to SAR12.2 million as of 31-Dec-23G and SAR15.4 million as of 31-Dec-24G in line with the increase in headcount over the period under review.

6.6.2.11 Lease liabilities

Table 6.34: Lease liabilities as of 31 December 2022G, 2023G and 2024G.

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
At 1 January	2,531	8,427	13,896
Recognition of lease liabilities during the year	9,032	9,916	19,636
Interest charged during the year	325	469	1,118
Payments made during the year	(3,462)	(4,916)	(11,709)
Balance on 31 December	8,427	13,896	22,942

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Table 6.35: Lease liabilities classification as of 31 December 2022G, 2023G and 2024G.

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Non-current portion	5,472	8,704	13,179
Current portion	2,955	5,192	9,763
Total	8,427	13,896	22,942

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Lease liabilities relate to leased properties and vehicles, and it increased from SAR8.4 million as of 31-Dec-22G to SAR13.9 million as of 31-Dec-23G and SAR22.9 million as of 31-Dec-24G in line with the increase in right-of-use assets as a result of the new offices leased in Riyadh.

6.6.2.12 Trade and other payables

Table 6.36: Trade and other payables as of 31 December 2022G, 2023G and 2024G

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Trade payables	51,744	81,372	131,754
Accrued suppliers	9,631	10,734	25,164
Salaries payable	6,425	11,462	18,426
Leave payable	9,094	13,611	11,563
Accrued VAT	2,774	10,952	8,378
Withholding tax payable	152	-	-
Other accrued expenses	2,245	2,261	4,315
Total	82,063	130,390	199,601

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Trade and other payables amounted to SAR 199.6 million as of 31-Dec-24G and mainly comprised trade payables (c.66% of total as of 31-Dec-24G), accrued suppliers (c. 13%) and salaries payable (c.9%), amongst others.

Trade payables relate to balances associated with suppliers and subcontracts for manpower, materials and services.

Trade payables increased from SAR 51.7 million as of 31-Dec-22G to SAR 81.4 million as of 31-Dec-23G and SAR 131.8 million as of 31-Dec-24G driven by the growth in the Company's business following the newly acquired contracts which requires the Company to increase their use of sub-contractors to support their delivery of contracts scopes.

The Company's top 10 suppliers account for 30% of the total balance as of 31-Dec-24G, while the Company works with over 300 suppliers.

Table 6.37: Trade payables aging as of 31 December 2022G, 2023G and 2024G

SAR in 000s	31-Dec-22G MA	31-Dec-23G MA	31-Dec-24G MA
Day 1-60	42,072	49,413	57,112
Day 61-90	3,513	5,395	29,559
Day 91-120	3,636	13,145	12,782
Day < 120	2,524	13,419	32,301
Total	51,744	81,372	131,754

Source: Management accounts for the financial years ended 31 December 2023G and 2024G

The Company's supplier base consists of service providers and subcontractors. The average credit period granted by suppliers ranges between 45 and 60 days. However, certain suppliers-particularly those engaged under relatively long-term contracts-offer extended credit terms of up to 120 days, depending on negotiated outcomes and the credit facilities provided.

As of 31 December 2024G, trade payables due within 1 to 60 days represented the largest portion of total outstanding payables, accounting for 43% of the total balance. In contrast, payables exceeding 120 days accounted for approximately 25% of the total, primarily related to subcontractors. The settlement terms for these balances depend on the contractual arrangements in place and the stage of progress of services delivered under the respective supply and execution agreements.

Accrued expenses – suppliers are the accrued cost that are not yet booked by the Company due to reasons such as invoice is on transit, invoice is under verification or approval by the operation team.

The balance increased from SAR9.6 million as of 31-Dec-22G to SAR10.7 million as of 31-Dec-23G and SAR25.2 million as of 31-Dec-24G in line with the increase in the costs from subcontractors and suppliers.

Accrued expenses – others relate to leave provision, salaries payable, GOSI provision and bonus provision.

The balance increased from SAR15.5 million as of 31-Dec-22G to SAR25.1 million as of 31-Dec-23G and further to SAR30.0 million as of 31-Dec-24G in line with the growth in the Company's headcount.

Accrued VAT relates to accrued payables to ZATCA.

VAT increased from SAR2.8 million as of 31-Dec-22G to SAR11.0 million as of 31-Dec-23G as the settlements is under process between EFSIM and Zakat Authority.

The balance decreased from SAR11.0 million as of 31-Dec-23G to SAR8.4 million as of 31-Dec-24G as a result of the settlements with ZATCA during the FY24G period.

Withholding tax payable relates to foreign taxes, and it decreased from SAR152 thousand as of 31-Dec-22G to nil as of 31-Dec-23G and 31-Dec-24G due to full settlement by the Company.

Other accrued expenses include other payables related to miscellaneous suppliers and accruals.

The balance remained stable at SAR2.2 and SAR2.3 million as of 31-Dec-22G and 31-Dec-23G respectively, before increasing to SAR4.3 million as of 31-Dec-24G.

6.6.2.13 Bank borrowings

Table 6.38: Bank borrowings as of 31 December 2022G, 2023G and 2024G.

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Progress payment finance (PPF) – Banque Saudi Fransi	4,879	11,552	47,293
Progress payment finance (PPF) – ENBD	11,301	39,304	47,268
Mobilization finance – Banque Saudi Fransi	-	18,359	8,011
Mobilization finance – ENBD	13,750	31,358	18,417
Total	29,930	100,573	120,988

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

As of 31-Dec-24G, the Company had 19 active loans amounting to SAR121.0 million for the purpose of financing mobilization of new projects and providing liquidity for daily operations with Banque Saudi Fransi ("BSF") and Emirates NBD KSA ("ENBD"). This includes the interest rate (SIBOR) plus the banks' margins. The percentages are 1.75% for BSF and 3.0% for ENBD, with maturity periods ranging from 3 months to 3 years.

Bank borrowings increased from SAR29.9 million as of 31-Dec-22G to SAR100.6 million as of 31-Dec-23G, following the additional financing received from (i) Saudi Fransi amounting to SAR25.0 million, and (ii) ENBD amounting to SAR45.6 million, to finance the mobilization of the new contracts with key customers.

The balance increased from SAR100.6 million as of 31-Dec-23G to SAR121.0 million as of 31-Dec-24G following the additional financing received from BSF amounting to SAR25.4 million, slightly offset by the decrease in borrowing from ENBD in line with the repayments of mobilization finance loans.

The loans are mainly collateralized against personal and corporate guarantees provided by the shareholders, or the direct invoices which the PPF related to.

6.6.2.14 Accrued zakat and income tax

Table 6.39: Zakat and income tax as presented on statement of profit and loss for the financial years ended 31 December 2022G, 2023G and 2024G.

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Current year tax	2,204	3,064	6,526
Current year zakat	774	950	1,277
	2,978	4,013	7,803
Deferred tax charges/ (reversal)	(168)	127	14
Net of the re-assessment of prior years	23	(138)	-
Total	2,833	4,002	7,817

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Table 6.40: Movement of zakat and tax liability as of 31 December 2022G, 2023G and 2024G.

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Balance at 1 January	1,784	2,978	2,911
Charge of the year	2,978	4,013	7,803
Net of assessment of prior year	23	(138)	-
Payment during the year	(1,807)	(3,942)	(2,812)
Advance to payment to ZATCA	-	-	(2,603)
Balance at 31 December	2,978	2,911	5,299

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Zakat and income tax are provided in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"), and tax charged for non-Saudi share of net adjusted income at 20%.

The balance increased from an average of SAR2.9 million as of 31-Dec-22G and 31-Dec-23G to SAR5.3 million as of 31-Dec-24G in line with the increase in the Company's assets and net income during FY24G.

6.6.3 Statement of Cash Flows

Table 6.41: Statement of Cash Flows for the Financial Years Ended 31 December 2022G, 2023G and 2024G.

SAR in 000s	FY22G Audited	FY23G Audited	FY24G Audited
Cash flows from operating activities			
Profit before zakat and tax	19,933	31,849	59,449
Adjustments for:			
Depreciation expenses	2,578	6,736	11,385
Depreciation on right of use assets	3,135	3,744	9,191
Impairment of trade receivables	-	996	1,526
Finance costs	3,932	6,300	13,986
Provision for employee benefits	3,378	2,346	6,062
Share of profit from associate	-	-	(724)
	32,957	51,970	100,876
Changes in:			
Trade receivables and contract assets	(47,064)	(145,539)	(89,892)
Prepayments and other current assets	(22,808)	8,552	(6,097)
Trade and other payables	51,426	48,327	69,210
Due from related parties	-	-	(933)
Due to related parties	3,906	(7,582)	8,453
Cash (used in)/ generated from operating activities	18,416	(44,272)	81,617
Interest costs on borrowings – paid	(3,466)	(5,441)	(12,323)
Employees benefit paid	(2,041)	(3,821)	(6,721)
Zakat and income tax paid	(1,807)	(3,942)	(5,415)
Net cash (used in)/ generated from operating activities	11,102	(57,476)	57,158
Cash flows used in investing activities			
Investment in associate	-	-	(165)
Purchase of property and equipment	(13,833)	(22,893)	(31,053)
Net cash used in investing activities	(13,833)	(22,893)	(31,218)
Cash flows from financing activities			
Proceeds from banks against borrowings	45,333	282,613	366,376
Repayments to banks against borrowings	(19,832)	(211,970)	(345,961)
Loans from shareholders	-	11,580	8,420
Lease rentals paid	(3,462)	(4,916)	(11,709)
Dividends paid	(1,987)	-	-
Net cash generated from financing activities	20,052	77,307	17,126
Net (decrease)/ increase in cash and cash equivalents	17,321	(3,062)	43,066
Cash and cash equivalents at the beginning of the year	7,609	24,930	21,868
Cash and cash equivalents at the end of the year	24,930	21,868	64,934
Non-cash transaction			
Losses on remeasurement of employees defined benefits	(900)	(3,702)	(3,331)

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Net cash flow from/ (used in) operating activities decreased from an inflow of SAR11.1 million in FY22G to a cash outflow of SAR57.5 million in FY23G. This decline was primarily driven by the negative impact of trade receivables and contract assets, as outstanding balances increased following operational growth. Additionally, there was a negative impact from balances due to related parties. This was partially offset by the increase in profit before zakat and tax, which rose from SAR19.9 million in FY22G to SAR31.8 million in FY23G—an increase of SAR11.9 million over the FY22–FY23G period.

Net cash flow from operating activities improved from a cash outflow of SAR57.5 million in FY23G to a cash inflow of SAR57.2 million in FY24G. This improvement was primarily driven by the positive impact of the increase in profit before zakat and tax, which rose from SAR31.8 million in FY23G to SAR59.4 million in FY24G, as well as the positive working capital movement from trade payables and other payables amounting to SAR69.2 million. This was partially offset by negative cash movements from trade receivables and contract assets totaling SAR89.9 million, along with tax, interest, and employee benefit payments made during the same period.

Net cash flow used in investing activities decreased from an outflow SAR13.8 million in FY22G to an outflow of SAR22.9 million in FY23G as a result of the increase in purchases of property and equipment by SAR9.1 million in line with the new expansions on the Company's machinery and equipment.

Net cash flow used in investing activities increased from SAR22.9 million in FY23G to SAR31.2 million in FY24G in line with the increased property and equipment purchases used to support the Company's operations.

Net cash flow from financing activities increased from an inflow of SAR20.1 million in FY22G to an inflow of SAR77.3 million in FY23G mainly on the back of the higher proceeds from bank borrowings (SAR282.6 million) used to support the Company's daily operations. This was partially offset by the increase in loan repayments (increase by SAR212.0 million) during the same period.

Net cash flow from financing activities decreased from SAR77.3 million in FY23G to SAR17.1 million in FY24G mainly on the back of increased loan repayments (increase by SAR134.0 million) upon the complete settlements of few loans. This was slightly offset by the increase in proceeds from bank borrowings (increase by SAR83.8 million) following the additional loans acquired in FY24G.

6.6.4 Contingencies and commitments

Table 6.42: Contingencies and commitments as of 31 December 2022G, 2023G and 2024G.

SAR in 000s	31-Dec-22G Audited	31-Dec-23G Audited	31-Dec-24G Audited
Performance bond	3,068	51,680	74,414
Bid bond	4,018	3,621	267
Bank guarantee	-	50	50
Total	7,086	55,351	74,731

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G

Performance Bond

Performance bonds consist of letters of guarantee issued to clients upon award of a contract, serving as security for the fulfilment of contractual obligations. These guarantees remain valid throughout the duration of the contract and are returned to the Company upon successful completion of the contract. The value of performance bonds varies from one contract to another, typically ranging between 5% and 10% of the annual contract value. This practice is common in government contracts or those executed with government-owned entities.

The value of performance bonds increased from SAR3.1 million as of 31 December 2022G to SAR51.6 million as of 31 December 2023G, and further to SAR74.4 million as of 31 December 2024G. This growth is attributed to the expansion in contracts requiring performance guarantees, particularly those entered into with government entities and state-owned organizations, in line with the increase in both the number and value of awarded contracts during the period.

Bid Bond

Bid bonds consist of tender guarantees submitted to clients during the technical and financial proposal stage on behalf of the Company. These guarantees serve to compensate the client in the event the Company withdraws from the bidding process after award of the contract. The bid bond is cancelled and returned to the Company upon issuance of the tender result, whether successful or unsuccessful.

The value of bid bonds decreased from SAR4.0 million as of 31 December 2022G to SAR3.6 million as of 31 December 2023G, and further to SAR267 thousand as of 31 December 2024G. This decline is primarily due to overall changes in project bidding requirements, as certain contracting entities have begun waiving the requirement for high-value bid guarantees. This, in turn, led to a reduction in the volume of bid bonds issued by the Company.

Bank Guarantee

This represents a payment guarantee issued to a supplier to fulfill specific operational requirements related to goods or services procured by the Company.

6.6.5 Prior period reclassifications

In its 2024G financial statements management made a reclassification of certain balances included within prepaid expenses and classified them as part of contract assets in the comparative information in the statement of financial position as of 31 December 2023G to conform to the current year classification and presentation. This reclassification has had no impact of total assets and has no impact on cash generated from operating activities in the statement of cash flows.

Table 6.43: Reclassification on financial position as of 31 December 2023G

SAR in 000s	Previously reported	Effect of reclassification	As reclassified
Current assets:			
Contract assets	59,931	23,345	83,276
Prepaid expenses and other assets	43,181	(15,882)	27,299
Non-current assets:			
Long-term prepaid expenses	7,463	(7,463)	-

Source: Audited financial statements for the financial years ended 31 December 2024G

6.7 Results for the three-months periods ended 31 March 2024G and 2025G

6.7.1 Statement of profit or loss and other comprehensive income

Table 6.44: Statement of profit and loss and other comprehensive income for the three-months periods ended 31 March 2024G and 2025G

SAR in 000s	Three-month period ended 31-Mar-2024G Reviewed	Three-month period ended 31-Mar-2025G Reviewed	Var. Q1'24G-Q1'25G
Revenue	169,125	219,125	29.6%
Cost of revenue	(152,596)	(187,969)	23.2%
Gross profit	16,529	31,156	88.5%
General and administrative expenses	(8,675)	(13,181)	51.9%
Operating profit	7,854	17,976	128.9%
Finance costs	(2,748)	(2,608)	(5.1%)
Share of result of associate	-	(124)	n.a
Profit before zakat and tax	5,106	15,244	198.5%
Zakat and income tax expense	(783)	(2,022)	158.1%
Profit for the period	4,323	13,222	205.9%
Total comprehensive income for the period	4,323	13,222	205.9%
As a % of revenue			Ppt.
Gross margin	9.8%	14.2%	4.4
Operating profit margin	4.6%	8.2%	3.6
Net profit margin	2.6%	6.0%	3.4

Source: Reviewed financial statements for the three-months period ended 31 March 2025G and Management Information.

Revenue

Revenue increased by 29.6% from SAR169.1 million in the three-month period ended 31 March 2024G to SAR219.1 million in the three-month period ended 31 March 2025G primarily driven by:

1. Contracts signed during FY24G, which contributed SAR64.9 million to revenue growth. This includes contracts signed during the three-month period ended 31 March 2024G, which accelerated and generated full-period revenues within FY24G, and contracts signed after the three-month period ended 31 March 2024G, including giga projects that began generating revenue in the three-month period ended 31 March 2025G.
2. The additions of 14 new contracts during the three-month period ended March 31, 2025G, contributing SAR4.7 million in revenues, most of which came from a contract with a new client in the education sector.

This increase was partially offset by the expiry of 15 contracts during the period from the second quarter of 2024 to the three-month period ended 31 March 2025, which resulted in a revenue decline of SAR18.8 million.

Cost of revenue (“CoR”)

Cost of revenue increased by 23.2% from SAR152.6 million in the three-month period ended 31 March 2024G to SAR188.0 million in the three-month period ended 31 March 2025G primarily driven by a (SAR17.8 million) increase in employee costs following an increase in the number of direct employees from 3,997 in the three-month period ended 31 March 2024G to 5,693 in the three-month period ended 31 March 2025G due to expansion in the new contracts. This was coupled with a SAR6.0 million increase in subcontractor costs driven by the growing demand on specialized services and manpower supply to support the fulfilment of contract execution.

Gross profit

Gross profit increased from SAR16.5 million (and a gross margin of 9.8%) in the three-month period ended 31 March 2024G to SAR31.2 million (and a gross margin of 14.2%) in the three-month period ended 31 March 2025G in line with the increase in revenue driven by newly awarded contracts. Additionally, margin expansion in the three-month period ended 31 March 2025G was supported by cost efficiencies and increased margins of ramped up contract in FY24G, as these contracts initially incurred high mobilization costs, in addition to the mix of contracts, as some contracts with low profit margins ended, while others with higher profit margins were secured after the three-month period ended 31 March 2024G.

General and administrative expenses (“G&A”)

General and administrative expenses increased by 51.9% from SAR8.7 million in the three-month period ended 31 March 2024G to SAR13.2 million in the three-month period ended 31 March 2025G primarily driven by the increase in employee costs (increase by SAR4.0 million) in line with the increase in head office and administrative staff headcount, coupled with an increases in depreciation of property and equipment (increase by SAR997 thousand).

Share of result of associate

Share of result of associate amounted to SAR124 thousand in the three-month period ended 31 March 2025G, and it represents the amount of losses from the newly established joint venture at the end of FY24G.

Finance costs

Finance costs slightly decreased from SAR2.7 million in the three-month period ended 31 March 2024G to SAR2.6 million in the three-month period ended 31 March 2025G primarily driven by the decrease in bank charges (decrease by SAR309 thousand). This was slightly offset by the increase in interest on lease liabilities (increase by SAR168 thousand) due to the additional lease contracts signed in the three-month period ended 31 March 2025G.

Zakat and income tax expense

Zakat and income tax expenses increased from SAR783 thousand in the three-month period ended 31 March 2024G to SAR2.0 million in the three-month period ended 31 March 2025G as a result of the increase in the zakat base in line with the increase in net revenues and assets during the period.

Profit for the period

Profit for the period increased from SAR4.3 million (and a net profit margin of 2.6%) in the three-month period ended 31 March 2024G to SAR13.2 million (6.0%) in the three-month period ended 31 March 2025G, following the increase in gross profit and operating profit mainly stemming from the increase in the Company's revenues over the period. This was slightly offset by the increase in overall expenses such as CoR, G&A, depreciation and amortization, and zakat and income tax expenses.

6.7.1.1 Revenue

Table 6.45: Revenue for the three-months period ended 31 March 2024G and 2025G

SAR in 000s	Three-month period ended 31-Mar-2024G Reviewed	Three-month period ended 31-Mar-2025G Reviewed	Var. Q1'24G-Q1'25G
Service transferred over time	142,383	181,217	27.3%
Service transferred at a point in time	26,742	37,909	41.8%
Total revenue	169,125	219,125	29.6%

Source: Reviewed financial statements for the three-months period ended 31 March 2025G

Service transferred over time

Revenue increased by 27.3% from SAR142.4 million in the three-month period ended 31 March 2024G to SAR181.2 million in the three-month period ended 31 March 2025G, primarily driven by the newly signed contracts with various clients, including education sector clients, coupled with the revenue generated from contracts with a giga projects client signed at the end of FY24G.

Service transferred at a point in time

Revenue increased by 41.8% from SAR26.7 million in the three-month period ended 31 March 2024G to SAR37.9 million in the three-month period ended 31 March 2025G, driven by increased revenue from variation orders, which represent delivering additional work scope on existing contracts.

Table 6.46: Revenue by region for the three-months period ended 31 March 2024G and 2025G

SAR in 000s	Three-month period ended 31-Mar-2024G MA	Three-month period ended 31-Mar-2025G MA	Var. Q1'24G-Q1'25G
Northern region	76,706	103,138	34.5%
Western region	45,913	48,948	6.6%
Central region	29,521	45,113	52.8%
Eastern region	16,984	20,710	21.9%
Southern region	-	1,216	N/A
Total revenue	169,125	219,125	29.6%
As a % of total			Ppt.
Northern region	45.4%	47.1%	1.7
Western region	27.1%	22.3%	(4.8)
Central region	17.5%	20.6%	3.1
Eastern region	10.0%	9.5%	(0.6)
Southern region	0.0%	0.6%	0.6

Source: Management information

Northern region

Revenue increased by 34.5% from SAR76.7 million in the three-month period ended 31 March 2024G to SAR103.1 million in the three-month period ended 31 March 2025G, primarily driven by the increase in contracts related to giga project clients, primarily contract 1 and 2, which contributed SAR33.2 million to the region's revenues during the period. This was partially offset by the expiration of 8 contracts (decrease by SAR16.5 million), including a major project with a government entity.

Western region

Revenue increased by 6.6% from SAR45.9 million in the three-month period ended 31 March 2024G to SAR48.9 million in the three-month period ended 31 March 2025G. This increase was primarily driven by the increase in revenue from the contract signed with a major aviation customer in March FY24G (increase by SAR4.8 million) due to additional work delivered alongside the main contract, this was coupled with the new contract with a government-owned company signed in April FY24G (increase by SAR1.6 million). This increase was partially offset by the expiration of 3 contracts (decrease by SAR 2.6 million).

Central region

Revenue increased by 52.8% from SAR29.5 million in the three-month period ended 31 March 2024G to SAR45.1 million in the three-month period ended 31 March 2025G, primarily due to an increase in the revenue from the contract with an assorted commercial client (increase by SAR 10.7 million) signed in January FY24G, in addition to new contracts that contributed SAR5.6 million to the region's revenues.

Eastern region

Revenue increased by 21.9% from SAR16.9 million in the three-month period ended 31 March 2024G to SAR20.7 million in the three-month period ended 31 March 2025G, driven by the 9 new contracts that added SAR3.6 million to the region's revenues— the largest of which was a new contract with a client in the education sector signed in the three-month period ended 31 March 2025G, with a total contract value amounting to SAR50.6 million.

Southern region

Revenue amounted to SAR1.2 million in the three-month period ended 31 March 2025G and related to the new contract with a client in the education sector signed in the three-month period ended 31 March 2025G, with a total contract value amounting to SAR98.3 million. This contract is considered the Company's first contract in the southern region.

Table 6.47: Revenue by key contracts for the three-months period ended 31 March 2024G and 2025G

SAR in 000s	Three-month period ended 31-Mar-2024G MA	Three-month period ended 31-Mar-2025G MA	Var. Q1'24G-Q1'25G
Aviation client - contract 1	38,759	36,647	(5.4%)
Giga project - contract 5	63	22,502	35684.6%
Giga project - contract 1	8,973	19,748	120.1%
Giga project - contract 2	11,761	11,179	(4.9%)
Assorted commercial – contract 1	93	10,799	11470.6%
Giga project - contract 3	7,174	9,880	37.7%
Oil and gas - contract 1	8,358	8,217	(1.7%)
Giga project - contract 4	7,860	7,025	(10.6%)
Giga project - contract 8	3,461	5,672	63.9%
Giga project - contract 9	3,463	4,849	40.0%
Others	79,160	82,607	4.4%
Total revenue	169,125	219,125	29.6%
As a % of total			Ppt.
Aviation client - contract 1	22.9%	16.7%	(6.2)
Giga project - contract 5	0.0%	10.3%	10.2
Giga project - contract 1	5.3%	9.0%	3.7
Giga project - contract 2	7.0%	5.1%	(1.9)
Assorted commercial – contract 1	0.1%	4.9%	4.9
Giga project - contract 3	4.2%	4.5%	0.3
Oil and gas - contract 1	4.9%	3.7%	(1.2)
Giga project - contract 4	4.6%	3.2%	(1.4)
Giga project - contract 8	2.0%	2.6%	0.5
Giga project - contract 9	2.0%	2.2%	0.2
Others	46.8%	37.7%	(9.1)

Source: Management information

The largest contract (in terms of value and revenue) is contract 1 with an aviation client, awarded in FY22G. Revenue decreased from SAR38.8 million in the three-month period ended 31 March 2024G to SAR36.6 million in the three-month period ended 31 March 2025G primarily driven by the variation orders in FY24G that ended in the three-month period ended 31 March 2025G.

The company generated revenue from 11 contracts with giga project clients, including contract 5, awarded in FY24G, which contributed SAR22.4 million of revenue in the three-month period ended 31 March 2025G. In addition, contract 1, awarded in FY23G, contributed SAR10.8 million of revenue during the same period.

Assorted Commercial -Contract 1 relates to a contract signed in January 2024G, and its revenue increased from SAR93 thousand in the three-month period ended 31 March 2024G to SAR10.8 million in the three-month period ended 31 March 2025G following full-year recognition.

The remaining 5 contracts among the top 10 relate to the same giga project client and were signed at different times between FY22G and FY24G, in addition to a contract with an oil and gas client signed in FY22G.

Table 6.48: Revenue by type of customer for the three-months period ended 31 March 2024G and 2025G

SAR in 000s	Three-month period ended 31-Mar-2024G MA	Three-month period ended 31-Mar-2025G MA	Var. Q1'24G-Q1'25G
Government owned enterprises	118,417	163,726	38.3%
Private companies	42,889	54,501	27.1%
Government	7,819	898	(88.5%)
Total revenue	169,125	219,125	29.6%
As a % of total			Ppt.
Government owned enterprises	70.0%	74.7%	7.4
Private companies	25.4%	24.9%	(0.5)
Government	4.6%	0.4%	(4.2)

Source: Management information

Government owned enterprises

Revenues increased by 38.3% from SAR118.4 million in the three-month period ended 31 March 2024G to SAR163.7 million in the three-month period ended 31 March 2025G primarily driven by the increase in revenues from 2 projects with the main client in giga projects (Giga Project – Contract 1 which added SAR22.4 million in revenues, and Giga Project – Contract 2 which contributed SAR10.8 million of revenues), this was coupled with the new contracts signed with the giga project client and other clients in the central and northern regions.

Private companies

Revenue increased by 27.1% from SAR42.9 million in the three-month period ended 31 March 2024G to SAR54.5 million in the three-month period ended 31 March 2025G primarily driven by the increase in revenue from: (i) the contract signed in FY24G with an assorted commercial client (Assorted Commercial – Contract 1) adding SAR10.7 million of revenue, (ii) the contract signed in FY22G with an international sector client (increase by SAR1.1 million), and (iii) the signing of new contracts between the three-month periods ending 31 March 2024G and 31 March 2025G.

Government

Revenue decreased by 88.5%, from SAR7.8 million in the three-month period ended 31 March 2024G to SAR898 thousand in the three-month period ended 31 March 2025G. This decrease was primarily driven by the expiration of a major contract with a government entity in the northern region at the end-FY24G, resulting in a decrease of SAR7.2 million. This decrease was partially offset by the addition of 2 new contracts during the same period.

6.7.1.2 Revenue and profitability by vertical**Table 6.49: Revenue and profitability by vertical for the three-months period ended 31 March 2024G and 2025G**

SAR in 000s	Three-month period ended 31-Mar-2024G MA	Three-month period ended 31-Mar-2025G MA	Var. Q1'24G-Q1'25G
Revenue			
Giga Projects	81,661	109,182	33.7%
Aviation	39,881	44,769	12.3%
Assorted Commercial	11,355	26,732	135.4%
Oil and Gas	16,270	16,623	2.2%
International	10,211	12,958	26.9%
Education	6,420	7,145	11.3%
Event Staffing Solutions	3,326	1,717	(48.4%)
Total	169,125	219,125	29.6%
Gross profit			
Giga Projects	11,439	19,413	69.7%
Aviation	(1,214)	2,515	(307.2%)
Assorted Commercial	1,912	4,330	126.5%

SAR in 000s	Three-month period ended 31-Mar-2024G MA	Three-month period ended 31-Mar-2025G MA	Var. Q1'24G-Q1'25G
Oil and Gas	1,840	1,737	(5.6%)
International	1,231	1,352	9.8%
Education	714	1,667	133.4%
Event Staffing Solutions	607	142	(76.7%)
Total	16,529	31,156	88.5%
Gross profit margin (%)			Ppt.
Giga Projects	14.0%	17.8%	3.8
Aviation	(3.0%)	5.6%	8.7
Assorted Commercial	16.8%	16.2%	(0.6)
Oil and Gas	11.3%	10.5%	(0.9)
International	12.1%	10.4%	(1.6)
Education	11.1%	23.3%	12.2
Event Staffing Solutions	18.3%	8.3%	(10.0)
Total	9.8%	14.2%	4.4

Source: Management information

Giga projects

Giga projects represented c.50% of total revenues in the three-month period ended 31 March 2025G. Revenues increased from SAR81.7 million in the three-month period ended 31 March 2024G (23 contracts) to SAR109.2 million in the three-month period ended 31 March 2025G (27 contracts), primarily driven by the increase in revenues from two projects with the main client (increase by SAR33.2 million), coupled with an increase in other contracts signed during FY23G and FY24G. This was partially offset by the expiration of 4 contracts during the period.

Gross profit increased from SAR11.4 million (and a gross margin of 14.0%) in the three-month period ended 31 March 2024G to SAR19.4 million (and a gross margin of 17.8%) primarily driven by enhanced profitability on the new contracts which at early stages incurred lower margins due to the mobilization costs which by passage of time the contracts rebound to normal margins, coupled with management cost efficiencies measures to maintain stable margins.

Aviation

Aviation represented c.20% of total revenues in the three-month period ended 31 March 2025G. Revenues increased from SAR40.0 million (6 contracts) in the three-month period ended 31 March 2024G to SAR44.8 million (8 contracts) in the three-month period ended 31 March 2025G. This increase was primarily driven by the additional scope for O&M with the major aviation customer (increase by SAR4.8 million), in addition to the new contracts awarded during the period.

Gross profit improved from a loss of SAR1.2 million (and a loss margin of 3.0%) in the three-month period ended 31 March 2024G to a profit of SAR2.5 million (and a profit margin of 5.6%) in the three-month period ended 31 March 2025G, primarily driven the management measures to manage the costs more efficiently on the contract with the main client which was loss making due to large initial costs which the Company managed to reduce subsequently.

Assorted Commercial

Assorted commercial represented c.12% of total revenues in the three-month period ended 31 March 2025G. Revenues increased from SAR11.4 million in the three-month period ended 31 March 2024G (30 contracts) to SAR26.7 million in the three-month period ended 31 March 2025G (47 contracts). This increase was primarily driven by the ramp-up of one of the contracts signed in FY24G (increase by SAR10.7 million), coupled with additions of 18 contracts awarded between the three-month period ended 31 March 2024G and the three-month period ended 31 March 2025G which added SAR4.1 million in Q1'25 revenue. This was slightly offset by the expiry of 2 contracts during the same period.

Despite the increase in gross profit from SAR1.9 million in the three-month period ended 31 March 2024G to SAR4.3 million in the three-month period ended 31 March 2025G, gross profit margin decreased from 16.8% in the three-month period ended 31 March 2024G to 16.2% in the three-month period ended 31 March 2025G, due to higher set-up costs associated with the kickoff of new projects.

Oil and Gas

Oil and gas revenue increased from SAR16.3 million in the three-month period ended 31 March 2024G to SAR16.6 million in the three-month period ended 31 March 2025G due to the addition of small contracts. However, gross profit decreased from SAR1.8 million (and a gross margin of 11.3%) in the three-month period ended 31 March 2024G to SAR1.7 million (and a gross margin of 10.5%) in the three-month period ended 31 March 2025G due to decrease in margins on variation orders during the period.

International

International revenue increased from SAR10.2 million in the three-month period ended 31 March 2024G to SAR13.0 million in the three-month period ended 31 March 2025G following the addition of 7 new contracts (increase by SAR3.7 million) during the period.

Gross profit increased from SAR1.2 million in the three-month period ended 31 March 2024G to SAR1.4 million in the three-month period ended 31 March 2025G, reflecting higher profitability from new contracts. However, the profit margin decreased from 12.1% in the three-month period ended 31 March 2024G to 10.4% in the three-month period ended 31 March 2025G due to the increase in mobilization costs incurred during the period.

Education

Education revenue increased from SAR6.4 million in the three-month period ended 31 March 2024G to SAR7.1 million in the three-month period ended 31 March 2025G driven by the addition of 2 new contracts, which added SAR2.3 million of revenues during the period. This was partially offset by the expiration of 2 contracts (decrease by SAR1.5 million) in FY24G.

Gross profit increased from SAR714 thousand (and a gross margin of 11.1%) in the three-month period ended 31 March 2024G to SAR1.7 million (and a gross margin of 23.3%) primarily due to higher profitability from new contracts signed in the three-month period ended 31 March 2025G, coupled with the expiration of lower-margin contracts.

Event Staffing Solutions

Event staffing solutions revenue decreased from SAR3.3 million in the three-month period ended 31 March 2024G to SAR1.7 million in the three-month period ended 31 March 2025G, as the majority of contracts were transferred to THA Saudi Arabia, with the exception of one contract, which generated revenue of SAR1.7 million during the period.

6.7.1.3 Cost of revenue

Table 6.50: Cost of revenue for the three-months period ended 31 March 2024G and 2025G

SAR in 000s	Three-month period ended 31-Mar-2024G MA	Three-month period ended 31-Mar-2025G MA	Var. Q1'24G-Q1'25G
Sub-contractor cost	72,946	78,985	8.3%
Employee costs	61,085	79,085	29.5%
Supplies	8,100	13,362	65.0%
I.T support charges	1,593	1,154	(27.5%)
Marketing and license fees	2,110	2,111	0.0%
Vehicle running expenses	1,341	1,199	(10.6%)
Depreciation of property and equipment	2,263	2,473	9.3%
Depreciation of right-of-use assets	1,498	2,763	84.5%
Communication expenses	320	257	(19.5%)
Stationary cost	233	90	(61.4%)
Other	1,108	6,491	485.8%
Total	152,596	187,969	23.2%
KPIs			Var.
Direct employees at the end of the period (under CoR)	3,997	5,693	1,696
Outsourced and specialized third parties at the end of the period	1,818	2,566	748
Total headcount (under CoR)	5,815	8,259	2,444

Source: Management information

Cost of revenue mainly consists of subcontractor costs (c.42% of the total in the three-month period ended 31 March 2025G) and employee costs (c.42%), among others.

Sub-contractor cost

Subcontractor cost increased from SAR72.9 million in the three-month period ended 31 March 2024G to SAR79.0 million in the three-month period ended 31 March 2025G, primarily driven by the increase in the number of outsourced and specialized third parties (by 748 employees), this was coupled with an increase in specialized services costs (increase by SAR3.4 million) on the back of the new contracts. This was partially offset by a decrease in other subcontractor services (decrease by SAR6.2 million) over the same period.

Employee costs

Employee costs increased from SAR61.1 million in the three-month period ended 31 March 2024G to SAR79.1 million in the three-month period ended 31 March 2025G, in line with the increase in the number of direct employees from 3,997 employees in the three-month period ended 31 March 2024G to 5,693 employees in the three-month period ended 31 March 2025G. This growth was necessary to support the expansion of business operations, particularly with new contracts awarded and other large-scale projects requiring increased workforce capacity.

Supplies

Supplies increased from SAR8.1 million in the three-month period ended 31 March 2024G to SAR13.4 million in the three-month period ended 31 March 2025G primarily driven by the mobilization of new projects, leading to higher material consumption – particularly on large scale contracts.

I.T support charges

I.T support charges decreased from SAR1.6 million in the three-month period ended 31 March 2024G to SAR1.2 million in the three-month period ended 31 March 2025G due to reduced spendings and efficiencies by management.

Marketing and license fees

Marketing and license fees remained relatively stable around an average of SAR2.1 million over the three-month period ended 31 March 2024G and 31 March 2025G, as the accruals of the licensing fees occurs at the end of the period.

Vehicle running expenses

Vehicle running expenses slightly decreased from SAR1.3 million in the three-month period ended 31 March 2024G to SAR1.2 million in the three-month period ended 31 March 2025G, primarily due to fleet optimization initiatives. A detailed fleet utilization analysis conducted in late-FY24G led to the rationalization of underutilized vehicles and the consolidation of transportation routes, particularly across regional hubs, which contributed to the reduction in expenses.

Depreciation of property and equipment

Depreciation of property and equipment increased from SAR2.3 million in the three-month period ended 31 March 2024G to SAR2.5 million in the three-month period ended 31 March 2025G due to the new addition made on office and machinery equipment.

Depreciation of right-of-use assets

Depreciation of right-of-use assets increased from SAR1.5 million in the three-month period ended 31 March 2024G to SAR2.8 million in the three-month period ended 31 March 2025G mainly due to the additions of offices, accommodation buildings and vehicles during the period.

Communication expenses

Communication expenses decreased from SAR320 thousand in the three-month period ended 31 March 2024G to SAR257 thousand in the three-month period ended 31 March 2025G due to less spendings and subscription discounts.

Stationary cost

Stationary cost decreased from SAR233 thousand in the three-month period ended 31 March 2024G to SAR90 thousand in the three-month period ended 31 March 2025G as a result of lower spending on stationery during the period.

Other

Other expenses increased significantly from SAR1.1 million in the three-month period ended 31 March 2024G to SAR6.5 million in the three-month period ended 31 March 2025G mainly due to increase in the utilities and sundry operational expenses with the expansion of operations and team.

Table 6.51: Subcontractor cost for the three-months period ended 31 March 2024G and 2025G

SAR in 000s	Three-month period ended 31-Mar-2024G MA	Three-month period ended 31-Mar-2025G MA	Var. Q1'24G-Q1'25G
Specialized services	36,608	45,438	24.1%
Other costs	25,513	19,288	(24.4%)
Manpower supply	10,825	14,259	31.7%
Total	72,946	78,985	8.3%

Source: Management information

Subcontractor costs accounted for the largest portion of cost of revenue, representing 47.8% of the total during the three-month period ended 31 March 2024G, and 42.0% during the three-month period ended 31 March 2025G.

Subcontractor costs increased from SAR72.9 million in the three-month period ended 31 March 2024G to SAR79.0 million in the three-month period ended 31 March 2025G, primarily driven by the increase in: (i) specialized services (increase by SAR8.8 million) due to the growing demand on this category to cater for the required services and additional scope requested by customers, and (ii) manpower supply (increase by SAR3.4 million) in line with the increase in the number of outsourced employees from 1,818 in the three-month period ended 31 March 2024G to 2,566 in the three-month period ended 31 March 2025G, to support the newly awarded contracts during the period. This was partially offset by a decrease in other services (decrease by SAR 6.2 million).

6.7.1.4 General and administrative expenses

Table 6.52: General and administrative expenses for the three-months period ended 31 March 2024G and 2025G

SAR in 000s	Three-month period ended 31-Mar-2024G MA	Three-month period ended 31-Mar-2025G MA	Var. Q1'24G-Q1'25G
Employee costs	6,335	10,319	62.9%
Depreciation of property and equipment	174	1,171	573.1%
Depreciation of right-of-use assets	635	525	(17.3%)
Legal and professional charges	303	152	(49.8%)
Travelling expense	161	144	(10.5%)
I.T cost	644	623	(3.2%)
Other	423	247	(41.5%)
Total	8,675	13,181	51.9%
KPIs			Var.
Number of employees at the end of the period (General and administrative employees only)	94	173	79

Source: Management information

General and administrative expenses mainly consist of employee costs (which represent c.78% of the total during the three-month period ended 31 March 2025G) and depreciation of property and equipment (8.9%), among others.

Employee costs

Employee costs increased from SAR6.3 million in the three-month period ended 31 March 2024G to SAR10.3 million in the three-month period ended 31 March 2025G in line with the increase in the number of employees (by 79 employees), including leadership positions, to support business expansion and operational requirements.

Depreciation of property and equipment

Depreciation of property and equipment increased significantly from SAR174 thousand in the three-month period ended 31 March 2024G to SAR1.2 million in the three-month period ended 31 March 2025G, in line with the additions made to the head office during the period.

Depreciation of right-of-use assets

Depreciation of right-of-use assets decreased from SAR635 thousand in the three-month period ended 31 March 2024G to SAR525 thousand in the three-month period ended 31 March 2025G primarily driven by changes made on the lease contracts of offices and staff accommodation buildings.

Legal and professional expenses

Legal and professional expenses decreased from SAR303 thousand in the three-month period ended 31 March 2024G to SAR152 thousand in the three-month period ended 31 March 2025G as a result of lower spending on legal and professional expenses during the period.

Travelling expenses

Traveling expenses decreased from SAR161 thousand in the three-month period ended 31 March 2024G to SAR144 thousand in the three-month period ended 31 March 2025G, due to lower spending on traveling for the management team.

I.T cost

I.T costs decreased from SAR644 thousand in the three-month period ended 31 March 2024G to SAR623 thousand in the three-month period ended 31 March 2025G, due to the decrease in spending during the period.

Other general and administrative expenses decreased from SAR423 thousand in the three-month period ended 31 March 2024G to SAR247 thousand in the three-month period ended 31 March 2025G primarily driven by lower spending on other general and administrative expenses during the period.

6.7.1.5 Finance cost

Table 6.53: Finance cost for the three-months period ended 31 March 2024G and 2025G

SAR in 000s	Three-month period ended 31-Mar-2024G MA	Three-month period ended 31-Mar-2025G MA	Var. Q1'24G-Q1'25G
Bank charges	2,538	2,229	(12.2%)
Interest on lease liabilities	210	378	80.2%
Total	2,748	2,608	(5.1%)

Source: Management information

Finance cost decreased from SAR2.7 million in the three-month period ended 31 March 2024G to SAR2.6 million in the three-month period ended 31 March 2025G primarily driven by the decrease bank charges (decrease by SAR309thousand), partially offset by the increase in interest on lease liabilities (SAR168 thousand) in line with the new lease contracts obtained during the period.

6.7.2 Statement of financial position

Table 6.54: Statement of financial position as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Dec-24G Audited	31-Mar-25G Reviewed
Assets		
Non-current assets		
Property and equipment	51,741	49,969
Right of use assets	25,340	27,390
Deferred tax assets	2,091	2,091
Investment in associate	889	765
Total non-current assets	80,061	80,215
Current assets		
Contract assets	115,949	144,179
Trade receivables	230,684	252,770
Prepayments and other current assets	33,402	45,655
Due from related parties	6,347	6,079

SAR in 000s	31-Dec-24G Audited	31-Mar-25G Reviewed
Cash and cash equivalents	64,934	15,575
Total current assets	451,316	464,258
Total assets	531,377	544,473
Equity and liabilities		
Equity		
Share capital	10,000	90,000
Retained earnings	128,360	76,582
Total equity	138,360	166,582
Liabilities		
Non-current liabilities		
Employees' defined benefit liabilities	15,431	17,767
Lease liabilities – non current portion	13,179	14,722
Bank borrowings– long term	19,928	17,598
Total non-current liabilities	48,537	50,087
Current liabilities		
Bank borrowings – short term	101,061	114,290
Lease liabilities – current portion	9,763	10,399
Loans from shareholders	20,000	-
Trade and other payables	199,601	181,276
Due to a related party	8,756	9,518
Dividends payable	-	5,000
Accrued zakat and income tax	5,299	7,321
Total current liabilities	344,479	327,804
Total liabilities	393,017	377,891
Total equity and liabilities	531,377	544,473
KPIs		
Day Sales Outstanding ("DSO") (Days)	106	105
DSO (including Contract assets) (Days)	159	164
Days Purchases Outstanding ("DPO") (Days)	110	111
Return on Assets ("RoA")* (%)	9.7%	11.1%
Return on Equity ("RoE")* (%)	37.3%	36.3%
Debt to equity ratio	1.02	0.8

Source: Reviewed financial statements for the three-months period ended 31 March 2025G and management information.

* Return on assets and return on equity for the three-month period ended 31 March 2025G have been calculated based on net profit for the last twelve-month period, with the aim of presenting returns consistently with those presented in previous years.

Assets

Non-current assets

Non-current assets increased by SAR154 thousand from SAR80.1 million as at 31 December 2024G to SAR 80.2 million as at 31 March 2025G, primarily driven by the increase in right-of-use assets (increase by SAR2.0 million) resulting from new contracts, including those for head offices and employees accommodation buildings. This was partially offset by a decrease in property and equipment (decrease by SAR1.8 million) resulting from transfers and depreciation expenses during the same period.

Current assets

Current assets increased by SAR12.9 million from SAR451.3 million as at 31 December 2024G to SAR464.3 million as at 31 March 2025G, primarily due to an increase in: (i) contract assets (increase by SAR28.2 million) in line with the increase in the balance related to the major giga project customer and the balance resulting from the percentage-completed method with the increase in the Company's revenues during the period, (ii) trade receivables (increase by SAR22.1 million) in line with the growth in the Company's revenues, and (iii) prepayments and other current assets (increase by SAR12.3 million). This was partially offset by a decrease in cash and cash equivalents (decrease by SAR49.4 million) in line with the decrease in cash generated from operating activities.

Liabilities

Non-current liabilities

Non-current liabilities increased by SAR1.5 million from SAR48.5 million as at 31 December 2024G to SAR50.1 million as at 31 March 2025G, primarily due to an increase in employees' defined benefit liabilities (increase by SAR2.3 million) resulting from an increase in the Company's headcount, and an increase in the non-current portion of lease liabilities (increase by SAR 1.5 million) in line with the increase in right-of-use assets during the period. This was partially offset by a decrease in long-term bank borrowings (decrease by SAR2.3 million) resulting from repayments during the same period.

Current Liabilities

Current liabilities decreased by SAR16.7 million from SAR344.5 million as at 31 December 2024G to SAR327.8 million as at 31 March 2025G, primarily due to a decrease in the balance of loans from shareholders (decrease by SAR20.0 million), which were converted into capital following the agreement concluded in January 2025G, in addition to a decrease in the balance of trade and other payables (decrease by SAR18.3 million) resulting from the salary payments made during the period. This was partially offset by an increase in short-term bank borrowings (increase by SAR13.2 million) resulting from the additional financing obtained to support the Company's working capital requirements, coupled with an increase in dividends payable (increase by SAR5.0 million) as dividends were declared during the same period.

Shareholder's equity

Shareholders' equity increased by SAR28.2 million from SAR138.4 million as at 31 December 2024G to SAR166.6 million as at 31 March 2025G, mainly due to the increase in share capital (increase by SAR80.0 million) resulting from the conversion of shareholders' loans amounting to SAR20.0 million and the capitalization of retained earnings of SAR60.0 million during the period.

6.7.2.1 Property, plant and equipment

Table 6.55: Net book value of property and equipment as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Dec-24G Audited	31-Mar-25G MA
Leasehold improvements	912	1,789
Furniture and fixtures	4,664	4,516
Office & machinery equipment	38,362	38,472
Vehicles	6,739	3,876
Computers	1,063	1,316
Total	51,741	49,969

Source: Audited financial statements for the financial year ended 31 December 2024G and management information

Table 6.56: Additions to property and equipment as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Dec-24G Audited	31-Mar-25G MA
Leasehold improvements	473	945
Furniture and fixtures	3,335	216
Office & machinery equipment	19,191	3,186
Vehicles	7,034	-
Computers	1,020	382
Total	31,053	4,729

Source: Audited financial statements for the financial year ended 31 December 2024G and management information

Table 6.57: Accumulated depreciation of property and equipment as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Dec-24G Audited	31-Mar-25G MA
Leasehold improvements	642	711
Furniture and fixtures	4,505	4,869
Office & machinery equipment	22,361	25,437
Vehicles	399	405
Computers	2,198	2,327
Total	30,105	33,748

Source: Audited financial statements for the financial year ended 31 December 2024G and management information

Leasehold improvements

The balance represented 3.6% of the total as at 31 March 2025G, and it increased from SAR912 thousand as at 31 December 2024G to SAR1.8 million as at 31 March 2025G primarily driven by improvements made on the new office spaces in Jeddah and Al-Ula.

Furniture and fixtures

The balance represented 9.0% of the total as at 31 March 2025G, and it decreased from SAR4.7 million as at 31 December 2024G to SAR4.5 million as at 31 March 2025G on the back of the depreciation expense charged for the period.

Office and machinery equipment

The balance represented 77.0% of the total as at 31 March 2025G, and it increased from SAR38.4 million as at 31 December 2024G to SAR38.5 million as at 31 March 2025G on the back of additions (increase by SAR3.2 million) out of which SAR2.6 million related to a major giga project client.

Vehicles

The balance represented 7.8% of the total as at 31 March 2025G, and it decreased from SAR6.7 million as at 31 December 2024G to SAR3.9 million as at 31 March 2025G driven by the transfer of SAR2.9 million to right of use assets, and related to leased fire trucks which were mobilized on the major giga project client projects. This was coupled with the depreciation charge for the period.

Computers

The balance represented 2.6% of the total as at 31 March 2025G, and it increased from SAR1.1 million as at 31 December 2024G to SAR1.3 million as at 31 March 2025G due to additions amounting to SAR382 thousand related to contracts for the Riyadh head office, giga projects, and the aviation project.

6.7.2.2 Right of use assets

Table 6.58: Right-of-use assets as at 31 December 2024G and 31 March 2025G

SAR in 000s	Vehicles	Properties	Total
Cost			
Balance at 1 January 2024G	3,959	18,526	22,485
Additions for the year	3,265	16,371	19,636
Balance at 31 December 2024G	7,224	34,897	42,121
Additions for the period	2,551	2,788	5,338
Balance at 31 March 2025G	9,775	37,684	47,459
Accumulated depreciation			
Balance at 1 January 2024G	2,563	5,026	7,589
Depreciation for the year	1,204	7,987	9,191
Balance at 31 December 2024G	3,767	13,013	16,780
Depreciation for the period	474	2,815	3,288
Balance at 31 March 2025G	4,241	15,828	20,069
Net book value			
As at 31 December 2024G	3,457	21,884	25,340
As at 31 March 2025G	5,534	21,856	27,390

Source: Audited financial statements for the financial year ended 31 December 2024G and management information

Properties

The balance represented c.80% of the total as at 31 March 2025G, and remained relatively stable around an average of SAR21.9 million as at 31 December 2024G and 31 March 2025G. This stability is primarily due to additions totaling SAR2.8 million from four new lease contracts-two office spaces in Jeddah and Al Ula, and two staff accommodation buildings-which were offset by the depreciation expenses of SAR2.8 million recorded during the period.

Vehicles

The balance represented c.20% of the total as at 31 March 2025G, and it increased from SAR3.5 million as at 31 December 2024G to SAR5.5 million as at 31 March 2025G driven by SAR2.6 million in additions related to newly leased vehicles supporting the Company's operations.

6.7.2.3 Contract assets

Table 6.59: Contract assets as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Dec-24G Audited	31-Mar-25G Reviewed
Contract assets	115,949	144,179
Total	115,949	144,179

Source: Reviewed financial statements for the three-months period ended 31 March 2025G

Table 6.60: Contract assets aging as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Dec-24G Audited	31-Mar-25G MA
Current	82,381	87,518
30-60 Days	17,211	22,619
61-90 Days	4,170	9,283
91-120 Days	4,218	4,103
121-180 Days	1,308	10,893
180 < Days	6,660	9,763
Total	115,949	144,179

Source: Audited financial statements for the financial year ended 31 December 2024G and management information

Contract assets increased from SAR115.9 million as at 31 December 2024G to SAR144.2 million as at 31 March 2025G, primarily driven by: (i) an increase in the balance associated with the major giga projects client (increase by SAR34.5 million) due to the relatively long approval and verification period for unbilled balances, and (ii) an increase in contract assets resulting from the percentage-completed method due to higher revenues, which are revenues recorded and billed according to established payment and billing cycles.

In addition, certain other customer balances increased, including clients of assorted commercial sector (SAR3.8 million) and oil and gas clients (SAR937 thousand), in line with new contracts signed in FY24G and the increase in revenues during the three-month period ended 31 March 2025G.

No provision has been made for impairment of contract assets as these balances are unbilled and have no fixed repayment date. Management conducts an annual impairment analysis to assess any expected impairment based on the analysis of any expected decline in value.

6.7.2.4 Trade receivables

Table 6.61: Trade receivables as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Dec-24G Audited	31-Mar-25G Reviewed
Trade receivables	234,010	256,096
Less: allowance for impairment	(3,326)	(3,326)
Total	230,684	252,770

Source: Reviewed financial statements for the three-months period ended 31 March 2025G

Table 6.62: Movement in allowance for impairment on trade receivables as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Dec-24G Audited	31-Mar-25G Reviewed
Opening balance	1,800	3,326
Charge of the period/year	1,526	-
Balance at 31 December	3,326	3,326

Source: Reviewed financial statements for the three-months period ended 31 March 2025G

Table 6.63: Trade receivables aging as at 31 March 2025G

SAR in 000s	31-Mar-25G MA
0-91 Days	193,657
91-180 Days	31,041
181-270 Days	16,339
271-360 Days	4,038
360 < Days	11,021
Total	256,096

Source: Management information

Trade receivables increased from SAR230.7 million as at 31 December 2024G to SAR256.1 million as at 31 March 2025G, primarily due to the increase revenues during the period and extended credit terms on certain balances, such as those with a major giga project customer. While DSO remained stable around 105-106 days during the period.

The Company had SAR16.2 million of balances aged between 181-270 days, SAR4.0 million of balances aged between 217-360 days, and SAR11.0 million of balances aged over 1 year, including balances related to expired contracts. Management conducted an expected credit losses assessment and recorded a provision of SAR3.3 million as at 31 March 2025G, with no additions made during the period.

6.7.2.5 Prepayment and other current assets

Table 6.64: Prepayments and other current assets as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Dec-24G Audited	31-Mar-25G MA
Advances to suppliers	10,684	13,192
Refundable deposits	8,563	8,452
Pre-paid expenses	6,210	14,564
Supplies	4,895	5,519
Advances to employees	1,831	2,778
Others	1,219	1,150
Total	33,402	45,655

Source: Audited financial statements for the financial year ended 31 December 2024G and management information

Advances to Suppliers

The balance increased from SAR10.7 million as at 31 December 2024G to SAR13.2 million as at 31 March 2025G in line with the increase in insurance payments during the period.

Refundable Deposits

The balance decreased from SAR8.6 million as at 31 December 2024G to SAR8.5 million as at 31 March 2025G mainly due to limited changes in refundable deposits as the amounts has been utilized during the period.

Pre-paid expenses

The balance increased from SAR6.2 million as at 31 December 2024G to SAR14.6 million as at 31 March 2025G, primarily driven by (i) the increase in advance rent payments (increase by SAR5.3 million) related to new offices and staff accommodations, (ii) the reclassification of prepaid subscriptions (increase by SAR1.7 million) from software licenses, and (iii) the increase in other prepaid items (increase by SAR2.8 million) including uniforms, airfare and bonds.

Supplies

The balance increased from SAR4.9 million as at 31 December 2024G to SAR5.5 million as at 31 March 2025G driven by operational expansion.

Advances to Employees

The balance increased from SAR1.8 million as at 31 December 2024G to SAR2.8 million as at 31 March 2025G in line with the increase in the Company's headcount during the period.

Others

The balance remained relatively stable around an average of around SAR1.2 million during the period.

6.7.2.6 Cash and cash equivalent

Table 6.65: Cash and cash equivalents as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Dec-24G Audited	31-Mar-25G Reviewed
Cash and cash equivalents	64,934	15,575
Total	64,934	15,575

Source: Reviewed financial statements for the three-months period ended 31 March 2025G

Cash and cash equivalents decreased from SAR64.9 million as at 31 December 2024G to SAR15.6 million as at 31 March 2025G, primarily driven by the decrease in: (i) cash flows from operating activities (decrease by SAR109.2 m), resulting from the decrease in profit before zakat (decrease by SAR 44.2 million) and the negative impact of trade and other payables (decrease by SAR84.7 million), and (ii) cash flows from financing activities (decrease by SAR9.8 million). This was partially offset by the decrease in cash flows used in investing activities (decrease by SAR26.5 million).

6.7.2.7 Related parties balances and transactions

Table 6.66: Transactions with related parties as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Mar-24G Reviewed	31-Mar-25G Reviewed
Parent Company		
Marketing and support services fee	2,110	2,111
IT support	1,593	1,777
Services rendered/ (received) net of reimbursement	(128)	(3,141)
Additional shareholder's loan	3,460	-
Dividend declared	-	2,750
Seconded salaries	847	15
Other shareholders		
Dividend declared	-	2,250

Source: Reviewed financial statements for the three-months period ended 31 March 2025G

Table 6.67: Due from related parties as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Dec-24G Audited	31-Mar-25G Reviewed
Zakat and income tax due from shareholders	5,415	5,415
The Agency Limited for Entertainment Events	933	664
Total	6,347	6,079

Source: Reviewed financial statements for the three-months period ended 31 March 2025G

Table 6.68: Due to a related party as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Dec-24G Audited	31-Mar-25G Reviewed
EFS Facilities Services Group Limited	8,756	9,518
Total	8,756	9,518

Source: Reviewed financial statements for the three-months period ended 31 March 2025G

Due from related parties

The balance decreased from SAR6.3 million as at 31 December 2024G to SAR6.1 million as at 31 March 2025G, primarily due to a decrease in the balance associated with THA Agency Entertainment Limited (decrease by SAR269 thousand) as a result of collections made during the period.

Due to a related party

The balance increased from SAR8.8 million as at 31 December 2024G to SAR9.5 million as at 31 March 2025G, primarily due to the dividends declared during the period amounting to SAR 2.8 million, partially offset by amounts recovered from shareholders.

Table 6.69: Shareholder's loan as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Dec-24G Audited	31-Mar-25G Reviewed
Shareholder's loan	20,000	-
Total	20,000	-

Source: Reviewed financial statements for the three-months period ended 31 March 2025G

The balance decreased from SAR20.0 million as at 31 December 2024G to nil as at 31 March 2025G, as the amount was transferred to capital, pursuant to the management's decision issued on 27 January 2025G.

6.7.2.8 Share capital

As at 27 January 2025G, shareholders approved an increase in the Company's share capital from SAR10 million to SAR90 million through the conversion of shareholder's loans amounting to SAR20.0 million into share capital, and through the capitalization of SAR60.0 million of existing retained earnings of the Company into share capital.

Further, the shareholders approved a share split at the ratio of 50:1, such that existing share shall be split into 50 new shares.

As at 31 March 2025G, the Company's share capital amounted to SAR90.0 million, divided into 45 million shares of SAR2 each, which are fully paid and owned as follows:

Table 6.70: Share capital as at 31 March 2025G

SAR	No. of shares	%	Total value
EFS Facilities Services Group Limited	24,750,000	55%	49,500,000
Al-Khafrah Holding Company	6,750,000	15%	13,500,000
Lama Holding Company	5,850,000	13%	11,700,000
Career First Company	4,500,000	10%	9,000,000
Khalid Abdulrahman AlKuwaiz	3,150,000	7%	6,300,000
Total	45,000,000	100%	90,000,000

Source: Reviewed financial statements for the three-months period ended 31 March 2025G

6.7.2.9 Trade and other payables

Table 6.71: Trade and other payables as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Dec-24G Audited	31-Mar-25G MA
Trade payables	131,754	136,031
Accrued suppliers	25,164	20,018
Salaries payable	18,426	30
Leave payable	11,563	13,255
Accrued VAT	8,378	8,135
Advances from customers	-	300
Other accrued expenses	4,315	3,506
Total	199,601	181,275

Source: Audited financial statements for the financial year ended 31 December 2024G and management information

Table 6.72: Trade payables aging as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Mar-25G MA
0-60 Days	41,502
61-90 Days	25,774
91-180 Days	30,379
Day < 180	38,376
Total	136,031

Source: Management information

Trade Payables

The balance increased from SAR131.8 million as at 31 December 2024G to SAR136.0 million as at 31 March 2025G, reflecting the continued growth in the Company's operations during the period and its reliance on the services and supplies of subcontractors and third parties.

Accrued suppliers

The balance decreased from SAR25.2 million as at 31 December 2024G to SAR20.0 million as at 31 March 2025G, primarily due to the settlement of the accrual balances, or transferring these balances to trade payables upon receiving the bills from suppliers.

Salaries payable

The balance decreased from SAR18.4 million as at 31 December 2024G to SAR30 thousand as at 31 March 2025G, due to the salary payments made during the period.

Leave payable

The balance increased from SAR11.6 million as at 31 December 2024G to SAR13.3 million as at 31 March 2025G in line with the increase in the Company's headcount during the period.

Accrued VAT

The balance decreased from SAR8.4 million as at 31 December 2024G to SAR8.1 million as at 31 March 2025G as a result of the settlements with ZATCA during the period.

Advances from customers

The balance amounted to SAR300 thousand as at 31 March 2025G and relates to advances received from customers during the period, which was utilized in the subsequent period.

Other accrued expenses

The balance decreased from SAR4.3 million as at 31 December 2024G to SAR3.5 million as at 31 March 2025G, mainly driven by efficient management settlement of accruals.

6.7.2.10 Bank borrowings

Table 6.73: Bank borrowings as at 31 December 2024G and 31 March 2025G

SAR in 000s	31-Dec-24G Audited	31-Mar-25G Reviewed
Progress payment finance (PPF) – BSF	47,293	63,648
Progress payment finance (PPF) – ENBD	47,268	44,142
Mobilization finance – BSF	8,011	7,306
Mobilization finance – ENBD	18,417	16,792
Total	120,988	131,888

Source: Reviewed financial statements for the three-months period ended 31 March 2025G

As at 31 March 2025G, the Company had 20 active loans amounting to SAR131.9 million to finance new projects and provide liquidity for daily operations with Banque Saudi Fransi and Emirates NBD. The fees include the interest rate plus the banks' profit rates. The profit rates are 2.2%-2.5% for Banque Saudi Fransi and 3.2%-3.5% for Emirates NBD, with maturities ranging from 3 months to 3 years.

The balance increased from SAR121.0 million as at 31 December 2024G to SAR131.9 million as at 31 March 2025G as a result of the additional financing obtained from Banque Saudi Fransi (increase by SAR16.4 million) to cover the Company's working capital needs.

6.7.3 Statement of cashflow

Table 6.74: Statement of cash flows for the three-months financial period ended 31 March 2024G and 2025G

SAR in 000s	31 March 2024G Reviewed	31 March 2025G Reviewed
Cash flows from operating activities		
Profit before zakat and tax	5,106	15,244
Adjustments for:		
Depreciation expense on property and equipment	2,438	3,643
Depreciation on right of use assets	2,133	3,288
Finance costs	2,748	2,608
Provision for employee benefits	1,801	2,628
Share of loss of associate	-	124
Changes in:		
Trade receivables and contract assets	(25,225)	(50,317)
Prepayments and other current assets	(10,125)	(12,253)
Trade and other payables	21,320	(15,467)
Due from related parties	(6)	269
Due to a related party	4,428	762
Cash generated from / (used in) operating activities	4,620	(49,471)
Interest costs on borrowings – paid	(2,538)	(2,229)
Employees benefit paid	(3,757)	(292)
Net cash used in operating activities	(1,675)	(51,992)
Cash flows used in investing activities		
Purchase of property and equipment	(4,699)	(4,729)
Net cash used in investing activities	(4,699)	(4,729)
Cash flows from financing activities		
Proceeds from banks against borrowings	104,278	162,333
Repayments to banks against borrowings	(100,926)	(151,433)
Loans from shareholders	3,460	-
Lease rentals paid	(2,226)	(3,538)
Net cash generated from financing activities	4,585	7,363
Net decrease in cash and cash equivalents	(1,789)	(49,358)
Cash and cash equivalents at the beginning of the period	21,868	64,934
Cash and cash equivalents at the end of the period	20,079	15,575

Source: Reviewed financial statements for the three-months period ended 31 March 2025G

Net cash flow used in operating activities

Net cash flow used in operating activities increased from SAR1.7 million in the three-month period ended 31 March 2024G to SAR52.0 million in the three-month period ended 31 March 2025G primarily driven by the negative impact of (i) trade payables and other payables (decrease by SAR15.5 million) due to the full settlements of salaries payable, and (ii) trade receivables and contract assets (decrease by SAR 50.3 million) in line with the growth in sales faster than billing and collections. This was slightly offset by the increase in profit before zakat (decrease by SAR10.1 million) over the same period.

Net cash flow used in investing activities

Net cash flow used in investing activities remained relatively stable around an average of SAR 4.7 million over the three-months period ended 31 March 2024G and 2025G, reflecting stable spendings on property and equipment purchases.

Net cash flow from financing activities

Net cash flow from financing activities increased from SAR4.6 million in the three-month period ended 31 March 2024G to SAR7.4 million in the three-month period ended 31 March 2025G, primarily driven by the additional loans obtained during the period (increase SAR 162.3 million), partially offset by loan repayments (decrease by SAR151.4 million).

7. Capitalisation and Indebtedness

7. Capitalisation and Indebtedness

Prior to the Offering, the Current Shareholders owned the entire issued share capital of the Company. Upon completion of the Offering, they will jointly hold seventy per cent. (70%) of the Company's shares.

The following table shows the Company's capitalisation as reflected in the Company's audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G. The following table should be read in conjunction with the relevant Financial Statements, including the notes thereto set out in Section (19) ("**Financial Statements and Auditors' Report**").

Table 7.1: Capitalisation and Indebtedness of the Company

(SAR '000)	Financial Years Ended 31 December (Audited)		
	2022G	2023G	2024G
Lease liabilities – non-current	5,472	8,704	13,179
Lease liabilities – current	2,955	5,192	9,763
Due to related parties	11,827	303	8,756
Loans from shareholders	–	11,580	20,000
Bank borrowings (long- and short-term)	29,930	100,573	120,988
Shareholders' Equity			
Capital	10,000	10,000	10,000
Statutory Reserve	5,000	5,000	–
Retained Earnings	40,825	69,277	128,360
Total Shareholders' Equity	55,825	84,277	138,360
Total Capitalisation (Total Loans + Shareholders Equity)	85,755	184,851	259,349
Total Loans / Total Capitalisation	0.35	0.54	0.47

Source: The audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G.

The Directors declare that:

- neither the Company nor its Subsidiary have any debt instruments as of the date of this Prospectus;
- no Shares of the Company are under option rights; and
- subject to any material adverse change in the Company's business and its subsidiary, they believe that its existing cash balances and its cash flows will be sufficient to meet its anticipated cash needs for working capital and capital expenditure for at least twelve (12) months following the date of this Prospectus.

8. Dividend Distribution Policy

8. Dividend Distribution Policy

Pursuant to Article 107 of the Companies Law, each Shareholder is entitled to the rights attached to each of its Shares, including the right to receive a portion of the declared dividends. The declaration and distribution of dividends is recommended by the Board of Directors before being elevated to the Shareholders at a General Assembly meeting for approval. If delegated by the Shareholders, the Board may declare interim dividends. The Company is under no obligation to distribute dividends and any decision to do so will depend on, amongst other things, the Company's historic and anticipated earnings and cash flows, financing and capital requirements and market and general economic conditions, and legal and regulatory considerations. Dividend distribution is subject to restrictions set out in the financing agreements entered into with lenders (for further details, see Section (12.3.2) **(Financing Agreements)**). Dividends will be distributed in Saudi Riyals.

According to the Company's bylaws, Company's annual net profits shall be distributed as follows:

1. The Ordinary General Assembly determines the percentage to be distributed from the net profits after deducting reserves (if any).
2. The Board of Directors may recommend distributing a certain percentage of the remaining profits to the shareholders. The Company has the right to distribute annual or interim profits after authorizing the Board of Directors in accordance with the applicable regulations.

The following is a summary of the dividends that the Company has declared and distributed or settled in the years ended 31 December 2022G, 2023G, 2024G and the three-month period ended 31 March 2025G:

Table 8.1: Dividends Declared, Distributed and settled in the Years Ended 31 December 2022G, 2023G and 2024G ('SAR'000)

SAR'000	Year ended 31 December 2022G	Year ended 31 December 2023G ⁽²⁾	Year ended 31 December 2024G	The three-month period ended 31 March 2025G
Declared Dividends Throughout the Period	8,000 ⁽¹⁾	N/A	N/A	5,000 ⁽⁴⁾
Net Profit for the Period	17,100	27,847	51,633	13,222
Declared Dividends of Net Profit for the Period	46,8%	N/A	N/A	37,8%
Paid Dividends (in-cash) Throughout the Period	1,987	N/A	N/A	N/A
Dividends Settled During the Period	3,131 ⁽²⁾	2,882 ⁽³⁾	N/A	N/A ⁽⁴⁾

Source: The Company

⁽¹⁾ These dividends were approved by the shareholders on 13 December 2022G. This includes SAR 3 million relating to the financial year 2021G and SAR 5 million relating to the financial year 2022G.

⁽²⁾ An amount of SAR 3,131 thousand was settled in 2022G against zakat and tax liabilities due from shareholders.

⁽³⁾ The amount of SAR 2,882 thousand was added to the related parties' payables balance in 2022G and subsequently settled in 2023G against zakat and tax liabilities due from shareholders.

⁽⁴⁾ On 14 February 2025G, the shareholders approved a distribution of SAR 5 million, which was settled in May 2025G against zakat and tax liabilities due from shareholders.

As of the date of this prospectus, the Directors confirm that there are no declared or outstanding dividends.

Holders of Offer Shares are not entitled to any dividends announced prior to the date of this Prospectus, as the first entitlement of Offer Shares shall be dividends announced by the Company from the date of this Prospectus and the subsequent financial years.

9. Use of Proceeds

9. Use of Proceeds

9.1 Offering Proceeds and Expenses

The total Offering Proceeds are estimated at SAR [•], of which approximately twenty-one million SAR 21,000,000 million will be applied towards the Offering Expenses, which include the fees of the Financial Advisor, the Lead Manager, the Bookrunner, the Underwriter, the Legal Advisor, the Legal Advisor to the Financial Advisor, the Financial Due Diligence Advisor, the Market Consultant, and the other consultants, in addition to the marketing, printing and distribution fees, regulatory fees and other expenses relevant to the Offering. The Company and the Selling Shareholders will bear the offering expenses, pro rata to their ownership in the Offer Shares, and these expenses will be deducted from the Net offering Proceeds.

9.2 Use of Net Offering Proceeds

The Net Offering Proceeds amounting to approximately SAR [•] (after deducting the Offering Expenses), will be distributed as follows:

- (i) Approximately (SAR [•]) will be distributed to the Selling Shareholders on a pro-rata basis based on each Selling Shareholder's percentage of ownership in the Sale Shares;
- (ii) Approximately (SAR [•]) will be distributed to the Company, in which the Company intends to use its share of the Net Offering Proceeds to finance the following activities:
 - a. Finance the working capital to support business growth and strengthen the Company's liquidity.
 - b. Invest in technology and equipment to improve service quality, improve operational efficiencies, innovation, and capability.
 - c. Build Company-owned workers accommodation facilities and purchase of service and transportation vehicles.
 - d. General objective of the Company.

The following table summarises the expected use of the Net Offering Proceeds by the Company.

Table 9.1: Expected Use the Company's Share of the Net Offering Proceeds

Item	Expected Use of the Company's Share of the Net Offering Proceeds (%)	Expected Timeframe for Use of the Offering Proceeds	Summary Timeline for Use of the Offering Proceeds
Finance the working capital to support business growth and strengthen the Company's liquidity	35% - 40%	0 – 60 months	The first quarter of 2026G to the fourth quarter 2030G
Invest in technology and equipment	5% - 10%	6 – 18 months	The first quarter of 2026G to the third quarter of 2027G
Build Company-owned workers accommodation facilities and purchase of service and transportation vehicles	25% - 30%	3 – 30 months	The second quarter of 2026G to fourth quarter of 2028G
General corporate purposes of the Company	15% - 20%	0 - 24 months	The first quarter of 2026G to the fourth quarter of 2027G

9.2.1 Finance the working capital to support business growth and strengthen the Company's liquidity

The Company intends to strengthen its working capital base to leverage its enhanced equity position in reducing dependency on bank financing for mobilization and project financing needs. This approach aims to achieve robust capitalization, improve financial stability, and enable access to lower-cost financing. The Company aims through contributing a greater equity portion to working capital, to enhance its liquidity and secure favorable terms from banks, better supporting its growth trajectory. This strategy is aimed at improving the availability of resources for day-to-day operations and future expansion while reducing financial risk associated with overleveraging. Ultimately, the balanced use of equity and debt will underpin sustainable growth and enhance the Company's financial flexibility. The Company intends to allocate 35% – 40% of its share of the Net Offering Proceeds received by the Company for this purpose.

9.2.2 Invest in technology and equipment

The Company plans to enhance the technical capabilities by embedding emerging and newer technologies in its service infrastructure, which may include higher adoption of site-based specialized equipment and technologies such as IoT, sensors, real-time monitoring tools and advanced robotics. These initiatives will enable further operational efficiencies and mitigate some of the impact of rising labour costs. The Company aims through this strategy to enhance service quality, resulting in stronger customer retention and competitive positioning in the market. The Company intends to allocate 5% – 10% of its share of the Net Offering Proceeds received by the Company for this purpose.

9.2.3 Build Company-owned workers accommodation facilities and purchase of service and transportation vehicles

The Company plans to invest in service delivery infrastructure by constructing workers accommodation facilities and purchase certain vehicles. Currently, reliance on leased residences exposes the Company to cost fluctuations and limits its ability to provide high-quality facilities for workers. Accordingly, owning these assets will enable the Company to control costs, enhance governance, and improve workers welfare, and therefore boosting compliance and productivity. These investments aim to achieve greater operational sustainability, generate financial savings, and enhance employee satisfaction and retention rates, in line with business growth. The Company may also outsource any excess capacity to generate additional revenues and reduce cost for its own workers. The Company intends to allocate 25% – 30% of its share of the Net Offering Proceeds received by the Company for this purpose.

9.2.4 General Objectives of the Company

The Company intends to allocate 15% to 20% of its share of the Net Offering Proceeds received by the Company to finance the Company's general growth goals which include potential merger and acquisition transactions in accordance with its financial controls.

While specific opportunities have not been identified as of this Prospectus, the Company is continuously conducting market and investment assessments to evaluate potential targets. The Company expects to deploy these funds within approximately two years following the Offering.

The Company may allocate a portion of the net proceeds from the offering, under this item, to support strategic initiatives aimed at expanding into high-growth sectors, securing long-term, high-margin contracts, and strengthening its presence in giga projects as well as infrastructure and commercial developments. The net proceeds may also be used to enhance the Company's service delivery capabilities in the field of facilities management, thereby enabling the Company to provide high-quality services while maintaining strong profit margins. These uses align with the Company's objective to diversify revenue streams, deepen market penetration, and achieve long-term sustainable value through disciplined execution of its growth strategy. For further details on the Company's future plans, please refer to Section (4.2.3) ("**Strategy**").

9.3 Timeline for Expected Use of Net Offering Proceeds and Possible Changes

The Company intends to employ and use the Net Proceeds for the purpose of covering some or all of the above uses within five years of the date of this Prospectus. The plans for the expected use of the net proceeds from the Offering are reflective of the Company's business plan and the market conditions as of the date of this Prospectus. Thus, the expected use of the net proceeds is subject to change according to any economics, social or political developments, in addition to any potential changes in the Company's business plan.

In the event that the proceeds from the offering are insufficient to achieve the aforementioned objectives, the Company will seek to utilize additional funding sources to meet its goals, such as bank financing. Conversely, if there is a surplus in the net proceeds from the offering after executing all the above plans, it will be used to finance working capital.

The Company will seek the Shareholders approval for any change in the use of the proceeds and will disclose any material change in the timeline (without the need to obtain approval for it).

10. Statements by Experts

10. Statements by Experts

All Advisors and the Auditor, whose names are listed starting on pages (vi) and (vii), have given and, as of the date of this Prospectus, have not withdrawn, their written consent to the use of their names, addresses, logos and statements or reports attributed to each of them in this Prospectus, as applicable, and neither they themselves, nor their employees forming part of the team serving the Company or its Subsidiary, nor any of their relatives, have any shareholding or interest of any kind in the Company or its Subsidiary as of the date of this Prospectus which would impair their independence.

11. Declarations

11. Declarations

The Directors declare the following:

- a. none of the Directors, Senior Executives or the Board Secretary at any time have been declared bankrupt or been subject to bankruptcy proceedings;
- b. none of the companies in which any of the Directors, Senior Executives or the Secretary have been employed, in a managerial or supervisory capacity, was declared bankrupt or insolvent during the past five years;
- c. except as specified in Section (5.10) ("**Conflicts of Interest**"), none of the Directors, Senior Executives, Secretary, or any of their Relatives have any material interest in any written or verbal contract or arrangement under consideration or expected to be conducted with the Company and its Subsidiary as of the date of this Prospectus;
- d. except as otherwise described in Section (5.6) ("**Conflicts of Interest**"), and Table 1 ("**Company's Board of Directors**"), none of the Directors, Senior Executives, Secretary or their relatives have any shareholding or interest of any kind in the Company or its Subsidiary or in any debt instruments of the Company or its Subsidiary;
- e. no commissions, discounts, brokerages or other non-cash compensation were granted by the Company or its Subsidiary within the three years immediately preceding the application for the registration and offer of securities in connection with the issue or sale of any securities;
- f. there has been no interruption in the Company's business or that of its Subsidiary that has or may have significantly affected their financial position during the last 12 months;
- g. there is no intention to introduce any material changes to the nature of the Company's business;
- h. the Directors will not vote on General Assembly resolutions that relate to any transaction or contract in which they have a direct or indirect interest;
- i. there has been no material adverse change in the financial or trading position of the Company or its Subsidiary in the three years ended 31 December 2022G, 2023G and 2024G immediately preceding the date of filing the application for registration and the offering of securities that are the subject of this Prospectus and during the period from the end of the period covered in the Auditors' Report to the date of approval of this Prospectus;
- j. the Company does not have any employee share schemes in place for its employees or any other similar arrangement involving the employees in the capital of the Company;
- k. the Company does not have any securities (contractual or otherwise) or assets, the value of which is subject to fluctuation that would adversely and materially affect its financial position;
- l. except as disclosed in Section (2) ("**Risk Factors**"), the Company is not aware of any information regarding any governmental, economic, financial, monetary or political policies or any other factors that have materially affected or may materially affect its operations;
- m. except as disclosed in Section (2) ("**Risk Factors**"), the Company is not aware of any material seasonal information or business cycles related to its business that would affect the Company's operations or financial position;
- n. the Company has insurance policies with sufficient insurance coverage to carry out its activities and it renews its insurance policies regularly to ensure continued insurance coverage;
- o. all of the contracts and agreements which the Company considers to be material or significant or which may have an impact on a Subscriber's decision to invest in the Offer Shares have been disclosed in Section (12.3) ("**Material Agreements**"). There are no other material agreements or contracts that have not been disclosed;
- p. all terms and conditions that may affect the decisions of the Investors to invest in Offer Shares have been disclosed;
- q. except as specified in Section (5.10) ("**Conflicts of Interest**"), as of the date of this Prospectus, there are no material Related Party contracts or transactions that have any material impact on the Company's activities or that of its Subsidiary, and the Company has no intention to enter into any new agreements with Related Parties;
- r. the Company and Selling Shareholders will incur all of the expenses and costs relevant to the Offering, pro rata to their ownership in the Offer Shares and such costs will be deducted from the Offering Proceeds, including the fees of the Financial Advisor, the Lead Manager, the Bookrunner, the Underwriter, the Legal Advisor, the Legal Advisor to the Financial Advisor, the Lead Manager, the Bookrunner, the Underwriter, the Financial Due Diligence Advisor, the Market Consultant, the Receiving Agents and the other Advisors, as well as marketing, printing and distribution costs and other expenses relevant to the Offering. The Company and Selling Shareholders will bear the offering expenses, pro rata to their ownership in the Offer Shares, and these expenses will be deducted from the Net offering Proceeds;
- s. as of the date of this Prospectus, the Company is not involved in any material disputes or objections related to ZATCA;

- t. they have developed procedures, controls and systems that would enable the Company to meet all the requirements of the relevant laws and regulations, including the Companies Law, the CML and its implementing regulations (including the ROSCOs), and the Listing Rules;
- u. all of the Company's employees are under its sponsorship except employees outsourced through manpower companies or provide services under service contracts;
- v. as of the date of this Prospectus, the Current Shareholders whose names appear in this Prospectus are the legal and beneficial owners, whether direct or indirect owners, of the Shares;
- w. all increases in the share capital of the Company are in compliance with the applicable laws and regulations of the Kingdom;
- x. except as disclosed in Section (2) ("**Risk Factors**"), and to the best of their knowledge and belief, there are no other material risks that may affect a prospective investor's decision to invest in the Offer Shares;
- y. except as disclosed in Section (2.1.34) ("**Risks Related to Licensing and Evolving Regulatory Compliance**"), as of the date of this Prospectus, the Company has obtained all necessary licences and permits to carry out its business activities;
- z. except as disclosed in Section (2.1.19) ("**Risks related to disputes and legal cases**"), the Company and its Subsidiary are not subject to any material claims or legal procedures that may individually or as a whole materially affect the business of the Company or its Subsidiary or their financial position;
- aa. except as disclosed in Section (12.3.2) ("**Financing Agreements**"), the Company has not issued any debt instruments, nor does it have any term loans or any other outstanding loans or indebtedness (including bank overdrafts, financial liabilities under acceptance, acceptance credits or purchase commitments);
- ab. the Company, individually or in association with its Subsidiary, has working capital sufficient for at least 12 months immediately following the date of this Prospectus;
- ac. no Shares in the Company or in its Subsidiary are under option;
- ad. the audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G, and the accompanying notes thereto have been prepared in compliance with IFRS as endorsed in the Kingdom and other standards and pronouncements issued by SOCPA;
- ae. the financial information appearing in this Prospectus has been extracted from the Company's audited consolidated financial statements, and no material amendments have been made thereto. The financial information appearing in Section (6) ("**Management's Discussion and Analysis of Financial Position and Results of Operations**") has been extracted from the Company's audited financial statements for the financial years ended 31 December 2022, 2023, 2024, and the unaudited condensed interim financial statements for the three-month period ended 31 March 2025G. Furthermore, the financial information is presented in a manner consistent with the audited annual financial statements of the Company;
- af. the Company does not have a formal policy in connection with research and development;
- ag. the Company is capable of preparing the required reports in a timely manner in accordance with the implementing regulations issued by the CMA;
- ah. [all necessary approvals have been obtained in relation to the Offering];
- ai. as of the date of this Prospectus, there have been no breaches of the contractual terms and conditions under the agreements with the providers of all loans, facilities and financing;
- aj. the Company does not own any assets outside the Kingdom;
- ak. the Offering does not violate the relevant laws and regulations of the Kingdom;
- al. the Offering does not violate any of the contracts or agreements to which the Company is a party;
- am. the Directors are not subject to any litigation or procedures which may, individually or as a whole, have a material impact on the Company's operations or financial position;

In addition to the declarations set forth above, the members of the Board of Directors hereby acknowledge the following:

- a. this Prospectus contains all of the information required to be included under the ROSCOs, and no facts that may affect the application for registration and offer of securities were omitted from this Prospectus;
- b. All material legal information related to the issuer has been disclosed in the prospectus;
- c. they have submitted, and will submit, to the CMA all of the documents required under CML and the ROSCOs;
- d. the Company has prepared its internal control policies on sound principles where the Company has implemented a written policy regulating and resolving possible conflicts of interest issues, which include the misuse of the Company's assets and misfeasance due to Related Party transactions. The Company has ensured that its operational and financial policies are sound and that control procedures appropriate for risk management are implemented in accordance with Part 5 of the Corporate Governance Regulations. The members of the Board of Directors also conduct an annual review of the Company's internal control procedures;
- e. the internal control, accounting, and information technology systems of the Company are sufficient and adequate;

- f. except as disclosed in Section (5.10) ("**Conflicts of Interest**"), no Director has any interest in the contracts of businesses of the Company;
- g. none of the Directors has engaged in any activities similar to or competitive with the activities of the Company or its Subsidiary. The Directors undertake to fulfil this regulatory requirement in the future as per Article 27 of the Companies Law and Chapter 6 of Part 3 of the Corporate Governance Regulations;
- h. unless otherwise authorized by the General Assembly or the Board, a Director may not have a direct or indirect interest in the transactions and contracts entered into by the Company;
- i. the Directors shall notify the Board of Directors of any direct or indirect interest they may have in the transactions and contracts entered into by the Company, and this notification will be recorded in the minutes of the Board of Directors meeting;
- j. Board members may not borrow from the Company, nor may the Company guarantee any loan obtained by any of them;
- k. Board members and the CEO shall not have the right to vote on decisions related to their fees and remuneration, nor on any contract in which they have an interest;
- l. Neither the Company nor its subsidiary may grant any kind of loan to Board members, nor guarantee any loan obtained by any of them;
- m. The Company undertakes to furnish the Authority with its most recent interim financial statements- to be included in the preliminary prospectus before the share-offering process begins, or in the final prospectus before the shares are listed (as applicable)-in accordance with the time frames set out in Article 66 of the Rules on the Offer of Securities and Continuing Obligations (financial-information disclosure), and in line with the continuing obligations applicable to listed companies;
- n. All related-party transactions described in Section (12.3.3) ("**Related Party Transactions and Contracts Involving Interests of Board Members**") including the determination of consideration, have been conducted lawfully and on fair commercial terms equivalent to those agreed with independent third parties;
- o. The statistical information used in Section (3) ("**Market Overview**") that was obtained from external sources represents the most recent data available from those sources;
- p. Except as disclosed in Section (12.3.2) ("**Financing Agreements**"), there are no mortgages, liens, or encumbrances on the Company's assets as of the date of this Prospectus;
- q. All future related-party dealings will be conducted on a commercial basis. Any business or contracts involving a related-party interest will be submitted for approval at Board meetings-and, where required by law, at the General Assembly-with the interested Board member abstaining from voting at either level, in accordance with Article 71 of the Companies Law and Chapter 6, Part 3 of the Corporate Governance Regulations

The Directors undertake to:

- a. record all Board of Directors resolutions by means of written minutes of meetings, which shall be signed by the Chairman, attending Directors and the Secretary;
- b. disclose the details of any Related Party transactions in accordance with the CMA regulations;
- c. comply with the provisions of Articles 27, 71 and 72 of the Companies Law and Chapter 6 of Part 3 of the Corporate Governance Regulations; and
- d. amend the Company's Bylaws in the first Extraordinary General Assembly after listing in accordance with the Corporate Governance Regulations issued by CMA and other applicable laws and regulations, if necessary.



12. Legal Information

12. Legal Information

12.1 Legal Declarations

The members of the Board of Directors declare the following:

1. The Offering does not violate any applicable laws or regulations in the Kingdom of Saudi Arabia.
2. The Offering does not breach any contracts or agreements to which the Issuer is a party.
3. All material legal information relating to the Issuer has been disclosed in the Prospectus.
4. Neither the Issuer nor its subsidiary is subject to any claims or legal proceedings that, individually or collectively, may materially affect the business or financial position of the Issuer or its subsidiary.
5. The members of the Board of Directors of the Issuer are not subject to any claims or legal proceedings that, individually or collectively, may materially affect the business or financial position of the Issuer or its subsidiary.

12.2 The Company

EFSIM Facilities Management Company is a closed joint stock Saudi company registered in the Commercial Register under Unified National Number (7001574883) dated 27/12/1429H (corresponding to 25/12/2008G) in Riyadh, Saudi Arabia. The company's headquarters is located at Building 6756, Prince Faisal bin Bandar bin Abdulaziz Street, 3604 Al Narjis District, 13328, Riyadh, Kingdom of Saudi Arabia. For more information regarding the company's history, please refer to Section (4.7.5) ("**Historical Capital and Shareholding Development**") of this Prospectus.

12.2.1 Shareholding Structure

As of the date of this Prospectus, the Company's share capital amounts to ninety million Saudi Riyals (SAR 90,000,000), divided into forty-five million (45,000,000) ordinary shares, each with a nominal fully paid value of SAR two (2). All shares are cash-paid ordinary shares. The following table illustrates the shareholding structure of the Company before and after the Offering:

Table 12.1: Shareholding Structure of the Company Before and After the Offering

#	Shareholder	Before the Offering			After the Offering		
		No. of Shares	Total Nominal Value (SAR)	% Ownership	No. of Shares	Total Nominal Value (SAR)	% Ownership
1	EFS Group	24,750,000	49,500,000	55.0%	21,560,000	43,120,000	38.5%
2	AlKhafrah Company	6,750,000	13,500,000	15.0%	5,880,000	11,760,000	10.5%
3	Lama Company	5,850,000	11,700,000	13.0%	5,096,000	10,192,000	9.1%
4	Career First Company	4,500,000	9,000,000	10.0%	3,920,000	7,840,000	7.0%
5	Khalid Abdulrahman Abdullah Al-Kuwaiz*	3,150,000	6,300,000	7.0%	2,744,000	5,488,000	4.9%
6	Public	—	—	—	16,800,000	33,600,000	30.0%
Total		45,000,000	90,000,000	100.0%	56,000,000	112,000,000	100.0%

* Khalid Abdulrahman AlKuwaiz will no longer be considered a major shareholder after the Offering as his ownership will fall below 5%.

Source: The Company

12.2.2 Company Branches

The Company has five (5) branches. The following table outlines the details of these branches:

Table 12.2: Company Branches

	City	Commercial Registration No.	Unified National Number	Registration Date	Business Activity
1	Jeddah	4030193432	7012342783	09/10/1430H	Facilities Management Services
2	Khobar	2051221373	7004023789	16/08/1439H	Facilities Management Services
3	Al-Ula	4651103441	7028426356	21/08/1443H	Facilities Management Services
4	Riyadh	1010884208	7035395560	08/11/1444H	Storage Services (Warehouse)
5	Tabuk	3550151803	7035373153	04/11/1444H	Facilities Management Services

Note: The new Commercial Register Law came into effect as of the date of this Prospectus, abolishing the requirement for separate registration of branches. A five-year transition period has been granted, during which existing separate branch registrations will be gradually canceled by the Company or automatically after the expiry of this period. The Commercial Register now relies on the Unified National Number. For completeness, both the old registration number and the Unified National Number are included.

Source: The Company

12.2.3 Subsidiaries

The Company has one subsidiary. The table below provides its details and the Company's ownership. This subsidiary is not considered material under the Rules on the Offer of Securities and Continuing Obligations and therefore is not disclosed in full detail in this Prospectus.

Table 12.3: Subsidiaries

Subsidiary	Country of Incorporation	CR No.	Unified National Number	Legal Form	Date of CR Certificate	Company Ownership %	Other Shareholder
The Agency LTD for Entertainment Events	Saudi Arabia	1010926185	7035574297	Limited Liability Company	18/03/1445H	33%	The Hostess Agency LTD (DMCC)

Source: The Company

12.2.4 Material Licenses

The Company operates in the facilities management sector and holds various legal and operational licenses from relevant authorities. These licenses are periodically renewed and enable the Company to carry out its business. Some regulatory and operational activities are currently not undertaken directly by the Company but are outsourced to certified and licensed service providers. The following is a summary of material licenses issued to the Company in the Kingdom:

It should be noted that the new Commercial Register Law came into effect as of the date of this Prospectus and removed the requirement for separate branch registrations. A five-year grace period is in effect, after which branch registrations will be cancelled by the Company or automatically. The CR system is now based on the Unified National Number (starting with "7").

Table 12.4: Material Licenses Issued to the Company

License Type	Issuing Authority	Purpose	License No.	Issue Date	Expiry Date
The Company					
Commercial Registration	Ministry of Commerce	Commercial activity	7001574883	27/12/1429H (25/12/2008G)	Not applicable ⁽¹⁾
Membership Certificate	Riyadh Chamber of Commerce	Commercial activity	208209	26/12/1429H (24/12/2008G)	21/11/1447H (08/05/2026G)
Investment Registration Certificate	Ministry of Investment	Investment license	11209400688445	28/06/1440H (05/03/2019G)	18/06/1447H (09/12/2025G)
Contractor Membership Certificate	Saudi Contractors Authority	Contractor membership	125812581	03/03/1447H (26/08/2025G)	11/03/1448H (24/08/2026G)

License Type	Issuing Authority	Purpose	License No.	Issue Date	Expiry Date
Local Content Certificate	Local Content and Government Procurement Authority	Confirms local content ratio of 40.23% as of 31 Dec 2024G	M197649	25/03/1447H (17/09/2025G)	17/02/1448H (31/07/2026G)
Commercial License	Riyadh Municipality	Commercial activity	460316913784	14/04/1446H (17/10/2024G)	14/04/1449H (15/09/2027G)
Civil Defense License	General Directorate of Civil Defense	Civil defense license	1-001630237-46	13/04/1446H (16/10/2024G)	13/04/1449H (14/09/2027G)
Waste Management License	National Center for Waste Management	Waste Management License	003067	27/11/1446H (25/05/2025G)	01/01/1450H (25/05/2028G)
Tabuk Branch					
Commercial Registration	Ministry of Commerce	Commercial activity	7035373153	04/11/1444H (24/05/2023G)	Not applicable ⁽¹⁾
Membership Certificate	Tabuk Chamber of Commerce	Commercial activity	401001173676	04/11/1444H (24/05/2023G)	15/11/1447H (02/05/2026G)
Commercial License	Tabuk Municipality	Commercial activity	450413584559	09/04/1445H (24/10/2023G)	09/04/1449H (10/09/2027G)
Civil Defense License	General Directorate of Civil Defense	Civil defense license	3-001282430-47	09/03/1447H (01/09/2027G)	09/04/1449H (10/09/2027G)
Al-Ula Branch					
Commercial Registration	Ministry of Commerce	Commercial activity	7028426356	21/08/1443H (24/03/2022G)	Not applicable ⁽¹⁾
Membership Certificate	Madinah Chamber of Commerce	Commercial activity	203011157851	21/08/1443H (24/03/2022G)	21/08/1448H (29/01/2027G)
Commercial License	Royal Commission for Al-Ula	Commercial activity	31912393	Not applicable	08/10/1448H (16/03/2027G)
Civil Defense License	General Directorate of Civil Defense	Civil defense license	Not available ⁽²⁾	Not available ⁽²⁾	Not available ⁽²⁾
Jeddah Branch					
Commercial Registration	Ministry of Commerce	Commercial activity	7012342783	09/10/1430H (28/09/2009G)	Not applicable ⁽¹⁾
Membership Certificate	Jeddah Chamber of Commerce	Commercial activity	140454	29/11/1446H (27/05/2025G)	21/11/1447H (08/05/2026G)
Commercial License	Jeddah Municipality	Commercial activity	460618125321	29/06/1446H (30/12/2024G)	29/06/1447H (20/12/2025G)
Civil Defense License	General Directorate of Civil Defense	Civil defense license	1-001758521-46	29/06/1446H (30/12/2024G)	29/06/1447H (20/12/2025G)
Al-Khobar Branch					
Commercial Registration	Ministry of Commerce	Commercial activity	7004023789	16/08/1439H (02/05/2018G)	Not applicable ⁽¹⁾
Membership Certificate	Eastern Province Chamber of Commerce	Commercial activity	261989	11/08/1440H (16/04/2019G)	21/11/1447H (08/05/2026G)
Commercial License	Eastern Province Municipality	Commercial activity	451115909878	28/11/1445H (05/06/2024G)	28/11/1447H (15/05/2026G)
Civil Defense License	General Directorate of Civil Defense	Civil defense license	1-001505568-45	28/11/1445H (05/06/2024G)	28/11/1447H (15/05/2026G)
Riyadh Warehouse Branch					
Commercial Registration	Ministry of Commerce	Commercial activity	7035395560	08/11/1444H (28/05/2023G)	Not applicable ⁽¹⁾

License Type	Issuing Authority	Purpose	License No.	Issue Date	Expiry Date
Commercial License	Riyadh Municipality	Commercial activity	470421304623	20/05/1447H (11/11/2025G)	20/05/1448H (31/10/2026G)
Civil Defense License	General Directorate of Civil Defense	Civil defense license	1-002009848-47	20/05/1447H (11/11/2025G)	20/05/1448H (31/10/2026G)
Other					
Environmental Permit	National Center for Environmental Compliance	Commercial activity	EPOPP-2024-019520	30/06/1446H (31/12/2024G)	03/08/1449H (31/12/2027G)

(1) There is no expiry date for commercial registrations following the implementation of the new Commercial Register Law. Registration must be confirmed annually. The next confirmation date for the Company's main CR is 19/11/1447H (06/05/2026G).

(2) The Company has not obtained a Civil Defense License for the Al-Ula branch. For related risk factors, refer to Section (2.1.34) ("**Risks Related to Licensing and Evolving Regulatory Compliance**").

Source: The Company

12.3 Material Agreements

The Company has entered into several material agreements and contracts with various parties. This Section summarizes the agreements and contracts that the Board of Directors believes are material to the Company's business or that may influence investors' decisions to subscribe to the Offering Shares. The summaries provided below do not include all the terms and conditions and should not be considered a substitute for reviewing the actual agreements or as the Company's interpretation thereof.

It should be noted that a number of projects have been awarded to the Company, in the ordinary course of its business, and are in the process of having their contracts signed. For further details, please refer to Section (2.1.14) ("**Risks related to procurement of contracts and awarding projects**")

A. The First Agreement

The Company entered into an operation and maintenance agreement with a client to provide facility management, operation, and maintenance services in client's complexes on 10/01/1446H (corresponding to 16/07/2024G). The agreement is for a term of three (3) years commencing from the start of operational activities on 25/12/1445H (corresponding to 01/07/2024G) and ending on 25/01/1449H (corresponding to 30/06/2027G). The client may renew the term for up to an additional two years, subject to a written notice submitted at least one month prior to the expiration date. The following table outlines the contract value and the amounts payable thereunder:

Table 12.5: Financial Details Related to the First Agreement

Total Contract Value (excl. VAT)		Maximum of SAR 290,000,000			
SAR	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G	Cumulative as of the Three-Month Period Ended 31 March 2025G
Recognized Revenue	Nil	Nil	27,146,253	22,502,050	49,648,303
Collected Amounts	Nil	Nil	Nil	28,817,621	28,817,621
% Collected of Contract Upper Cap	Nil	Nil	Nil	3.8%	3.8%
% Collected of Recognized Revenue	Nil	Nil	Nil	Nil	58.0%

The agreement obligates the Company to deliver a full package of services, including transition and mobilization, operations and management, electrical and mechanical maintenance, landscaping and greening, high-level cleaning, waste collection, asset management, fire and rescue response, centralized utilities services, health and safety, pest control, and logistics support, as specified in the agreement.

The Company must issue a monthly payment request within 14 days from the end of each Gregorian month, including details of performed services, VAT, withholding tax, and any applicable deductions or additions. The client's representative must review and issue a payment certificate or a reasoned rejection within 14 days. The Company must then issue the final invoice within 14 days of the certificate, which must be settled within 45 days of receipt. The client may deduct performance penalties not exceeding $(0.1 \times \text{monthly fee}) \times 3$. The Company bears all bank charges for wire transfers.

The Company must perform services per agreed performance standards, professional practices, and all applicable laws and regulations, maintain coordination with the client's consultants and contractors, prepare and submit periodic reports, secure required resources, ensure service delivery does not disrupt client operations, and inspect other contractors' work as necessary. The Company must apply for permits, accommodate client requests for modifications, acceleration, or delays.

The agreement allows either party to propose changes to the scope of work. Any change proposal must include its impact on cost and timeline. The client may respond within 14 days to accept, reject, or contest the change. If no agreement is reached, the client may issue a unilateral change order with revised price and duration, which the Company must sign within seven (7) days. The client may reassign parts of the services to third parties without breaching the contract. The Company may not suspend work during negotiations and must maintain a record of all change orders, to be submitted monthly or upon request.

The client may terminate the contract in several cases, including breach of obligations without remedy, failure to provide required guarantees, abandonment of work, changes in ownership without consent, insolvency, or exceeding the maximum performance penalties. Upon termination, completed work will be assessed, and the client may deduct costs incurred for hiring an alternative operator. The client may also terminate without cause by written notice, whereby completed work and repatriation costs are settled per the latest payment certificate. The Company may terminate if the client delays payment for more than 60 days following a notice and does not remedy the situation within 21 additional days.

The client may also terminate the agreement upon a change in the legal ownership, structure, or control of the Company without prior written approval.

Upon termination, the Company must cease all work, return documents and assets, remove equipment, and transfer subcontractor agreements upon client request, as well as assist in a smooth transition of responsibilities to the client or a replacement contractor.

The agreement includes a clause allowing the client to terminate the contract in the event of a change in legal or effective control of the Company.

The Company is obligated to maintain the confidentiality of all documents and information obtained during contract performance and may not disclose them without prior written approval from the client, except as required by law or regulatory or judicial authorities. Disclosure to subcontractors and affiliates is allowed only within the limits necessary for performance and subject to confidentiality obligations. The Company is prohibited from publishing or issuing media content related to the project without the client's written approval.

The agreement is governed by the laws of the Kingdom of Saudi Arabia and provides for amicable dispute resolution within forty (40) days. Failing amicable settlement, disputes are referred to arbitration by three arbitrators under the Saudi Center for Commercial Arbitration (SCCA), conducted in English and seated in Riyadh. Client approval for disclosure and the Offering has been obtained.

B. The Second Agreement

The Company entered into an operation and maintenance agreement with a client to provide facilities management, operation, and maintenance services on 16/04/1445H (corresponding to 31/10/2023G). The agreement is for a term of three (3) years, starting from the date of commencement of operations on 18/06/1445H (corresponding to 31/12/2023G) and ending on 21/07/1448H (corresponding to 30/12/2026G), renewable by the client for up to thirty-six (36) additional months, by providing written notice at least thirty (30) days prior to expiry.

Table 12.6: Financial Information Related to the Second Agreement

Total Contract Value (excl. VAT)		SAR 248,998,714.95			
SAR	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G	Cumulative as of the Three-Month Period Ended 31 March 2025G
Recognized Revenue	Nil	Nil	66,736,242	19,748,008	86,484,250
Collected Amounts	Nil	Nil	61,471,034	7,954,126	69,425,160
% Collected of Contract Value	Nil	Nil	24.7%	3.2%	27.9%
% Collected of Recognized Revenue	Nil	Nil	92.1%	40.3%	80.3%

Under the agreement, the Company is obligated to provide a full suite of operation and maintenance services including, among others, performance management plan, communication plan, quality management plan, exception report for mobilization and service delivery, monthly performance report template, HSE management plan, HSE training matrix and plan, overall training plan, induction presentation to new project staff, spare parts and stock control management plan, contact register, staff deployment plan, staff uniforms, standard operating procedure (SOP) manual, business continuity and emergency management plan, asset register verification, condition report, operation and maintenance annual plan, cleaning annual plan, hard and soft landscaping annual plan, and provision of all tools and equipment, as detailed in the contract.

The Company must submit a monthly payment request within fourteen (14) days of the end of each Gregorian month. The request must detail the services performed, applicable VAT and withholding tax, and any deductions or additions. The client's representative is required to review the request within fourteen (14) days and issue a payment certificate or a justified rejection. Following certification, the Company must issue the final invoice within another fourteen (14) days. The client is required to settle the invoice within forty-five (45) days of receipt. Performance-related deductions may be applied, capped at $(0.1 \times \text{the monthly fee}) \times 3$. The Company is responsible for all bank charges related to wire transfers.

The Company is obligated to perform the services to the standard of a reasonable and prudent service provider and in accordance with the facilities management requirements, the facilities management manuals, and the employer's procedures. Its obligations include the maintenance of mechanical systems (HVAC systems, ventilation systems, fuel oil systems, and fire protection systems), electrical systems (lighting systems, transformers, switchgear, uninterruptible power supply (UPS), emergency generators, and others), plumbing and drainage systems (stormwater systems, grey water systems, water pumps, treatment systems, and others), and specialist systems (vehicle barriers, lifts, irrigation systems, tanks, and others). The company is also required to develop and implement a 52-week preventive maintenance program, and to prepare a monthly maintenance plan that takes into account public and religious holidays.

The agreement allows either party to propose changes to the scope of services, provided the proposal includes cost and timeline implications. The client may respond within fourteen (14) days with approval, rejection, or objection. If no agreement is reached, the client may unilaterally issue a change order. The Company is required to sign and comply within seven (7) days. The client may also reassign portions of the services to other providers without this constituting a breach. The Company may not suspend work during change order negotiations and must maintain an up-to-date log of all change orders for submission upon request.

The client has the right to terminate the agreement in a number of cases, including failure to comply with obligations, failure to meet guarantee requirements, unauthorized assignment, cybersecurity or sustainability breaches, subcontracting without permission, suspension of services, delay in payment, or breach of insurance requirements. In the event of termination, the Company is entitled to payment for services performed to date, while the client may recover reasonable costs incurred in appointing a replacement operator.

The client may also terminate the agreement at any time without cause upon written notice, in which case completed services and repatriation costs are settled in accordance with the latest payment certificate.

The client may terminate the agreement in the event of a change in the legal ownership, corporate structure, or control of the Company without prior written consent.

The Company may terminate the agreement if the client fails to pay or issue payment certification for more than sixty (60) days after notification, and does not remedy the situation within twenty-one (21) additional days.

Following termination, the Company must cease all operations, return all documents and equipment, withdraw staff and resources, transfer contracts upon request, and support a smooth transition of services.

The agreement is governed by the laws of the Kingdom of Saudi Arabia. Disputes are to be resolved amicably within forty (40) days. If unresolved, they shall be referred to arbitration before three arbitrators under the Saudi Center for Commercial Arbitration (SCCA), with proceedings conducted in English and seated in Riyadh. Client approval for disclosure and the Offering has been obtained.

C. The Third Agreement

The Company entered into an operation and maintenance agreement with a client to provide facilities management and operation and maintenance services for a non-clinical hospital. The agreement commenced on 03/05/1445H (corresponding to 17/11/2023G) and has a duration of forty-eight (48) months, ending on 17/06/1449H (corresponding to 16/11/2027G). The agreement may be renewed by the client for an additional period of up to thirty-six (36) months, based on prior written notice.

Table 12.7: Financial Information Related to the Third Agreement

Total Contract Value (excl. VAT)		SAR 218,607,337			
SAR	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G	Cumulative as of the Three-Month Period Ended 31 March 2025G
Recognized Revenue	Nil	5,367,763	44,974,797	11,178,888	61,521,448
Collected Amounts	Nil	Nil	39,335,223	11,188,558	50,523,781
% Collected of Contract Value	Nil	Nil	17.9%	5.1%	23.1%
% Collected of Recognized Revenue	Nil	Nil	87.5%	100.1%	82.1%

Pursuant to the agreement, the Company is obligated to provide a full suite of non-clinical operational and maintenance services, including general administration, facilities management, quality, health, safety and environmental services (QHSE), housing management, central utilities, and infrastructure support. The services also include detailed maintenance of fire systems, electrical and mechanical systems, elevators, building structures, recreational facilities, and roads, as further specified in the contract.

The Company is required to issue a monthly payment request within fourteen (14) days of the end of each Gregorian month, which must include a detailed breakdown of the executed services, value-added tax, withholding tax, and any applicable additions or deductions. The client's representative is obligated to review and either approve or reject the request within fourteen (14) days, issuing a payment certificate or justified refusal. The Company must then issue a final invoice within another fourteen (14) days, and the invoice is payable by the client within forty-five (45) days from the date of receipt. Performance deductions under the agreement may not exceed 20% of the monthly invoice value or 10% of the total contract value. The Company bears all bank charges related to payment transfers.

The Company is obligated to perform the services in accordance with the standards of a prudent service provider, in full compliance with the contractual documents, client instructions, and applicable legal, environmental, and health regulations. The Company is also required to maintain all necessary insurance documentation, operate a CAFM (Computer-Aided Facility Management) system and a control center on a 24/7 basis, provide regular performance and compliance reports, implement a risk management and safety plan, coordinate with third-party contractors, maintain confidentiality, and provide the necessary training and documentation.

The agreement permits either party to submit a notice or proposal to amend the scope of services, provided that the amendment sets out its impact on cost and schedule and includes precise technical and financial details. The client may respond within fourteen (14) days with acceptance, rejection, or objection; if no agreement is reached, the client may issue a unilateral change order, which the company must comply with and sign within seven (7) days. The client may also omit parts of the services and assign them to other parties without this constituting a breach of the agreement. The company may not suspend the services while the proposal is under evaluation and must maintain an up-to-date register of all change orders and deliver it upon request.

The client has the right to terminate the agreement in the event of breach of any obligation without cure, abandonment of services, changes in legal ownership or control without prior written consent, unauthorized assignment, insolvency, subcontracting without approval, suspension of services, violation of cybersecurity requirements, exceeding performance deduction thresholds, or failure to maintain insurance documentation. In the event of termination, the Company is entitled to payment for services performed to date, and the client has the right to recover reasonable costs incurred in appointing a replacement service provider for the remainder of the contract term. The client may also terminate the agreement at any time without cause, in which case the Company is entitled to payment for completed work and associated repatriation costs.

The Company may terminate the agreement if the client fails to make payment or issue certification within sixty (60) days of notice and does not remedy the situation within twenty-one (21) additional days. Upon termination, the Company must cease all operations, return documentation and equipment, withdraw personnel, transfer contracts upon request, and support a smooth transition of responsibilities.

The agreement is governed by the laws of the Kingdom of Saudi Arabia. Disputes are to be resolved amicably within forty (40) days, and failing such resolution, referred to arbitration before three arbitrators under the Saudi Center for Commercial Arbitration (SCCA), with proceedings conducted in English and seated in Riyadh. Note: Client approval for disclosure has been obtained.

D. The Forth Agreement

The Company entered into an operation and maintenance agreement with a client to provide facility management, operation, and maintenance services at a complete complex. The agreement commenced on 11/10/1444H (corresponding to 01/05/2023G) and extends for a period of four (4) years, which ends on 10/10/1448H (corresponding to 30/04/2027G), and may be renewed for an additional twelve (12) months upon prior written notice by the client.

Table 12.8: Financial Information Related to the Forth Agreement

Total Contract Value (excl. VAT)		SAR 241,996,576 (including SAR 219,496,576 for facilities management and a variable scope of SAR 22,500,000 for asset management services).			
SAR	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G	Cumulative as of the Three-Month Period Ended 31 March 2025G
Recognized Revenue	Nil	16,701,362	34,508,861	9,879,576	61,089,799
Collected Amounts	Nil	Nil	48,614,443	Nil	48,614,443
% Collected of Contract Value	Nil	Nil	20.1%	Nil	20.1%
% Collected of Recognized Revenue	Nil	Nil	140.9%	Nil	79.6%

Pursuant to the agreement, the Company is obligated to deliver a full scope of integrated services including transition and mobilization, facility management, mechanical, electrical and plumbing (MEP) operation and maintenance, landscaping, high-level and general cleaning, waste collection and disposal, centralized utilities, fire and rescue response, health and safety services, pest control, and logistical support, as further detailed in the agreement.

The Company is required to submit monthly payment requests within fourteen (14) days of the end of each Gregorian month, including a breakdown of the services performed, applicable VAT and withholding tax, and any deductions or additions. The client's representative is obligated to review the request within fourteen (14) days and issue a payment certificate or provide a reasoned rejection. Upon certification, the Company must issue the final invoice within another fourteen (14) days. The client is required to settle the invoice within forty-five (45) days of receipt. Performance deductions may not exceed 20% of the monthly claimed service value or 10% of the total contract value. The Company bears all bank charges related to payment transfers.

The Company is obligated to perform the services to the standard of a diligent service provider and in full compliance with the contract, scope of work, and all applicable regulations. This includes full adherence to health, safety, and environmental requirements, operation of the CAFM system and 24/7 control center, maintenance of all required insurance documentation, implementation of a client-auditable quality management system, training, reporting, risk management, and collaboration with third-party contractors. Confidentiality obligations apply to all information obtained during the course of service delivery.

The agreement grants both parties the right to issue or submit notices to amend the scope of services. Each notice or proposal must include a detailed statement of the impacts on cost and schedule. The client may respond within fourteen (14) days with acceptance, rejection, or objection, and if no agreement is reached, the client may issue a unilateral change order specifying the price and duration, which the company must comply with and sign within seven (7) days for it to become effective. The client may also omit parts of the services and assign them to other parties without this constituting a breach of the agreement. The company may not suspend the services while the amendments are under discussion, and it must maintain an up-to-date register of all change orders and deliver it monthly or upon request.

The client has the right to terminate the agreement for cause, including breach of obligations without remedy, abandonment of services, unauthorized assignment, insolvency, violation of cybersecurity requirements, unauthorized subcontracting, or exceeding the performance deduction thresholds. In case of termination, the services performed to date will be assessed, and the client may recover reasonable costs incurred in appointing a replacement service provider through the remaining contract period. The client also retains the right to terminate the agreement at any time without cause by written notice, in which case the Company is entitled to payment for completed services and related repatriation costs.

The client may also terminate the agreement in the event of any change in the Company's legal ownership, corporate structure, or control by a third party without prior written consent.

The Company may terminate the agreement in the event the client fails to pay or issue certification for more than sixty (60) days after notice, if the situation is not remedied within a further twenty-one (21) days. Following termination, the Company is obligated to cease all services, return documentation and assets, withdraw equipment and personnel, transfer contracts upon request, and assist in ensuring a smooth transition of responsibilities to a new operator.

The agreement is governed by the laws of the Kingdom of Saudi Arabia. Disputes are to be resolved amicably within forty (40) days and, if unresolved, referred to arbitration before three arbitrators under the Saudi Center for Commercial Arbitration (SCCA), with proceedings conducted in English and seated in Riyadh. Note: Client approval for disclosure has been obtained.

E. The Fifth Agreement

The Company entered into an operation and maintenance agreement with a client to provide facilities management, operation, and maintenance services for its regional and central offices on 13/02/1445H (corresponding to 29/08/2023G). The agreement is for a term of three (3) years, starting from the date of commencement of operations on 03/23/1445H (corresponding to 10/08/2023G) and ending on 27/04/1448H (corresponding to 08/10/2026G). The client may renew the agreement for an additional term of up to thirty-six (36) months upon prior written notice submitted at least thirty (30) days prior to the contract's expiration date. The following table outlines the contract value and the amounts due thereunder.

Table 12.9: Financial Information Related to the Fifth Agreement

Total Contract Value (excl. VAT)		SAR 112,993,419*			
SAR	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G	Cumulative as of the Three-Month Period Ended 31 March 2025G
Recognized Revenue	Nil	2,414,661	24,047,389	3,599,588	30,061,638
Collected Amounts	Nil	Nil	14,446,008	Nil	14,446,008
% Collected of Contract Value	Nil	Nil	12.8%	Nil	12.8%
% Collected of Recognized Revenue	Nil	Nil	60.1%	Nil	48.1%

* Note: As with the other agreements, the agreement depends on the client's request for the service, and accordingly the amount may not represent the amount that will be collected. With respect to this agreement specifically, the final value realized from the agreement is expected to be materially lower and cannot be determined, which can be inferred from the amount of revenue recognized and the amounts collected set out in the table above.

Under the agreement, the Company is obligated to provide a comprehensive package of integrated operations and maintenance services for the designated office facilities. These include preventive and corrective maintenance, office services, key and asset management, furniture and supplies management, sustainability and environmental services, logistics, IT support, spare parts and consumables procurement, and security services, all as further specified in the agreement.

The Company must issue a monthly payment request within fourteen (14) days of the end of each Gregorian month, including a detailed breakdown of services performed, VAT, withholding tax, and any applicable additions or deductions. The client's representative must review the request within the same period and issue either a payment certificate or a reasoned rejection. The Company is required to issue a final invoice within fourteen (14) days from the date of certification. The invoice is payable by the client within forty-five (45) days of receipt. Performance deductions are capped at $(0.1 \times \text{monthly service fee}) \times 3$. The Company is responsible for all bank transfer charges.

The Company is required to execute the services in accordance with the standard of a prudent and diligent service provider, and in compliance with the contract documents, client instructions, and all applicable laws and regulations. The Company's obligations include maintenance of mechanical, electrical, and plumbing systems, special systems (such as barriers, lifts, irrigation, solar energy systems), weekly preventive maintenance covering (52) weeks, and preparation of seasonal monthly maintenance schedules. The Company is further obligated to implement service improvement and cost-reduction initiatives, provide regular performance reporting, manage specialized systems through approved subcontractors, identify defects and risks, supply required equipment and office furniture, conduct specialized staff training, and ensure personal hygiene and professional appearance of staff. The Company must also ensure English proficiency for staff in public-facing roles.

The agreement permits either party to submit a notice or proposal to amend the scope of services, provided that it sets out the impacts on cost and schedule and includes precise technical and financial details. The client may respond within fourteen (14) days with acceptance, rejection, or objection. If no agreement is reached, the client may issue a unilateral change order, which the company must comply with and sign within seven (7) days. The client may also omit parts of the services and assign them to other parties without this constituting a breach of the agreement. The company may not suspend the services while the proposal is under evaluation and must maintain an up-to-date register of all change orders and deliver it upon request.

The client has the right to terminate the agreement in case of breach of obligations without remedy, abandonment of services, unauthorized assignment, failure to meet guarantee requirements, insolvency, cybersecurity violations, or unauthorized subcontracting. The client may also terminate the agreement at any time without cause by written notice, in which case the Company is entitled to payment for completed services and reasonable repatriation costs.

The client may also terminate the agreement if there is any change in the Company's legal ownership, corporate structure, or control by a third party without prior written consent.

The Company has the right to terminate the agreement if the client fails to make payment or issue payment certification for a period exceeding sixty (60) days after notice, and the breach is not cured within twenty-one (21) additional days. Upon termination, the Company is required to cease operations, return all documents, withdraw its equipment and personnel, transfer any subcontracted contracts upon request, and support the transition to an alternative provider.

The agreement is governed by the laws of the Kingdom of Saudi Arabia. Disputes are to be resolved amicably within forty (40) days. If not resolved, they are to be referred to arbitration before three arbitrators under the Saudi Center for Commercial Arbitration (SCCA), with proceedings conducted in English and seated in Riyadh. Note: Client approval for disclosure has been obtained.

F. The sixth Agreement

The Company entered into a service agreement with a client for the management of waste operations and services relating to specific assets on 15/06/1445H (corresponding 28/12/2023G). The agreement extends for a period of three (3) years starting from the date of commencement of operations on 20/08/1445H (corresponding to 01/03/2024G) and expires on 21/09/1448H (corresponding to 28/02/2027G), with the client retaining the right to renew the agreement for a further twelve (12) months by providing written notice at least thirty (30) days prior to expiry.

Table 12.10: Financial Information Related to the Sixth Agreement

Total Contract Value (excl. VAT)		SAR 45,859,970 (including facilities management of SAR 38,659,970, and a variable scope of work of SAR 7,200,000).			
SAR	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G	Cumulative as of the Three-Month Period Ended 31 March 2025G
Recognized Revenue	Nil	Nil	4,826,562	2,126,447	6,953,009
Collected Amounts	Nil	Nil	3,981,426	978,179	4,959,605
% Collected of Contract Value	Nil	Nil	8.7%	2.1%	10.8%
% Collected of Recognized Revenue	Nil	Nil	82.5%	46.0%	71.3%

Under the agreement, the Company is responsible for delivering comprehensive waste management services, including the collection, transport, and disposal of solid, liquid, special, and hazardous waste. Services must be carried out in designated and approved disposal facilities, as detailed in the agreement.

The Company is required to submit monthly payment requests within fourteen (14) days of the end of each Gregorian month, which must include a detailed account of services rendered, applicable value-added tax, withholding tax, and any adjustments. The client's representative must review and issue a payment certificate or a justified rejection within fourteen (14) days. The Company is then required to issue a final invoice within fourteen (14) days from certification, and the invoice is payable within forty-five (45) days of receipt. Performance deductions are limited to $(0.1 \times \text{monthly fee}) \times 3$. The Company bears all bank transfer costs.

The Company must execute the services in line with professional standards, waste services specifications, and the client's procedures and documentation. Obligations include managing all service components and their effective execution, coordinating and reporting on third-party vendors, and self-monitoring performance across all asset categories, structures, and installed systems within the defined facility boundaries. The service provider is solely – at its own expense – responsible for providing qualified personnel, consumables, spare parts, tools, and equipment necessary to fulfill the service scope as outlined in the Service Agreement and in accordance with the required standards and specifications, excluding ownership or management of client-provided vehicles, containers, or operational hardware. The scope of the services is limited only to the operation and maintenance of all equipment provided by the client to perform the service provision for all of the client's assets specified in the Agreement.

The agreement permits either party to propose changes to the scope, subject to detailed financial and technical justification. The client may respond within fourteen (14) days. If an agreement is not reached, the client may issue a unilateral change order, which the Company must sign and implement within seven (7) days. The client may reallocate portions of the services to third parties without this constituting breach. The Company may not suspend services during change order assessment and must maintain an up-to-date log of all such changes for submission upon request.

The client may terminate the agreement in cases including failure to meet contractual obligations, guarantee requirements, abandonment, assignment without prior consent, breach of sustainability or cybersecurity provisions, unauthorized subcontracting, delayed payments, exceeding deduction thresholds, or failure to maintain insurance. In such cases, services performed to date are assessed and certified, and the client may recover reasonable costs incurred in appointing a replacement. The client may also terminate the agreement without cause by written notice, with settlement for completed services and staff-related costs.

The client retains the right to terminate the agreement in the event of a change in the legal ownership, structure, or control of the Company by a third party without prior written approval.

The Company may terminate the agreement if the client fails to make payments or issue certifications for more than sixty (60) days following notice, with a further twenty-one (21) day grace period. Upon termination, the Company must halt operations, return all documents and equipment, withdraw personnel, transfer contracts on request, and support a seamless transition.

The agreement is governed by the laws of the Kingdom of Saudi Arabia. Disputes are to be resolved amicably within forty (40) days, and if unresolved, referred to arbitration before three arbitrators at the Saudi Center for Commercial Arbitration (SCCA), with proceedings conducted in English and seated in Riyadh. Note: Client approval for disclosure has been obtained.

G. The Seventh Agreement

The Company entered into a framework agreement for the provision of general services with a client on 29/08/1443H (corresponding to 01/04/2022G), pursuant to which the Company is obligated to deliver facilities management and equipment-related services. These include maintenance and operations, cleaning, pest control, waste management, and scheduled preventive maintenance, as well as administrative, supervisory, and monitoring services. The objective of the agreement is to ensure a satisfactory operational status of the client's covered facilities.

The agreement is valid for three (3) years and ends on 03/10/1446H (corresponding to 01/04/2025G), and is subject to renewal by mutual agreement. The parties have agreed to extend the agreement until 06/12/1447H (corresponding to 23/05/2026G) and to apply a (1.5%) discount during the extension term.

The following table sets out the contract value and the amounts due thereunder.

Table 12.11: Financial Information Related to the Seventh Agreement

Total Contract Value (excl. VAT)		SAR 92,512,636 (including the previous agreement, which was valued at SAR 41,322,956 and the updated agreement)			
SAR	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G	Cumulative as of the Three-Month Period Ended 31 March 2025G
Recognized Revenue	20,985,259	24,827,613	36,494,000	8,216,995	90,523,867
Collected Amounts	15,049,600	15,154,291	33,717,864	11,009,845	74,931,600
% Collected of Contract Value	16.3%	16.4%	36.4%	11.9%	81.0%
% Collected of Recognized Revenue	71.7%	61.0%	92.4%	134.0%	82.8%

The agreement includes an annual list of prices for the services provided by the company to the client, and such prices are binding on both parties upon the issuance or execution of service orders, subject to any change orders issued. The client may, at any time, make changes to any service order, including the type of services and the time, method, and place of performance. If such changes result in an increase or decrease in costs or an extension or shortening of the schedule, the company must notify the client within four (4) business days from the date of receipt of the service-order change notice. If the company is unable to implement the requested change, it must formally reject the change request; if it is able to implement it, the parties shall agree on the necessary amendments to the original terms.

Under the agreement, the Company is required to issue a single monthly invoice for services rendered in the prior month, including the purchase order number. The invoice is payable within seventy-five (75) days of receipt unless the client identifies any defects in the services or disputes the invoice's validity. The client has the right to withhold disputed amounts or offset any liabilities due from the Company. Payment by the client does not constitute acceptance of services or waiver of rights regarding non-conforming services, materials, or breaches of the agreement. The client also reserves the right to reject any invoice submitted more than six (6) months after the related services were performed. An early payment discount may be agreed upon between the parties.

The client may terminate the agreement immediately in the event of the Company's bankruptcy, insolvency, or placement under administration or receivership. Immediate termination is also permitted in cases of non-remedied breach, reputational damage due to criminal acts, or violation of compliance regulations or health, safety, and environmental policies. Additionally, the client may terminate the agreement at its sole discretion and without cause by giving thirty (30) days' prior written notice. Upon termination or expiration, any open purchase orders may either be fulfilled at the prevailing rates or terminated concurrently with the agreement. The client may also cancel, suspend, or terminate services at any time, including for force majeure events lasting more than fifteen (15) consecutive days or material breach by the Company. The Company is responsible for any additional costs incurred by the client due to failure or disruption caused by the Company, and all of the client's rights under the agreement are non-exclusive and cumulative with any rights available at law or in equity.

Both parties are bound to maintain the confidentiality of all proprietary information and documents, and the Company is prohibited from disclosing any details of the agreement without prior written consent from the client. Client approval for disclosure and the Offering has been obtained. The agreement is governed by the laws of the Kingdom of Saudi Arabia.

H. The Eighth Agreement

The Company entered into an operation and maintenance agreement with a client on 08/09/1443H (corresponding to 09/04/2022G), pursuant to which the Company is responsible for providing facilities management services at an airport, including façade cleaning, janitorial services, waste management, pest control, and landscaping. The purpose of the agreement is to ensure an appropriate operational level for the covered airport facilities.

The agreement has a three (3)-year operational term, following a non-operational mobilization period which concluded on 22/10/1443H (corresponding to 23/05/2022G), and may be renewed by the client for an additional two (2) years through written notice at least six (6) months prior to the end of the term. The agreement has been renewed through 22/05/2027G.

Table 12.12: Financial Information Related to the Eighth Agreement

Total Contract Value (excl. VAT)		SAR 750,000,000 (SAR 450,000,000 representing the base contract value for the first three years, and SAR 300,000,000 for the two-year renewal period).			
SAR	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G	Cumulative as of the Three-Month Period Ended 31 March 2025G
Recognized Revenue	92,043,663	152,070,857	169,271,686	36,647,248	450,033,454
Collected Amounts	74,734,271	153,107,495	171,251,141	37,972,600	437,065,506
% Collected of Contract Value	10.0%	20.4%	22.8%	5.1%	58.3%
% Collected of Recognized Revenue	81.2%	100.7%	101.2%	103.6%	97.1%

Under the agreement, the Company is required to issue monthly invoices that detail the services rendered during the billing period and corresponding costs, accompanied by supporting documentation. The client is responsible for reviewing the invoices and verifying the supporting documentation before processing payments in accordance with the specified payment terms. In case of any billing disputes, both parties are required to cooperate to resolve the matter, including the provision of additional documentation or clarification.

The client may direct the company to implement any modification to the operation and maintenance (O&M) services in accordance with the provisions of the agreement, and the company may not refuse or delay any modification without a reasonable justification, provided that the modification is consistent with the applicable standards and regulatory requirements. The client shall provide the company with sufficient written information enabling it to determine the scope, extent and cost of the modification. If the client instructs a modification, the company shall, within ten (10) days of receiving the instruction, submit a memorandum setting out the details of the modification and its good-faith estimate of the cost. If the client wishes to proceed after receiving the cost estimate, it shall direct the company to implement the modification; if the client objects to the company's estimate, the parties shall meet

to determine and agree the cost of the modification. If they are unable to agree within thirty (30) days, the client may direct the company to implement the modification and refer the cost determination to the dispute resolution mechanism, or withdraw the modification request, or terminate the agreement, or tender the modification works to another contractor. The client shall pay the company for any agreed modification either as a lump sum or through an adjustment to the service costs under the agreement.

The client may terminate the agreement without cause upon twenty-five (25) calendar days' written notice. Immediate termination is also permitted in the following events:

- the Company's insolvency or bankruptcy;
- failure to pay amounts due to the client (which may arise in the event of a breach of the agreed-upon standards);
- breach of any material obligation under the agreement;
- suspension of services for more than thirty (30) days;
- failure to obtain required regulatory or insurance licenses;
- continuation of a force majeure event for 365 days; or
- the agreement becoming unenforceable due to legal or operational reasons.

The Company may terminate the agreement if the client fails to pay amounts due for more than ninety (90) days, and such failure continues for an additional sixty (60) days following a corrective notice, or if the payment delay extends beyond 120 days without resolution.

The client may also terminate the agreement if there is a change in the legal ownership, structure, or control of the Company by a third party without the client's prior written consent.

Both parties are required to maintain the confidentiality of all information and documents related to the agreement. Disclosure or publication of any agreement-related information is prohibited unless written consent is obtained from the other party. Client approval for disclosure and the Offering has been obtained. The agreement is governed by the laws of the Kingdom of Saudi Arabia.

I. The Ninth Agreement

The Company entered into an input-based facilities services agreement with a client on 25/06/1445H (corresponding to 07/01/2024G), under which it provides operational support services to Amazon's operations in Saudi Arabia. The agreement specifies that services are to be rendered in accordance with defined standards and requirements. It remains in force for twelve (12) months from the effective date and is automatically renewed for similar terms unless terminated by either party in accordance with the agreement.

Table 12.13: Financial Information Related to the Ninth Agreement

Total Contract Value (excl. VAT)		No specific price, but per unit.			
SAR	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G	Cumulative as of the Three-Month Period Ended 31 March 2025G
Recognized Revenue	Nil	Nil	12,946,289	10,799,394	23,745,683
Collected Amounts	Nil	Nil	9,605,679	167,835	9,773,514
% Collected of Contract Value	Nil	Nil	32.0%	0.6%	32.6%
% Collected of Recognized Revenue	Nil	Nil	74.2%	1.6%	41.2%

The Company undertakes to provide the required services in accordance with the Client's requests, while complying with the following requirements: supplying qualified personnel with the necessary skills; ensuring that all personnel have obtained the legal permits required to work in the Kingdom of Saudi Arabia; conducting security background checks prior to employment; providing the necessary references; and ensuring full compliance with all applicable laws and regulations, as well as the Client's policies and operational procedures. The Company shall also protect intellectual property rights, whereby any work outputs developed for the Client shall be deemed the Client's property. The Company shall maintain its status as an independent contractor, without establishing any direct employment relationship between the Client and the supplied personnel, and shall maintain appropriate insurance coverage to protect the business against potential risks. The client may, from time to time, make changes to the services falling within the general scope of the agreement by notice to the company. If any change results in an increase or decrease in the time or expenses required to perform the remaining services, the client and the company shall agree on an equitable adjustment to the schedule and/or the consideration payable for the performance of such services to reflect such increase or decrease.

Either party may terminate the agreement without cause with sixty (60) days' prior written notice. The client may also immediately terminate the agreement or specific services in certain circumstances, including:

- a change in the Company's legal ownership or control without prior consent;
- any material or repeated breaches by the Company;
- labor shortfalls exceeding 10%;
- violations of anti-bribery or supply chain standards; or
- at any time the client chooses to revoke or suspend access to its systems or sites.

Upon termination, all intellectual property produced during the contract term becomes the client's property. The Company is required to return all documentation and destroy any stored data, and to provide a written confirmation of compliance with these obligations.

The Company must maintain strict confidentiality over all proprietary and undisclosed information regarding Amazon's business. Such information may only be used within the scope of the contractual relationship and must be protected against unauthorized access or disclosure. Client approval for disclosure has been obtained. The agreement is governed by the laws of the Kingdom of Saudi Arabia.

J. The Tenth Agreement

The Company entered into a facilities management services agreement with a client on 17/01/1446H (corresponding to 23/07/2024G), pursuant to which the Company is obligated to provide facilities management services for the Masar Project. The agreement starting from the date of commencement of operations on 22/10/1445H (corresponding to 01/05/2024G) and will remain in force for five (5) years, ending on 21/10/1450H (corresponding to 30/04/2029G).

Table 12.14: Financial Information Related to the Tenth Agreement

Total Contract Value (excl. VAT)		An upper limit of SAR 249,384,339*			
SAR	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G	Cumulative as of the Three-Month Period Ended 31 March 2025G
Recognized Revenue	Nil	Nil	2,771,490	1,701,746	4,473,236
Collected Amounts	Nil	Nil	625,389	Nil	625,389
% Collected of Contract Upper Cap	Nil	Nil	0.3%	Nil	0.3%
% Collected of Recognized Revenue	Nil	Nil	22.6%	Nil	14.0%

* Note: This is a framework agreement and therefore depends on the client's request for and use of the service as needed; accordingly, the stated upper cap may not represent the amount that will be collected. With respect to this agreement specifically, the final amount realized under the agreement is expected to be materially lower and cannot be determined with precision given its nature, which may be inferred from the amounts of revenue recognized and amounts collected set out in the table above.

Under the agreement, the Company is responsible for delivering facilities management services for a project for the client as set forth in the detailed appendices to the agreement and, upon the client's confirmation and agreement on the detailed mobilization plan, the scope of services, and the detailed schedule. The Company must coordinate with the client and relevant authorities, submit necessary license and permit applications, ensure the accuracy of submitted documentation that could affect performance, and be granted access and necessary support to perform its obligations.

The client may issue change requests to the scope of services by written instructions to the company including all necessary information, and the company shall prepare its proposal in respect of the change request, setting out the expected impact on the schedule for performing the services and the expected cost. If the client approves the company's proposal, the client shall issue a written instruction to the company (a change order) clearly specifying the change, its cost, and its impact on the schedule. The company shall implement every change requested by the client and must notify the client if there are reasons preventing it from procuring the materials required for the modification, or if the value of such change, when added to the aggregate value of prior changes, would cause the contract value to be exceeded. The company may not carry out any changes to the services unless it receives written instructions or a written order from the client's representative and an amendment to the agreement is executed. If the client's representative requests the company to submit a quotation for a change, the company must respond within no more than fifteen (15) days from the date of the request by a letter describing the required services, their impact on the schedule, any proposed amendments to the schedule modification request (if any), and the financial offer to implement the requested change. The client shall respond with approval, rejection, or comments, and the company shall not suspend any of the services while awaiting the client representative's response. The company may not commence implementing the proposed changes before obtaining written approval from the client's representative, submitting the price quotation for the changes, and receipt of the client's formal confirmation to implement the change pursuant to an amendment to the agreement. If the company is unable to implement the change request, it must state the reasons for its inability within fifteen (15) days from the date of the client representative's request, and the client shall have the authority to assess such reasons and take the necessary measures.

Changes and modifications may include, by way of example, changes and modifications to any items of the services listed in the agreement; changes and modifications to quality standards and other characteristics of any items of the services; cancellation of any agreed parts of the services; changes to the times in the schedule for performing the services; correction of errors, uncertainties, or omissions in information provided by the client followed by clarifications that lead to amendments to the services; and any changes or modifications required by the circumstances of the services.

The client may terminate the agreement at any time without cause by serving a written termination notice on the company thirty (30) business days prior to termination, without prejudice to the company's right to claim compensation for amounts it has incurred and that have been approved by the client up to the termination date. The client shall also have the right to terminate the agreement immediately or withdraw the services and execute the remainder at the company's expense, without prejudice to its right to seek compensation for any damage, if the company breaches performance or delays completion by the specified date, or if it is proven that the company paid (directly or indirectly) amounts or benefits to obtain the agreement, or if the company is subject to bankruptcy, insolvency, or the like. The company shall be deemed in breach of the agreement if it subcontracts without the client's approval or in the event of any other breach not cured by the company within fifteen (15) days from the date it is notified thereof. Upon termination due to the company's breach, the client shall be entitled to forfeit the performance bond while retaining its right to seek compensation for damages. The agreement also sets out the provisions governing force majeure.

The Company is required to maintain confidentiality over all information obtained in connection with the agreement and may not disclose such information to any third party without the client's prior written approval. Client approval for disclosure has been obtained. The agreement is governed by the laws of the Kingdom of Saudi Arabia.

K. Eleventh Agreement

The Company entered into a master framework agreement with a client on 12/08/1446H (corresponding to 11/02/2025G), under which it is engaged to provide facilities management and consultancy services. The agreement has a term of three Gregorian years, commencing from the date of issuance of the first work order. In the event that active work orders remain in force upon expiry of the agreement term, the agreement shall automatically extend until the completion of such work orders.

The total value of the framework agreement is determined based on the aggregate value of work orders issued under the agreement, in accordance with the agreed unit price. Accordingly, there is no fixed contract value. As at 31 July 2025G, there are two (2) purchase orders under this agreement with an aggregate amount of SAR 31,889,528.75, and the client has issued two (2) additional purchase orders, which are pending final approval procedures, with an aggregate amount of SAR 29,600,000. The following table sets out the financial information related to the agreement.

Table 12.15: Financial Information Related to the Eleventh Agreement

Total Contract Value (excl. VAT)		There is no fixed contract amount, based on purchase orders.			
SAR	Year ended 31 December 2022G	Year ended 31 December 2023G	Year ended 31 December 2024G	The Three-Month Period Ended 31 March 2025G	Cumulative as of the Three-Month Period Ended 31 March 2025G
Recognized Revenue	Nil	Nil	Nil	2,310,795	2,310,795
Collected Amounts	Nil	Nil	Nil	Nil	Nil
% Collected of Contract Value	Nil	Nil	Nil	Nil	Nil
% Collected of Recognized Revenue	Nil	Nil	Nil	Nil	Nil

Under the agreement, payments are made to the Company in installments based on the terms specified in each work order. A retention of five percent (5%) is withheld and released with the final payment. Deductions may apply for non-performance or penalties.

The scope of services includes facilities management and consultancy services for Tatweer, encompassing supervision, maintenance, and operational activities as described in the agreement appendices. The Company must fully cooperate with the client and relevant authorities, ensure the accuracy of submitted documentation, and is responsible for fulfilling its obligations under the contract. The client is required to enable access to the work sites and provide the information and support necessary for proper performance.

The client may issue change orders through written instructions. The Company must respond with a proposal detailing the technical and financial impact of the change. The value of any change order must not exceed 20%–30% of the respective work order value. The Company is not entitled to any payment unless written approval is received from the client.

The client may terminate the agreement at any time without cause via written notice, which becomes effective upon receipt by the Company. Termination is also permitted for breach of contract if not remedied within fifteen (15) days of notice. In such case, the Company is entitled only to payment for services completed under the relevant work orders. Upon termination, the Company is obligated to transfer all subcontracts to the client, assist in identifying completed work and on-site assets, and return all client documentation within ten (10) days. If the Company fails to comply, the client may seize the Company's assets and equipment to enforce compliance.

The Company is required to maintain strict confidentiality over all information received in the course of performing the agreement. Disclosure to third parties is prohibited without prior written consent. The client reserves the right to disclose all information and documents related to the agreement, including the existence of the agreement itself, at its sole discretion and without obtaining the Company's consent. Client approval for disclosure has been obtained. The agreement is governed by the laws of the Kingdom of Saudi Arabia, and any disputes shall be referred to the competent judicial authority for final adjudication.

L. Twelfth Agreement

The Company entered into a facilities management services agreement with a client on 29/12/1446H (corresponding to 25/06/2025G). The agreement has a term of three years commencing from the date of receipt of the notice to proceed, provided that such date shall not be later than 11/07/1447H (corresponding to 31/12/2025G).

The total contract value (exclusive of VAT) is SAR 41,590,004. As at 31 March 2025G, there are no revenues recognized or amounts collected.

The client shall pay the Company's dues within forty-five (45) days from the end of the month in which the Company submitted the payment request, with all payments to be made exclusive of VAT.

The agreement includes the provision of facilities management services at the client's site in Abha, including technical services, general and specialized cleaning services, landscaping maintenance, pest and rodent control, and security services, in accordance with the scope of work and service levels specified in the agreement.

The Company undertakes to provide the services assigned to it, applying industry practices at all times in performing the services, and assumes full responsibility for the services it performs or that are performed on its behalf, including all deliverables, and no approval, rejection, review or payment, or lack thereof, by the client or its representative shall affect the Company's responsibilities under the contract. The Company also undertakes to ensure that the services are performed with the highest level of skill and care, in compliance with the applicable laws and the terms of the agreement, and to preserve the client's property in good condition and not to use or dispose of it except in accordance with the client's instructions.

The client undertakes to enable the Company to access all parts of the site during the times of performance, to provide the information and support necessary to enable the Company to perform the works, and to pay the agreed dues in accordance with the terms of the contract.

The client may issue change orders by written instructions addressed to the Company. The Company shall submit a proposal regarding the change order within three business days, and the client shall respond to the proposal within five business days from the date of its receipt. If no agreement is reached regarding the change order, the client shall be entitled to direct its execution based on the prevailing prices in the contract, and if such prices are not available, market prices for service providers of similar competence shall apply. If the Company objects to such determination, the dispute shall be resolved in accordance with the dispute resolution mechanism set out in the agreement.

The client may terminate the agreement at any time without stating reasons by giving a written notice fifteen (15) days prior to the termination date. The client shall also be entitled to terminate the agreement in the event the Company breaches its contractual obligations and such breach is not remedied within ten (10) days, or if the client deems the breach incapable of remedy, or in the event of three critical service failures or performance penalties exceeding 10% of the fees due, or if the Company becomes insolvent or unable to meet its obligations or is subject to similar proceedings, or if the Company's actions cause damage to its reputation or to the reputation of the client or any of its affiliates, or in the event of a violation of the applicable laws, or if the force majeure continues for thirty (30) days. In the event of termination, the Company shall be entitled only to payments relating to works performed and accepted by the client, and shall be obliged to transfer all subcontracts to the client upon request, to cooperate with the client in identifying the works performed and the assets at the client's sites, and to return all client documents within ten (10) days from the date of the termination notice. The client may retain the Company's assets and equipment in the event of non-compliance with the specified period, in addition to the Company's obligation to vacate the site.

The Company and the client undertake to maintain the confidentiality of all information obtained or exchanged under the agreement and not to disclose it to any third party without the prior written consent of the other party. The Company also undertakes not to disclose the existence of this agreement or the services provided under it without the prior written consent of the client. The client's approval for disclosure has been obtained. The agreement is governed by the laws of the Kingdom of Saudi Arabia, and any disputes shall be referred to the competent judicial authority for final adjudication.

M. Thirteenth Agreement

with a client on 29/12/1446H (corresponding to 25/06/2025G). The agreement has a term of three years commencing from the date of receipt of the notice to proceed, provided that such date shall not be later than 13/11/1447H (corresponding to 30/04/2026G).

The total contract value (exclusive of VAT) is SAR 52,984,138. As at 30 June 2025G, there are no revenues recognized or amounts collected.

The client shall pay the Company's dues within forty-five (45) days from the end of the month in which the Company submitted the payment request, with all payments to be made exclusive of VAT.

The agreement includes the provision of facilities management services at the client's site in Riyadh, including technical services, general and specialized cleaning services, landscaping maintenance, pest and rodent control, and security services, in accordance with the scope of work and service levels specified in the agreement.

The Company undertakes to provide the services assigned to it, applying industry practices at all times in performing the services, and assumes full responsibility for the services it performs or that are performed on its behalf, including all deliverables, and no approval, rejection, review or payment, or lack thereof, by the client or its representative shall affect the Company's responsibilities under the contract. The Company also undertakes to ensure that the services are performed with the highest level of skill and care, in compliance with the applicable laws and the terms of the agreement, and to preserve the client's property in good condition and not to use or dispose of it except in accordance with the client's instructions.

The client undertakes to enable the Company to access all parts of the site during the times of performance, to provide the information and support necessary to enable the Company to perform the works, and to pay the agreed dues in accordance with the terms of the contract.

The client may issue change orders by written instructions addressed to the Company. The Company shall submit a proposal regarding the change order within three business days, and the client shall respond to the proposal within five business days from the date of its receipt. If no agreement is reached regarding the change order, the client shall be entitled to direct its execution based on the prevailing prices in the contract, and if such prices are not available, market prices for service providers of similar competence shall apply. If the Company objects to such determination, the dispute shall be resolved in accordance with the dispute resolution mechanism set out in the agreement.

The client may terminate the agreement at any time without stating reasons by giving a written notice fifteen (15) days prior to the termination date. The client shall also be entitled to terminate the agreement in the event the Company breaches its contractual obligations and such breach is not remedied within ten (10) days, or if the client deems the breach incapable of remedy, or in the event of three critical service failures in the provision of services or performance penalties exceeding 10% of the fees due, or if the Company becomes insolvent or unable to meet its obligations or is subject to similar proceedings, or if the Company's actions cause damage to its reputation or to the reputation of the client or any of its affiliates, or in the event of a violation of the applicable laws, or if the force majeure continues for thirty (30) days. In the event of termination, the Company shall be entitled only to payments relating to works performed and accepted by the client, and shall be obliged to transfer all subcontracts to the client upon request, to cooperate with the client in identifying the works performed and the assets at the client's sites, and to return all client documents within ten (10) days from the date of the termination notice. The client may retain the Company's assets and equipment in the event of non-compliance with the specified period, in addition to the Company's obligation to vacate the site.

The Company and the client undertake to maintain the confidentiality of all information obtained or exchanged under the agreement and not to disclose it to any third party without the prior written consent of the other party. The Company also undertakes not to disclose the existence of this agreement or the services provided under it without the prior written consent of the client. The client's approval for disclosure has been obtained. The agreement is governed by the laws of the Kingdom of Saudi Arabia, and any disputes shall be referred to the competent judicial authority for final adjudication.

N. Fourteenth Agreement

The Company entered into a facilities management services agreement with a client on 29/12/1446H (corresponding to 25/06/2025G). The agreement has a term of three years commencing from the date of receipt of the notice to proceed, provided that such date shall not be later than 11/07/1447H (corresponding to 31/12/2025G).

The total contract value (exclusive of VAT) is SAR 40,389,589. As at 30 June 2025G, there are no revenues recognized or amounts collected.

The client shall pay the Company's dues within forty-five (45) days from the end of the month in which the Company submitted the payment request, with all payments to be made exclusive of VAT.

The agreement includes the provision of facilities management services at the client's site in Yanbu, including technical services, general and specialized cleaning services, landscaping maintenance, pest and rodent control, and security services, in accordance with the scope of work and service levels specified in the agreement.

The Company undertakes to provide the services assigned to it, applying industry practices at all times in performing the services, and assumes full responsibility for the services it performs or that are performed on its behalf, including all deliverables, and no approval, rejection, review or payment, or lack thereof, by the client or its representative shall affect the Company's responsibilities under the contract. The Company also undertakes to ensure that the services are performed with the highest level of skill and care, in compliance with the applicable laws and the terms of the agreement, and to preserve the client's property in good condition and not to use or dispose of it except in accordance with the client's instructions.

The client undertakes to enable the Company to access all parts of the site during the times of performance, to provide the information and support necessary to enable the Company to perform the works, and to pay the agreed dues in accordance with the terms of the contract.

The client may issue change orders by written instructions addressed to the Company. The Company shall submit a proposal regarding the change order within three business days, and the client shall respond to the proposal within five business days from the date of its receipt. If no agreement is reached regarding the change order, the client shall be entitled to direct its execution

based on the prevailing prices in the contract, and if such prices are not available, market prices for service providers of similar competence shall apply. If the Company objects to such determination, the dispute shall be resolved in accordance with the dispute resolution mechanism set out in the agreement.

The client may terminate the agreement at any time without stating reasons by giving a written notice fifteen (15) days prior to the termination date. The client shall also be entitled to terminate the agreement in the event the Company breaches its contractual obligations and such breach is not remedied within ten (10) days, or if the client deems the breach incapable of remedy, or in the event of three critical service failures in the provision of services or performance penalties exceeding 10% of the fees due, or if the Company becomes insolvent or unable to meet its obligations or is subject to similar proceedings, or if the Company's actions cause damage to its reputation or to the reputation of the client or any of its affiliates, or in the event of a violation of the applicable laws, or if the force majeure continues for thirty (30) days. In the event of termination, the Company shall be entitled only to payments relating to works performed and accepted by the client, and shall be obliged to transfer all subcontracts to the client upon request, to cooperate with the client in identifying the works performed and the assets at the client's sites, and to return all client documents within ten (10) days from the date of the termination notice. The client may retain the Company's assets and equipment in the event of non-compliance with the specified period, in addition to the Company's obligation to vacate the site.

The Company and the client undertake to maintain the confidentiality of all information obtained or exchanged under the agreement and not to disclose it to any third party without the prior written consent of the other party. The Company also undertakes not to disclose the existence of this agreement or the services provided under it without the prior written consent of the client. The client's approval for disclosure has been obtained. The agreement is governed by the laws of the Kingdom of Saudi Arabia, and any disputes shall be referred to the competent judicial authority for final adjudication.

O. Fifteenth Agreement

The Company entered into a facilities management services agreement with a client on 29/12/1446H (corresponding to 25/06/2025G). The agreement has a term of three years commencing from the date of receipt of the notice to proceed, provided that such date shall not be later than 11/07/1447H (corresponding to 31/12/2025G). The client may extend the agreement for an additional two years by giving the Company a written notice thirty (30) days prior to the agreement's expiry date.

The total contract value (exclusive of VAT) is SAR 43,075,012. As at 31 March 2025G, there are no revenues recognized or amounts collected.

The client shall pay the Company's dues within forty-five (45) days from the end of the month in which the Company submitted the payment request, with all payments to be made exclusive of VAT.

The agreement includes the provision of facilities management services at the client's site in Tabuk, including technical services, general and specialized cleaning services, landscaping maintenance, pest and rodent control, and security services, in accordance with the scope of work and service levels specified in the agreement.

The Company undertakes to provide the services assigned to it, applying industry practices at all times in performing the services, and assumes full responsibility for the services it performs or that are performed on its behalf, including all deliverables, and no approval, rejection, review or payment, or lack thereof, by the client or its representative shall affect the Company's responsibilities under the contract. The Company also undertakes to ensure that the services are performed with the highest level of skill and care, in compliance with the applicable laws and the terms of the agreement, and to preserve the client's property in good condition and not to use or dispose of it except in accordance with the client's instructions.

The client undertakes to enable the Company to access all parts of the site during the times of performance, to provide the information and support necessary to enable the Company to perform the works, and to pay the agreed dues in accordance with the terms of the contract.

The client may issue change orders by written instructions addressed to the Company. The Company shall submit a proposal regarding the change order within three business days, and the client shall respond to the proposal within five business days from the date of its receipt. If no agreement is reached regarding the change order, the client shall be entitled to direct its execution based on the prevailing prices in the contract, and if such prices are not available, market prices for service providers of similar competence shall apply. If the Company objects to such determination, the dispute shall be resolved in accordance with the dispute resolution mechanism set out in the agreement.

The client may terminate the agreement at any time without stating reasons by giving a written notice fifteen (15) days prior to the termination date. The client shall also be entitled to terminate the agreement in the event the Company breaches its contractual obligations and such breach is not remedied within ten (10) days, or if the client deems the breach incapable of remedy, or in the event of three critical service failures in the provision of services or performance penalties exceeding 10% of the fees due, or if the Company becomes insolvent or unable to meet its obligations or is subject to similar proceedings, or if the Company's actions cause damage to its reputation or to the reputation of the client or any of its affiliates, or in the event of a violation of the applicable laws, or if the force majeure continues for thirty (30) days. In the event of termination, the Company shall be entitled only to payments relating to works performed and accepted by the client, and shall be obliged to transfer all subcontracts to the client upon request, to cooperate with the client in identifying the works performed and the assets at the client's sites, and to return all client documents within ten (10) days from the date of the termination notice. The client may retain the Company's assets and equipment in the event of non-compliance with the specified period, in addition to the Company's obligation to vacate the site.

The Company and the client undertake to maintain the confidentiality of all information obtained or exchanged under the agreement

and not to disclose it to any third party without the prior written consent of the other party. The Company also undertakes not to disclose the existence of this agreement or the services provided under it without the prior written consent of the client. The client's approval for disclosure has been obtained.

The agreement is governed by the laws of the Kingdom of Saudi Arabia, and any disputes shall be referred to the competent judicial authority for final adjudication.

P. Sixteenth Agreement

The Company entered into a facilities management services agreement with a client on 29/12/1446H (corresponding to 25/06/2025G). The agreement has a term of three years commencing from the date of receipt of the notice to proceed, provided that such date shall not be later than 11/09/1447H (corresponding to 28/02/2026G).

The total contract value (exclusive of VAT) is SAR 42,799,941. As at 30 June 2025G, there are no revenues recognized or amounts collected.

The client shall pay the Company's dues within forty-five (45) days from the end of the month in which the Company submitted the payment request, with all payments to be made exclusive of VAT.

The agreement includes the provision of facilities management services at the client's site in Al Madinah Al Munawwarah, including technical services, general and specialized cleaning services, landscaping maintenance, pest and rodent control, and security services, in accordance with the scope of work and service levels specified in the agreement.

The Company undertakes to provide the services assigned to it, applying industry practices at all times in performing the services, and assumes full responsibility for the services it performs or that are performed on its behalf, including all deliverables, and no approval, rejection, review or payment, or lack thereof, by the client or its representative shall affect the Company's responsibilities under the contract. The Company also undertakes to ensure that the services are performed with the highest level of skill and care, in compliance with the applicable laws and the terms of the agreement, and to preserve the client's property in good condition and not to use or dispose of it except in accordance with the client's instructions.

The client undertakes to enable the Company to access all parts of the site during the times of performance, to provide the information and support necessary to enable the Company to perform the works, and to pay the agreed dues in accordance with the terms of the contract.

The client may issue change orders by written instructions addressed to the Company. The Company shall submit a proposal regarding the change order within three business days, and the client shall respond to the proposal within five business days from the date of its receipt. If no agreement is reached regarding the change order, the client shall be entitled to direct its execution based on the prevailing prices in the contract, and if such prices are not available, market prices for service providers of similar competence shall apply. If the Company objects to such determination, the dispute shall be resolved in accordance with the dispute resolution mechanism set out in the agreement.

The client may terminate the agreement at any time without stating reasons by giving a written notice fifteen (15) days prior to the termination date. The client shall also be entitled to terminate the agreement in the event the Company breaches its contractual obligations and such breach is not remedied within ten (10) days, or if the client deems the breach incapable of remedy, or in the event of three critical service failures in the provision of services or performance penalties exceeding 10% of the fees due, or if the Company becomes insolvent or unable to meet its obligations or is subject to similar proceedings, or if the Company's actions cause damage to its reputation or to the reputation of the client or any of its affiliates, or in the event of a violation of the applicable laws, or if the force majeure continues for thirty (30) days. In the event of termination, the Company shall be entitled only to payments relating to works performed and accepted by the client, and shall be obliged to transfer all subcontracts to the client upon request, to cooperate with the client in identifying the works performed and the assets at the client's sites, and to return all client documents within ten (10) days from the date of the termination notice. The client may retain the Company's assets and equipment in the event of non-compliance with the specified period, in addition to the Company's obligation to vacate the site.

The Company and the client undertake to maintain the confidentiality of all information obtained or exchanged under the agreement and not to disclose it to any third party without the prior written consent of the other party. The Company also undertakes not to disclose the existence of this agreement or the services provided under it without the prior written consent of the client. It is noted that the client's approval for disclosure has been obtained. The agreement is governed by the laws of the Kingdom of Saudi Arabia, and any disputes shall be referred to the competent judicial authority for final adjudication.

Q. Seventeenth Agreement

The Company entered into a framework agreement for the provision of facilities management services with a client on 04/04/1446H (corresponding to 07/10/2024G). The agreement is effective for five Gregorian years commencing on 28/02/1446H (corresponding to 01/09/2024G) (the "Effective Date"), unless terminated in accordance with its terms.

The total value of the framework agreement is determined based on the aggregate value of purchase orders issued under the agreement in accordance with the specified price list; accordingly, there is no fixed amount for the agreement. As at 30 June 2025G, there are no revenues recognized or amounts collected. As at 30 June 2025G, there is one purchase order under this agreement in the amount of SAR 36,551,500.30.

The fees for each purchase order are determined in accordance with the price list, and payment shall be made within forty-five (45) days from the invoice date, following the client's approval. Any advance payments-if any-shall not exceed 30% of the value of the purchase order, provided that an advance payment guarantee is submitted. The client may deduct a risk value equivalent to 5% of the value of the purchase order in the event of failure to comply with minimum service levels.

The agreement provides for the rendering of facilities management services pursuant to separate purchase orders, in accordance with the scope of work, performance criteria and service levels detailed in the appendices to the agreement, and the services include-by way of example but without limitation-technical and non-technical services, cleaning services, landscaping maintenance, pest control, security services, and such other services as may be agreed.

The Company undertakes to provide the services in accordance with the defined scope of work and the purchase orders issued, to maintain the skills, personnel and resources necessary to perform the services, to perform the services with due care, efficiency and in compliance with the laws, professional standards and key performance indicators, to conduct security vetting of all its representatives, to maintain the required insurances, to comply with the client's safety, security and operational requirements, to deliver all intellectual property rights arising under the agreement to the client, not to subcontract except after obtaining the client's prior written consent, and to ensure that the value of subcontracts does not exceed 30% of the value of the purchase order.

The client undertakes to issue purchase orders for the required services, including details of the scope, team members, fees, schedules and acceptance criteria, to provide access to sites and relevant information, and to pay the agreed fees in accordance with the agreement and the purchase orders.

The scope, prices or delivery dates shall be amended by written change orders effected in the form of an updated purchase order, provided that change orders are priced according to the price list in Annex (أ). If the item or service is not listed, the parties may agree on the price, and if no agreement is reached, market prices for similar services shall apply. All change orders must be documented in writing and approved by both parties prior to implementation, and the deadlines, deliverables or other terms shall be amended in the updated purchase order.

The client may terminate the agreement at any time, whether for cause or without cause, by giving three (3) business days' prior written notice. The client may also withdraw services and/or terminate the agreement in cases including breach, delay, fraud, corruption, insolvency, or subcontracting without authorization. In the event of termination, the Company shall be entitled only to the amounts due for works performed and accepted up to the termination date, and shall be obliged to return all client property, to transfer subcontracts upon request, and to vacate the site.

The Company undertakes to maintain the confidentiality of all information relating to purchase orders and the client and not to disclose it except with the client's prior written consent or to the extent necessary to perform the services. This obligation applies to the Company's employees, subcontractors, affiliates and any third parties, provided they are bound by similar confidentiality terms. Information that is publicly available, previously known to the Company, received from a third party without a confidentiality obligation, or independently developed is excluded. Disclosure is permitted if required by law, provided that the client is notified sufficiently in advance. Upon expiry or termination of the agreement, all client materials must be returned and no copies retained except with the client's consent. The Company may not refer to the client, the services or the purchase orders in any public materials without the client's prior written consent. The agreement is governed by the laws of the Kingdom of Saudi Arabia, and any disputes shall be referred to the competent judicial authority for final adjudication.

R. Eighteenth Agreement

The Company entered into a master services agreement for the provision of facilities management services with a client on 05/09/1446H (corresponding to 05/03/2025G) (the "Effective Date"). The agreement has an initial term of three Gregorian years commencing on the Effective Date, and the client may, in its sole discretion, extend the agreement for up to three additional periods of one year each, by giving the Company a written notice prior to the expiry of the then-current term.

The total value of the framework agreement is determined based on the aggregate value of purchase orders or work orders issued under the agreement in accordance with the agreed unit price; accordingly, there is no fixed amount for the agreement. As at 30 June 2025G, there are no revenues recognized or amounts collected and no purchase orders issued.

The Company shall submit invoices in accordance with the payment schedule set out in the agreement, and the client shall pay the undisputed amounts within sixty (60) days from the date of receipt of a valid invoice. All payments shall be made exclusive of VAT.

The agreement includes the provision of comprehensive facilities management services at multiple sites in the Kingdom of Saudi Arabia, including building maintenance, general cleaning services, landscaping maintenance, pest control, waste management, and other ancillary services that may be requested by the client, in accordance with the performance standards and specifications set out in the agreement and its appendices.

The Company undertakes to perform all services in accordance with the applicable laws and regulations and industry best practices, to ensure that all personnel are qualified, trained and equipped to perform the services, to maintain the client's buildings, equipment and materials in good condition and return them in satisfactory condition, to comply with all health, safety and environmental requirements applicable to the work sites, and to cooperate fully with the client's representatives and facilitate their access to the sites for inspection and audit purposes.

The client undertakes to provide the Company with reasonable access to the sites to perform the services, to furnish it with the information, documents and approvals necessary to enable it to provide the services, and to pay the Company's dues in accordance with the provisions of the agreement and the approved invoices.

The client may request a modification of the scope of services by a written change order, and the Company shall provide an assessment of the cost and the time impact for implementation. Agreed change orders must be documented and signed by both parties prior to implementation.

The client may terminate the agreement in whole or in part without cause by giving ten (10) calendar days' prior written notice, and the client shall determine the termination costs in its sole discretion, not to exceed the direct, reasonable and substantiated costs incurred up to the termination date, provided that such costs are submitted within thirty (30) days of the termination notice, unless otherwise agreed in writing, and subject to a cap of 100% of the value of the purchase order. The client may also terminate any purchase orders with a delivery period of not less than sixty (60) calendar days at no cost by written notice within fourteen (14) days from the Company's acceptance of the purchase order. The client may also terminate the agreement or any purchase order without liability in the event the Company breaches its obligations, fails to perform on time, fails to make necessary progress, fails to comply with the terms of the purchase order, or in the event of its insolvency, bankruptcy or submission to similar proceedings, and termination shall become effective if the Company does not remedy the breach within ten (10) calendar days of notice, or immediately if the breach is incapable of remedy. In the event of termination, the client may procure alternative services or products at the Company's expense.

Upon receipt of a termination notice, the Company shall cease work in accordance with the client's instructions, refrain from issuing any additional purchase orders or subcontracts except to the extent necessary to complete the ongoing parts of the contract, terminate the relevant subcontracts, deliver all completed or ongoing works, designs, drawings, specifications, documents, materials and all confidential information belonging to the client.

The Company and the client undertake to maintain the confidentiality of all information disclosed under the agreement, including its terms, prices, technical data and proprietary information, and not to disclose it to any third party without prior written consent, except where required by law or where disclosure is made to permitted parties provided they are bound by the same confidentiality obligations. The confidentiality obligation shall survive the expiry or termination of the agreement. It is noted that the client's approval for disclosure has been obtained. The agreement is governed by the laws of the Kingdom of Saudi Arabia, and any disputes shall be referred to the competent judicial authority for final adjudication.

S. Nineteenth Agreement

The company entered into a framework agreement with a client on 21/01/1447H (corresponding to 17/06/2025G) (the "effective date"), and the agreement continues for two Gregorian years starting from the date of the notice to commence. Purchase orders issued during the term of the agreement shall remain in force even after the expiry or termination of the framework agreement.

The aggregate value of the framework agreement is determined based on the total value of purchase orders issued under the agreement at the agreed unit prices; accordingly, there is no fixed amount for the agreement. As at 30 June 2025G, no revenue had been recognized and no amounts had been collected.

Payments fall due within forty-five (45) business days from the date the client receives the invoice with all required supporting documents, and only after issuance of a certificate of completion. The company becomes entitled to payment only upon acceptance of deliverables; any partial payments (if any) are capped at 95% until final acceptance, with the remaining 5% payable upon final acceptance, and an early-payment discount may apply. The reference prices include all taxes.

The agreement covers the provision of principal hospitality services pursuant to purchase orders, in accordance with the scope of services, service levels, and related schedules specified in the agreement, with the company to provide the necessary manpower, equipment, and consumables, and to perform the services at the client's sites as directed in each purchase order.

The company shall perform the services in accordance with the agreement, apply quality assurance requirements, and comply with applicable laws and regulations. The company remains responsible for its services and deliverables, and any approval, review, payment, rejection, or acceptance by the client does not prejudice the company's responsibilities (the local content schedule reflects this principle). The company must provide the required records and information, maintain books and records and make them available for the client's audit (including through independent auditors) for five years after final acceptance or termination of the agreement, protect the client's assets and use them properly, treat any tools, equipment, or software provided by the client or brought within the scope of work as the client's property, use them only for the intended purposes, keep them in good condition, and return them upon the client's request.

The client undertakes to issue purchase orders, change instruments, and related approvals as appropriate, to inspect the works covered by each invoice within ten (10) business days and issue the certificate of completion, and to settle amounts due in accordance with the payment terms above. The client has the right to audit the records of the contractor and subcontractors directly or through accredited audit firms.

The client may make changes by written instructions. If the client requests the company to submit a proposal, the company must respond within five (5) business days with a proposal setting out the scope of the change, the schedule, and the financial impact. The client shall then issue an approval, rejection, or comments. The company must continue performing the ongoing services pending the client's response, and may not commence implementation of any change until written approval and an official change order have been issued. If the company is unable to implement the requested change, it must notify the client within five (5) business days, stating the reasons.

The client may terminate the agreement or any purchase order at any time and without cause (for convenience) by a written notice twenty (20) business days in advance. The client must terminate the agreement or any purchase order if it is proven that the contractor has (directly or indirectly) bribed company or government employees, or obtained or performed the agreement through bribery, fraud, deception, forgery, or circumvention, or if the contractor becomes bankrupt, files for bankruptcy, becomes insolvent, is placed under receivership, or is dissolved or liquidated, or if the contractor assigns the agreement or purchase order without the client's approval. The client may also terminate the agreement if the contractor delays commencement, procrastinates, or breaches any provision of the agreement or purchase order and fails to cure within thirty (30) days of written notice, or if the contractor dies and continuation is not acceptable as provided, or if it subcontracts without approval. The client may terminate the agreement if public interest so requires, with termination effective thirty (30) days after notice.

Either party may terminate the agreement if all services remain suspended by the client for reasons not attributable to the contractor for more than one hundred and eighty (180) days, and, after enabling the contractor, an additional thirty (30) days elapse without reinstatement or acceptable measures being taken; or if performance becomes impossible due to the continued force majeure event under the force majeure clause.

Upon termination, the contractor must cease performing any works or services unless expressly instructed to continue or where a service is being performed under a purchase order that has not been expressly terminated, and must deliver all agreement or purchase-order documents owned by the client. After termination takes effect, the client shall settle the contractor's account for accepted services performed under any purchase order within sixty (60) days from the effective date of termination.

The company and the client shall maintain the confidentiality of all information disclosed under the agreement, including its terms, prices, technical data, and proprietary information, and shall not disclose it to any third party without prior written consent, except where required by law or disclosed to permitted parties subject to the same confidentiality obligations. The confidentiality obligation survives expiry or termination of the agreement. It is noted that client approval for disclosure has been obtained. The agreement is governed by the laws of the Kingdom of Saudi Arabia, and any disputes shall be referred to the competent judicial authority for final adjudication.

12.3.1 Subcontracting and Support Agreements

The Company relies on two main categories of suppliers: specialized and operational service providers, and manpower supply companies.

Specialized and Operational Services: During the bid submission stage, the Company engages in informal discussions with potential partners who could support the Company in a particular project. These potential partners include specialized service providers, and the purpose of the discussions is to explore collaboration opportunities and assess the feasibility of providing such specialized services. These preparatory discussions give both parties the opportunity to align their goals and reach a shared understanding of the project requirements without establishing any formal legal relationship. The Company does not enter into any binding agreements unless and until it wins the relevant project, to ensure that all terms and conditions are clearly defined and mutually agreed. This approach allows the Company to maintain a degree of flexibility and adaptability during the bidding process.

The following table shows the top five specialized and operational service providers over the past three financial years, and the three-month period ended 31 March 2025G:

Table 12.16: Top Five Specialized and Operational Service Providers

Supplier	Type of Service	Cost (SAR million)	% of Revenue Costs	Relationship Duration (Years)
Year ended 31 December 2022G				
Supplier H	Housing, catering, and potable water supply	8.7	2.9%	12
Supplier T	Resource-based facilities management	8.0	2.7%	13
Supplier W	Facade cleaning	5.8	1.9%	1
Supplier Z	Resource-based facilities management	5.5	1.8%	1
Supplier K	Waste management and heavy equipment rental	4.1	1.4%	1
Year ended 31 December 2023G				
Supplier W	Facade cleaning	9.9	2.1%	2
Supplier Z	Resource-based facilities management	8.7	1.9%	2
Supplier H	Housing, catering, and potable water supply	8.1	1.8%	13
Supplier Y	Civil works	7.4	1.6%	3

Supplier	Type of Service	Cost (SAR million)	% of Revenue Costs	Relationship Duration (Years)
Supplier K	Waste management and heavy equipment rental	7.1	1.5%	2
Year ended 31 December 2024G				
Supplier A	Firefighting services	16.5	2.4%	7
Supplier B	Diesel supply	14.8	2.1%	1
Supplier C	Equipment supply, programming, testing, and commissioning	13.3	1.9%	1
Supplier D	Food supply services	12.0	1.7%	1
Supplier E	Transportation services	11.6	1.7%	2
The Three-Month Period Ended 31 March 2025G				
Supplier D	Food supply services	6.0	3.21%	2
Supplier L	Housing and catering services	4.5	2.41%	1
Supplier M	Manpower services	2.2	1.19%	3
Supplier N	Manpower services	2.0	1.06%	4
Supplier W	Facade cleaning	1.7	0.91%	4

Source: The Company

Manpower Supply Companies: The number of workers employed by the Company through manpower supply companies was 2,168 (representing approximately 53.2% of the total workforce), 1,772 (representing approximately 31.7% of the total workforce), 2,476 (representing approximately 30.1% of the total workforce) and 2,566 (representing approximately 30.4% of the total workforce) for the financial years ending 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. The Company sources these employees from a number of different companies.

The Company has entered into thirteen agreements with licensed manpower supply companies under which the suppliers are obligated to provide an agreed number of workers to the Company. The agreements contain consistent terms and conditions whereby the supplier undertakes to provide the workforce, and the Company undertakes to pay the agreed wages within the contractual timelines.

The key terms include the manpower company's obligation to provide workers eligible under the Ajeer system, pay the required government fees, and provide medical insurance coverage for the employees. The Company is obligated to pay all amounts due under the agreement and not to violate labor laws and regulations, particularly those governing working hours, leave entitlements, and termination of employment. The agreements also outline procedures to follow in the event of absenteeism or worker abscondment.

Table 12.17: Top Five Manpower Supply Companies

Supplier	Cost (SAR million)	% of Revenue Costs	Relationship Duration (Years)
Year ended 31 December 2022G			
Supplier A	18.4	6.1%	8
Supplier B	9.7	3.2%	1
Supplier C	3.6	1.2%	1
Supplier Z	1.6	0.5%	2
Supplier W	1.3	0.4%	2
Year ended 31 December 2023G			
Supplier A	20.1	4.4%	9
Supplier B	16.3	3.5%	2
Supplier C	5.6	1.2%	2
Supplier E	2.5	0.5%	2
Supplier W	1.6	0.4%	3
Year ended 31 December 2024G			
Supplier A	24.5	3.5%	10
Supplier B	13.6	2.0%	3
Supplier C	8.9	1.3%	3
Supplier D	3.7	0.5%	2
Supplier H	0.4	0.1%	2
The Three-Month Period Ended 31 March 2025G			
Supplier B	6.1	3.3%	4
Supplier A	4.4	2.4%	11
Supplier H	1.1	0.6%	3
Supplier C	1.0	0.5%	4
Supplier E	0.99	0.5%	4

Source: The Company

12.3.2 Financing Agreements

The Company has five (5) financing agreements. Below is a summary of these agreements.

A. Islamic Credit Facility Agreement with Banque Saudi Fransi

Table 12.18: Islamic Credit Facility Agreement with Banque Saudi Fransi

Parties	Banque Saudi Fransi (Lender) and the Company (Borrower).
Permission to Utilize Facilities	The Company is permitted to utilize the facilities within the prescribed limits and for the purposes set out in the agreement, subject to satisfaction of all precedent conditions (such as provision of required guarantees, execution of Tawarruq documents, etc.).
Date	18/12/1445H (corresponding to 24/06/2024G)
Total Financing	SAR 149,997,034
Purpose	Working capital financing, issuance of bid and performance guarantees, financing of operational resources for projects, project mobilization, and future Company projects.
Type of Financing	The Borrower was granted the following facilities: - General Financing (e.g., multi-purpose guarantees, Tawarruq, profit rate swaps) with a total credit limit of SAR 33,000,000 - Standby Financing (multi-purpose for performance guarantees, advance payment guarantees, etc.) with a total credit limit of SAR 55,374,000 - Project-specific financing (performance guarantees, Tawarruq based on certified progress payments) with a total credit limit of SAR 61,623,034
Term	Varies based on facility type: - General financing: 360 to 1,080 days - Standby financing: 1,080 days - Project-specific financing: based on project duration
Final Maturity Date	11/07/1447H (corresponding to 31/12/2025G)
Outstanding Amount as of 31 December 2024G	SAR 70,954,740
Profit Rate	SAIBOR + 1.75% to 2.50%, with profit margins ranging from SAIBOR + 1.75% to 2.25%
Security	- Promissory note for SAR 149,997,034 from the Company. - Shareholder guarantees proportional to their shareholding in the Company totaling SAR 149,997,034. - Irrevocable assignment in favor of the lender of all project revenues financed under the facilities.
Termination and Events of Default	The following events give the lender the right to terminate the agreement and demand immediate repayment: - Material change in the ownership or control of the Company without lender approval (approval obtained on 03/11/1446H (01/05/2025G)) - Suspension or material change of the Company's business operations - If any other indebtedness becomes due and payable, or is deemed due and payable, prior to its specified maturity date. - Acceleration of any other debt insolvency or liquidation of the Company - Issuance of law or ruling excusing performance by the Company Upon default, the bank may: - Demand immediate repayment; - Offset balances in the Company's account against due amounts; and - Enforce guarantees and recover amounts due.
Key Covenants	- Retain 50% of annual net profits within the Company - Maintain a debt-to-equity ratio not exceeding 3:1 - Maintain a liquidity ratio of not less than 1:1 - Maintain minimum project coverage ratio of 125% - Obtain prior bank approval for any corporate restructuring
Governing Law	This agreement is governed by the laws and regulations of the Kingdom of Saudi Arabia. Any dispute unresolved amicably shall be referred to the Banking Disputes Committee in the Kingdom.

B. Credit Facility Agreement with Emirates NBD

Table 12.19: Credit Facility Agreement with Emirates NBD

Parties	Emirates NBD (Lender) and the Company (Borrower)
Permission to Utilize Facilities	The Company is permitted to use the facilities within the limits and for the purposes specified in the agreement, provided all precedent conditions are met (e.g., providing required guarantees, signing Tawarruq documents, obtaining project-specific approvals, etc.).
Date	28/10/1445H (corresponding to 07/05/2024G) and was renewed on 07/06/1446H (corresponding to 08/12/2024G)
Total Financing	SAR 105,000,000
Purpose	To finance working capital, issue bid and performance guarantees, mobilize projects, and support ongoing operations
Type of Financing	The facilities include: – Bid bond guarantees (Up to a limit of SAR 2,500,000) – Performance bond guarantees (Subject to project-specific limits) – Progress payment financing (Subject to project-specific limits) – Project mobilization financing (Subject to project-specific limits) – A Standby limit of SAR 1,291,667 covering letters of credit, advance payment guarantees, and short-term financing
Term	Varies by facility type: – Bid bonds: 6 months – Progress and mobilization financing: 3–48 months, depending on project repayment terms – Some client guarantees expire 3–39 months from issuance – Standby financing remains available on a rolling basis unless replaced or restructured
Final Maturity Date	The agreement is reviewed periodically. It was extended until 31/01/2026G.
Outstanding Amount as of 31 March 2025G	An aggregate amount of SAR 93,024,778, comprising SAR 60,933,705, in addition to SAR 32,091,073 related to guarantees
Profit Rate	– Progress payments: SAIBOR + 3% – Mobilization: SAIBOR + 3.5% – Performance guarantees: SAMA base rate + 1.5% annually, with a 10% cash margin
Security	– Promissory note from the Company for SAR 103,445,684 – Shareholder guarantees proportional to their ownership totaling SAR 105,000,000 – Irrevocable assignment of project proceeds to the lender
Termination and Events of Default	The Bank may, at any time and for any reason, terminate the agreement and demand immediate repayment of all obligations by the Company, provided that a written notice is served to the Company at least thirty (30) days prior to the required repayment date. In addition to the foregoing, Events entitling the lender to terminate and demand repayment: – Failure to meet financial obligations when it becomes due – Inaccurate or false statements by the Company – Breach of covenants or failure to remedy within 7 days of written notice from the lender – A breach of the guarantees in a manner that adversely affects the Client's ability to fulfill its obligations thereunder. – If any of the provided guarantees becomes invalid or unenforceable. – The Client is unable to repay its debts, or enters into negotiations with creditors to reschedule or restructure its debts, or makes a general assignment for the benefit of creditors. – The Client becomes bankrupt or insolvent, or a receiver is appointed over any part of its business assets. – Any material adverse change in the Client's legal status, ownership structure, business affairs, condition (financial or otherwise), operations, or prospects that hinders its ability to meet its obligations to the Bank. – Any change or interpretation of applicable laws that renders the facilities unavailable or unlawful. Bank may then: – Demand immediate payment – Offset account balances – Enforce guarantees and recover amounts due

Key Covenants	- Debt-to-equity ratio not to exceed 2:1 - Current ratio not less than 1.1:1 - Net tangible assets not less than SAR 60,000,000 - Retain 50% of annual net profits within the Company - Project coverage ratio of at least 125% - No change in legal status, merger, or major restructuring without prior written lender consent (approval obtained on 11/11/1446H (09/05/2025G)) - Compliance with Shariah principles for funded projects
Governing Law	This agreement is governed by the laws and regulations of the Kingdom of Saudi Arabia. Disputes not resolved amicably are referred to the Banking Disputes Committee.

C. Credit Facility Agreement with Alinma Bank

Table 12.20: Credit Facility Agreement with Alinma Bank

Parties	Alinma Bank (Lender) and the Company (Borrower)
Permission to Utilize Facilities	The Company is permitted to utilize the facilities within agreed limits and purposes, subject to satisfying all precedent conditions (e.g., provision of guarantees, signing Murabaha/Deferred Sale documents, etc.)
Date	21/04/1446H (corresponding to 24/10/2024G)
Total Financing	SAR 65,000,000
Purpose	Deferred sale financing for payment certificates and direct supplier payments, issuance of initial and final guarantees, and flexible Murabaha financing
Type of Financing	The facilities include bid bonds, performance bonds, progress payment financing, standard letter of credit financing, flexible Murabaha, and deferred payment financing (direct payment to suppliers). The credit limit for bid bonds is SAR 5,000,000, while the credit limit for project-related facilities is SAR 60,000,000.
Term	- Initial guarantees valid for 12 months - For project-based financing, subject to the specific project.
Final Maturity Date	29/03/1449H (corresponding to 31/08/2027G)
Outstanding Amount as of 31 March 2025G	No amounts were outstanding as of 31 March 2025G
Profit Rate	SAIBOR + 2.5% for both progress payment financing and supplier invoice/medium-term loan financing. A 10% cash margin is required for guarantees.
Security	- Promissory note from the Company for SAR 65,000,000 - Shareholder guarantees proportional to their ownership totaling SAR 65,000,000 - Irrevocable assignment of project proceeds financed under the facilities
Termination and Events of Default	Events entitling the lender to terminate and demand repayment: - Failure to meet financial obligations - Inaccurate or false documents/statements - Breach of financial or other covenants - Any other breach of the agreement - Material changes in legal, structural, or financial position without prior consent - Bankruptcy or debt default - Invalid or unenforceable guarantees Bank may then: - Demand immediate payment - Offset account balances - Enforce guarantees and recover due amounts
Key Covenants	- Debt-to-equity ratio not to exceed 3:1 - Current ratio not less than 1:1 - Net tangible assets not less than SAR 84,000,000 - Retain 50% of annual net profits within the Company - No changes to legal structure, mergers, or major restructuring without lender consent (approval obtained on 11/11/1446H (09/05/2025G)) - Compliance with Shariah provisions applicable to the financed projects.
Governing Law	Governed by the laws and regulations of the Kingdom of Saudi Arabia. Disputes not resolved amicably are referred to the competent courts in the Kingdom.

D. Financing and Banking Services Agreement with The Saudi National Bank (SNB).

Table 12.21: Financing and Banking Services Agreement with The Saudi National Bank (SNB).

Parties	SNB (Lender) and the Company (Borrower)
Permission to Utilize Facilities	The Company is permitted to utilize the facilities within the specified limits and for the purposes outlined in the agreement, subject to fulfillment of all conditions precedent (e.g., provision of required guarantees, etc.).
Date	This agreement is effective from 23/07/1446H (corresponding to 23/01/2025G) and shall remain valid until 11/07/1447H (corresponding to 31/12/2025G). The agreement is not yet active, as the Company is in the process of fulfilling some preconditions.
Total Financing	SAR 56,299,000
Purpose	As detailed below by type of financing.
Type of Financing	The Borrower has been granted the following facilities: 1. Bid Bond (Revolving Limit) – For participation in government and semi-government projects, with a total credit limit of SAR 5,000,000 (term: 6 months). 2. Performance Bond (Revolving Limit) – For issuance of final guarantees for government and semi-government projects, with a total credit limit of SAR 10,000,000 (term: 48 months). 3. Fixed-Profit Commercial Finance – Fixed Rate – Discounted Payment Orders (Revolving Limit) – For financing progress payments of assigned projects, with a total credit limit of SAR 10,000,000 (term: 6 months). 4. Performance Bond (One-time Limit) – For issuance of final guarantee for specific project 4300000784, with a total credit limit of SAR 8,299,000 (term: 48 months). 5. Fixed-Profit Commercial Finance – Fixed Rate – Discounted Payment Orders (One-time Limit) – For financing progress payments of a specific project, with a total credit limit of SAR 28,000,000 (term: 6 months).
Term	As specified above for type of financing.
Final Maturity Date	11/07/1447H (corresponding to 31/12/2025G).
Outstanding Amount as of 30 June 2025G	As of 30 June 2025G, there were no amounts outstanding.
Profit Rate	For facilities (3) and (5), the financing rate is SAIBOR plus 3% per annum.
Security	– Shareholders guarantee proportionate to their ownership in the Company in an aggregate amount of SAR 56,299,050. – Irrevocable assignment of proceeds from all projects financed under the facilities in favor of the Lender.
Termination and Events of Default	The Lender may, at its sole discretion and at any time before the maturity date and without the Borrower's consent, notice, or justification, suspend, terminate, or cancel this agreement in whole or in part and may demand the immediate repayment of the obligations. The following events entitle the Lender to terminate the agreement and demand immediate repayment: – Failure by the Borrower to perform any obligations under this agreement or under any contracts entered into under this agreement and/or other agreements with the Lender. – Failure by the Borrower to provide the required guarantees or any additional guarantees as requested by the Lender from time to time. – Breach or impairment of any securities or guarantees granted in favor of the Lender, or any actions or omissions by the Borrower that reduce their value in a manner that could affect the Lender's rights. – Default by the Borrower towards third parties in a way deemed by the Lender to materially impact the Borrower's financial position. – In the event of the Borrower's death, insolvency (in the case of a partner in a corporate client), loss of legal capacity, or initiation of legal enforcement proceedings against the Borrower's assets. – In the event that the Borrower (in the case of a company or legal entity) ceases to operate its business, or if legal enforcement proceedings are initiated, or its legal personality is dissolved. – In the event of liquidation, dissolution, sale, cessation of business activity, or any change in legal form, name, merger, withdrawal, or change in ownership or death of a partner without prior approval of the Lender. – In the case of companies other than listed joint stock companies: if any bankruptcy proceedings are opened or initiated under the Bankruptcy Law with respect to the Borrower or any of its partners, shareholders, or affiliates. – In the case of listed joint stock companies: if bankruptcy proceedings are opened or initiated under the Bankruptcy Law with respect to the Borrower, its affiliates, or major shareholders. Upon the occurrence of any of the foregoing events, the Lender may take the following actions: – Demand immediate repayment of any outstanding amounts. – Offset the Borrower's balances with the Lender. Enforce any guarantees provided and apply the proceeds toward settling outstanding obligations.

Key Covenants	- Profit distributions shall not exceed 50% of the annual net profits and shall be subject to the Lender's prior written approval. - The debt-to-equity ratio shall not exceed 3:1. - The liquidity ratio shall not fall below 1.3:1. - The tangible equity shall not be less than SAR 84 million. - The Borrower shall notify the Lender in writing via registered letter without delay of any changes to its address, legal status, financial or administrative status, or any change in ownership structure or ultimate beneficial ownership, at least 30 business days in advance. - The Borrower agrees to grant SNB Capital the right of first offer to provide investment banking services related to securities transactions (including, but not limited to, initial public offerings) and all other related services.
Governing Law	This agreement shall be governed by and construed in accordance with the laws and regulations of the Kingdom of Saudi Arabia. Any dispute arising between the parties shall be subject to the jurisdiction of the competent judicial authorities in Saudi Arabia, including the Committee for Banking and Financing Disputes, without prejudice to the Lender's right to refer the dispute to any court or judicial authority in another country where the Borrower has assets, a commercial presence, or a chosen domicile.

E. Credit Facility Agreement with Gulf International Bank

Table 12.22: Credit Facility Agreement with Gulf International Bank

Parties	Gulf International Bank (the “Lender” or GIB”) and EFSIM (the “Borrower” or the “Company”).
Permission to Utilize Facilities	The Company is permitted to utilize the facilities within the prescribed limits and for the purposes outlined in the agreement, subject to the fulfillment of all conditions precedent (e.g., provision of required guarantees, etc.).
Date	This agreement is effective from 30/10/1446H (corresponding to 28/04/2025G) and remains in force until the facilities are cancelled or terminated by the Lender at its discretion.
Total Financing	SAR 152,500,000
Purpose	To finance the Borrower’s general working capital requirements and contract-related obligations.
Type of Financing	- Contract Finance with a total limit of SAR 75,000,000, including: - Guarantees facility (36 months) - Project mobilization finance (36 months) - Letters of credit (6 months) - Re-financing of letters of credit (6 months) - Direct supplier invoice financing (6 months) - Progress payment finance (6 months) - Working Capital Facilities with a total limit of SAR 25,000,000, including: - Guarantees (12 months for bid bonds, 36 months for performance/advance payment bonds) - Credit Card Facility – SAR 2,500,000 - Non-revolving Bridge Finance – SAR 50,000,000, including: - Direct supplier invoice finance for IPO-related costs (12 months) - Short-term advance facility (12 months)
Term	As indicated above for each facility.
Final Maturity Date	As indicated above for each facility.
Outstanding Amount as of 31 March 2025G	No amounts were due as of 30 June 2025G.
Profit Rate	Profit rates vary depending on the type of financing, but generally range between 2.5%, 3%, and 3.25% above the SAIBOR.
Security	- A promissory note in the amount equivalent to the maximum aggregate facility limit. - Shareholder guarantees proportionate to their shareholding in the Company in an aggregate amount of SAR 57,950,000. With respect to EFS Group, the guarantee covers the full outstanding indebtedness up to the higher of: - Its proportional ownership in the Company, or 55% of the total outstanding indebtedness at the time (which is more). - A letter of undertaking regarding the subordination of the shareholders’ current account balances in the amount of SAR 11,580,000, duly signed by the Borrower and its current shareholders.
Termination and Events of Default	Each of the following events and circumstances shall constitute an event of default: - If any Obligor fails to pay any amount due to the Lender under any of the Borrower’s obligations on its due date under the relevant Finance Document or this Agreement. - If any Obligor or any Guarantor fails to perform or comply, in a timely and proper manner, with any of its obligations under any Finance Document, the Master Terms, or any Security Document, and where such failure is not, in the Lender’s opinion, material and remediable-such failure is not remedied to the satisfaction of the Lender within seven (7) days (or such longer period as may be agreed by the Lender) from (1) the date the Borrower became aware of such failure and (2) the date of receipt of written notice from the Lender requesting the same, whichever is earlier. - If any representation or warranty made or deemed to be made by any Obligor or any Guarantor, or, as applicable, any of their directors or officers under or in connection with any Finance Document, the Master Terms, or any Security Document, proves to be materially incorrect or misleading. - If any financial indebtedness becomes due or may be declared due and payable prior to its scheduled maturity date or is not paid when due. - The occurrence of a liability event where the shareholders of the Borrower may be held liable under Articles 150 or 181 of the Companies Law (as applicable and as amended from time to time).

Termination and Events of Default	f. If any legal proceedings or enforcement actions are initiated or executed against all or any part of the assets or business of any Obligor and remain unresolved for more than fourteen (14) days. g. If a petition is filed or any proceeding is commenced, or any valid judgment or resolution is issued, or any other measure is taken concerning the dissolution, insolvency, bankruptcy, reorganization, or re-establishment of any Obligor, or if a liquidator, receiver, trustee, or similar official is appointed over the Obligor or all or any part of its business or assets, including under any bankruptcy legislation. h. If any obligated party ceases or suspends payment to its creditors or any class thereof, becomes insolvent or is deemed insolvent under applicable law, or acknowledges its inability to pay its debts as they fall due; or if it seeks to enter into a composition or other arrangement with its creditors or any class thereof, initiates any process for the discharge of its debts, or is declared bankrupt or insolvent, or otherwise becomes bankrupt or insolvent. i. If any Obligor ceases to carry out all or any material part of its business operations. j. If any required authorization concerning the execution, performance, validity, or enforceability of any Finance Document, the Master Terms, promissory notes, or Security Documents is not granted or becomes invalid or unenforceable. k. If any law, regulation, order, or change thereof results in the amendment, suspension, termination, or discharge of the Borrower or any Obligor from its obligations under any Finance Document, the Master Terms, the promissory notes, or Security Documents, or if any such document ceases to be valid and enforceable for any reason, or if the Borrower or any Obligor denies or seeks to challenge the enforceability or legality of any Finance Document. l. If the Bank determines that a material adverse change has occurred or is reasonably likely to occur in the business, financial position, or prospects of the Obligor or Guarantor which may materially and adversely affect the ability of such party to perform its obligations under any Finance Document or Security Document. m. In case of death or mental incapacity of any personal guarantor, if applicable. n. If any government authority fully or partially replaces the management of any Obligor, restricts its authority to conduct business, or if expropriation, nationalization, or forced acquisition of 20% or more of the nominal value of the shares or assets of the Borrower or any Obligor occurs. Upon the occurrence of any of the above events, the Lender may: - Demand immediate repayment of all outstanding obligations. - Require any Obligor to deposit and maintain funds in an account specified by the Lender as security in an amount deemed sufficient by the Lender. - Enforce any guarantees and apply proceeds to satisfy outstanding obligations.
Key Covenants	- Maintain a current ratio (total current assets to total current liabilities) of no less than 1.2:1. - Maintain a total liabilities to tangible net shareholders' equity ratio of no more than 3.25:1. - Maintain tangible net shareholders' equity of not less than SAR 125,000,000. - As the financing includes coverage for IPO-related expenses, the Borrower undertakes to route the IPO proceeds through an escrow account with the Lender for the purpose of settling the financing related to IPO proceeds. - Each Obligor (including the Borrower and Guarantors) irrevocably authorizes the Lender to utilize any credit balances held in any of their accounts with the Lender or its affiliates in any jurisdiction to satisfy any amount payable under the Agreement.
Governing Law	This agreement is governed by the laws and regulations of the Kingdom of Saudi Arabia. Disputes arising from this agreement shall be subject to the jurisdiction of the Banking Disputes Committee under the Saudi Central Bank.

12.3.3 Related Party Transactions and Contracts Involving Interests of Board Members

As at 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, the net payables due from the Company to related parties amounted to SAR 11.8 million, SAR 0.3 million, SAR 2.4 million, and SAR 3.4 million, respectively, representing 3.5%, 0.1%, 0.3%, and 1.6% of annual revenues for the corresponding financial periods, respectively.

Receivables from related parties (as per financial statements) amounted to SAR 0, SAR 0, and SAR 6,347,369, representing 1.2% of total revenues, and SAR 6,078,662 million representing 1.1% of total assets for the financial years ended 31 December 2022G, 2023G, 2024G, and the three-month period ended 31 March 2025G, respectively. Payables to related parties amounted to SAR 11,827,138 (representing 8.2% of total liabilities), SAR 303,066 (representing 0.1% of total liabilities), SAR 8,756,374 (representing 2.2% of total liabilities), and SAR 9,518,402 (2.5% of total liabilities) for the same respective periods.

This Section provides a summary of the related party transactions. This summary is not a substitute for the detailed terms and conditions of the agreements, and may not be used as the Company's interpretation of the respective contracts.

The Company's Board members confirm that all related party transactions disclosed in this Section were entered into on arm's length terms, in compliance with applicable laws and regulations, and on fair and reasonable commercial terms. Except as otherwise disclosed herein, the Board confirms that there are no other material ongoing contracts with related parties or involving interests of any Board member.

The Board also confirms its commitment to the provisions of Articles 27 and 71 of the Companies Law, as well as Articles 42 and 44 of the Corporate Governance Regulations issued by the Capital Market Authority, with respect to related party transactions involving Board member interests. The shareholders approved the existence of the relevant interest in all of the above contracts by resolutions dated 01/09/1446H (corresponding to 01/03/2025G), 22/11/1446H (corresponding to 20/05/2025G), 08/12/1446H (corresponding to 04/06/2025G), 19/12/1446H (corresponding to 15/06/2025G), and 01/01/1447H (corresponding to 26/06/2025G).

A. Technical Support Agreement with EFS Facilities Services Group Limited

The Company entered into a Technical Support Agreement on 22/10/1429H (corresponding to 22/10/2008G), (amended on 16/09/1446H (corresponding to 16/03/2025G) and once again on 07/12/1446H (corresponding to 03/06/2025G), and on 01/01/1447H (corresponding to 26/06/2025G), with EFS Group ("Service Provider"), a significant shareholder holding 55% of the Company's shares. The agreement governs the provision of technical support across various business areas of the Company, including, without limitation, technical assistance, HR support, and trademark licensing and marketing services, a summary of which is set out below (which does not replace the agreement and does not constitute a substitute for it).

Fees and Compensation:

1. Support and IT Infrastructure Fees:

The Service Provider is entitled to licensing fees per user or enterprise license, based on the costs it incurs to provide services such as CAFM, ERP systems, business continuity, and IT support. These are detailed as follows:

Description	Fee (SAR)
Financial system per user per month	1,500
Procurement system per user per month	1,500
CAFM per user per month	500
Payroll system per employee per month	20
Business continuity per user per month	500

The Service Provider may revise these fees based on documented changes to actual costs incurred.

2. Trademark License Fees:

For use of the "EFS" name and trademark, the Service Provider is entitled to fees from the Company by 1.5% of total annual Company sales up to SAR 100 million and 1% of total sales above SAR 100 million Payable within 30 days after the end of the relevant quarter.

Additionally, where the Service Provider provides ad hoc technical assistance to the Company or its subsidiaries, the parties shall agree, in writing, on the fees in advance, except where the total cost is below AED 10,000, in which case no prior agreement is required. The Company shall reimburse actual expenses (e.g., travel, lodging, meals) incurred in providing such support. Fees are invoiced monthly and payable within 30 days of invoice date.

All payments under or in connection with the agreement must be settled in SAR or AED via electronic transfer, net of applicable taxes in the Kingdom (e.g., customs, VAT, withholding tax, etc.).

Service Provider Obligations:

1. Exercise due care, skill, and diligence in line with international FM standards.
2. Follow reasonable technical support instructions from the Company.
3. Maintain a list of suppliers offering Company discounts (in the Kingdom of Saudi Arabia or any other areas as may be agreed upon by the Parties), if requested.
4. In consideration for the services provided to the Company, the Service Provider is entitled to receive license and marketing fees as outlined above.

Licensing

- a. The Service Provider licenses to the company, on an exclusive and irrevocable basis in the Kingdom of Saudi Arabia, the use of the name "EFSIM", the following trademarks, and all intellectual property rights related to the name and mark "EFSIM" (the "intellectual property rights").

Trademark	Registration No.	Class
	TM-01-00-06525-25	35
	TM-01-00-06526-25	36
	TM-01-00-06527-25	37
	TM-01-00-06524-25	45

- b. During the term of this agreement, EFS Group may not take any action or refrain from taking any action relating to the intellectual property rights (including renewing registrations, initiating or responding to legal proceedings, or any other actions) without the company's prior approval.
- c. During the term of this agreement, EFS Group may not use the intellectual property rights in the Kingdom of Saudi Arabia in any manner, nor challenge or participate, directly or indirectly, in any challenge to the company's rights in any of the intellectual property rights, nor bring any claim that conflicts with the company's right, ownership, or interest in any of the intellectual property rights, nor take any other action that conflicts with this agreement.
- d. Each party must notify the other immediately of any suspected unauthorized use of any of the intellectual property rights (or any similar mark), or any challenge to the validity of any of the intellectual property rights, upon becoming aware thereof.
- e. The parties shall cooperate to take all reasonable and necessary actions to defend and protect the intellectual property rights, and shall keep each other informed and consult with each other in these matters.
- f. EFS Group may not use, create, or license any trademark or other intellectual property similar to the intellectual property rights in the Kingdom of Saudi Arabia, or take any action that may affect the company's right as the licensee to use the intellectual property rights.

Right to purchase the intellectual property rights

- a. At any time, whether or not EFS Group is a shareholder in the company, the company may purchase the intellectual property rights (as defined above). To exercise this right, the company must send a written notice one year prior to the purchase date.
- b. The purchase price shall be the fair value as determined by an independent accredited valuer selected by the company.
- c. The valuer's fees shall be shared equally between the company and EFS Group.
- d. The company shall have six (6) months from the purchase date (i.e., the date on which title to the intellectual property rights transfers) to pay the purchase price.
- e. EFS Group may not challenge or seek to invalidate the purchase right set out herein in any jurisdiction.

In addition, the agreement stipulates that the Company shall comply with the following:

1. Provide reasonable access to staff, information, and locations required to perform the services.
2. Allow access to workstations, equipment, and promptly respond to approval requests.
3. Provide any further reasonable assistance to enable the Service Provider to perform its duties.

Neither party may assign its rights or obligations under the agreement without prior written consent of the other.

The agreement does not have a specified term and shall remain in effect until terminated upon the occurrence of any of the following events: (a) the event of a material breach, after granting the other party an opportunity to cure (for a period of six (6) months in the case of a breach by the company, or only sixty (60) days in the case of a breach by EFS Group); and (b) if either party becomes bankrupt or insolvent, has a judicial custodian appointed, enters into a settlement with its creditors, or is made the subject of a liquidation order. The agreement also addresses force majeure events and the manner in which they are to be dealt with.

Upon the expiration or termination of the agreement, the service provider shall immediately cease providing technical support to the company, and the company or its subsidiaries (as the case may be) shall return, upon request, any confidential information, working papers, or materials belonging to the service provider, in addition to settling any undisputed fees due and any invoices not yet paid in accordance with the terms of the agreement. The agreement expressly provides that it shall remain in force even if EFS Group is no longer a shareholder in the company.

This agreement is governed by the laws of the United Arab Emirates. If amicable resolution is not possible, disputes are referred to arbitration before a panel of three arbitrators. The seat of arbitration is the Kingdom of Saudi Arabia.

B. Other Related Party Transactions

The following table summarizes the Company's ongoing related party transactions over the past three financial years:

Table 12.23: Related Party Transactions

#	Year	Contract	Date	Nature	Value (SAR)	Counterparty	Relation	Relevant Board members	Reason for Board relation
1	Ongoing	Technical Support Agreement (and its annex that includes the licensing agreement)	22 October 2008G and amendments and its annex in 2025G	Provision of technical support services in various fields within the Company's scope	No fixed value, detailed above				
2	2022G	Shareholders Agreement ⁽¹⁾	January - December 2022G	Secondment salaries for administrative employees	2,684,754				
3	2022G	Shareholders Agreement ⁽¹⁾	January - December 2022G	IT and IT infrastructure fees	2,590,800				
4	2023G	Shareholders Agreement ⁽¹⁾	January - December 2023G	Secondment salaries for administrative employees	3,838,711	EFS Group	Major shareholder	Talal Al Bahar, Tariq Chauhan, Taher Jhanjharya, Abdullaouf Al Bitar, Bassel Ghoubar (ex-Director and current Secretary)	The interest arises from the fact that certain former and current members (Mr. Bassel and Mr. Taher) are employees of the counterparty, while others (Mr. Talal, Mr. Tariq, and Mr. Abderraouf) are shareholders with varying ownership percentages therein, and also due to their membership on the board of the company that owns the counterparty (Mr. Abderraouf, Mr. Talal, and Mr. Tariq).
5	2023G	Shareholders Agreement ⁽¹⁾	January - December 2023G	IT and IT infrastructure fees	3,888,753				
6	2024G	Shareholders Agreement ⁽¹⁾	January - December 2024G	Secondment salaries for administrative employees	1,955,322				
7	2024G	Shareholders Agreement ⁽¹⁾	January - December 2024G	IT and IT infrastructure fees	6,390,365				
8	2022G	Shareholders Agreement ⁽¹⁾	January - December 2022G	License fees	3,665,092				
9	2023G	Shareholders Agreement ⁽¹⁾	January - December 2023G	License fees	5,491,254				
10	2024G	Shareholders Agreement ⁽¹⁾	January - December 2023G	License fees	8,060,028				
11	2024G	Without Written Agreement	07 February 2024G	Bonus for professional services	690,000	Tariq Chauhan, Taher Jhanjharya, Bassel Ghoubar	Board Members	Tariq Chauhan, Taher Jhanjharya, Bassel Ghoubar (ex-Director and current Secretary)	The members are the counterparty providing the service.
12	2023G	Without Written Agreement	23 October 2023G	Bonus for professional services	400,000	Tariq Chauhan	Board Member	Tariq Chauhan	The members are the counterparty providing the service.

#	Year	Contract	Date	Nature	Value (SAR)	Counterparty	Relation	Relevant Board members	Reason for Board relation
13	2023G	Without Written Agreement	08 November 2023G	Loan	20,000,000	All Shareholders	Major Shareholders	All members at that time ⁽²⁾	At that time, all members were either shareholders in the shareholders, employees thereof, or members of their management or of the shareholders therein.
14	2022G	Without Written Agreement	18 April 2022G	Loan	4,300,000	EFS Group	Major shareholder	Talal Al Bahar, Tariq Chauhan, Taher Jhanjhyria, Abdulraouf Al Bitar, Bassel Ghoubar (ex-Director and current Secretary)	The interest arises from the fact that certain current and former members (Mr. Bassel and Mr. Taher) are employees of the counterparty, while others (Mr. Talal, Mr. Tariq, and Mr. Abderraouf) are shareholders with varying ownership percentages therein, and also due to their membership on the board of the company that owns the counterparty (Mr. Abderraouf, Mr. Talal, and Mr. Tariq).

⁽¹⁾ The Company previously received licensing services and certain other services under the Shareholders' Agreement, which governed the relationship among the shareholders. These services were transitioned to be governed under the Technical Support Agreement in preparation for the Offering. A termination agreement for the Shareholders' Agreement was signed on 19/09/1446H (corresponding to 19/03/2025G), such that the Shareholders' Agreement will terminate on the Listing Date, as it is no longer necessary or suitable.

⁽²⁾ This does not include the current independent members, as they were not members at the time.

Source: The Company

The shareholders approved all interests relating to the above agreements through resolutions dated 01/09/1446H (corresponding to 01/03/2025G), 22/11/1446H (corresponding to 20/05/2025G), 08/12/1446H (corresponding to 04/06/2025G), 19/12/1446H (corresponding to 15/06/2025G) and on 01/01/1447H (corresponding to 26/06/2025G).

12.3.4 Insurance

The Company maintains insurance policies covering various types of risks to which it may be exposed. The following table sets out the key details of the Company's insurance policies:

Table 12.24: Insurance Policies Entered Into by the Company

#	Coverage type	Insurance Company	Insurance Policy Number	Insurance Coverage End Date	Insured Value/Maximum compensation
1	Worker's Compensation Insurance Including Employer's Liability	Tawuniya	626106	28/02/2026G	SAR 237,250,732
2	Commercial General Liability Insurance Policy (Third Party Liability)	Tawuniya	626105	28/02/2026G	SAR 100,000,000 per incident (bodily injury/ property damage); unlimited in aggregate during the policy period (excluding product liability and completed operations)
3	Money Insurance Policy	Tawuniya	626134	28/02/2026G	SAR 1,730,000
4	Health Care Insurance Policy	Bupa Arabia for Cooperative Insurance Co.	A-BUPA-2-C-12-001 50932200	19/02/2026G	SAR 1,000,000 maximum annual coverage per member
5	Professional Indemnity Insurance – Annual Policy	Tawuniya	626104	28/02/2026G	SAR 38,000,000 per claim and in aggregate including costs and expenses during the policy period
6	Directors and Officers Liability Insurance	Tawuniya	626136	28/02/2026G	USD 10,000,000 per claim and in aggregate; USD 500,000 for each non-executive director in aggregate; USD 2,000,000 in aggregate for all non-executive directors under Extension 2.3

#	Coverage type	Insurance Company	Insurance Policy Number	Insurance Coverage End Date	Insured Value/Maximum compensation
7	Fidelity Guarantee Insurance	Tawuniya	626135	28/02/2026G	SAR 5,000,000 annually
8	Contractor's Plant and Machinery Insurance	Tawuniya	626088	28/02/2026G	SAR 538,982
9	Property All Risk (Accidental Damage)	Tawuniya	626084	28/02/2026G	SAR 25,262,186

Source: The Company

12.4 Real Estate

12.4.1 Real Estate Owned by the Company

The Company does not own any real estate assets.

12.4.2 Real Estate Leased by the Company

The following table provides the details of material leased properties by the Company, including the purpose of the lease and other relevant details:

Table 12.25: Properties Leased by the Company

#	Landlord	City	Leased Property Use	Annual (or Period) Rent	Lease Term
1	Individual lessor	Riyadh	Head office	SAR 1,300,000	10/11/2023G to 09/11/2028G
2	Company	Jeddah	Jeddah office	SAR 200,000	15/02/2025G to 14/02/2028G
3	Company	Al-Ula	Al-Ula office	SAR 85,000	01/02/2025G to 31/01/2028G
4	Company	Al Khobar	Al Khobar office	SAR 70,000	01/01/2025G to 31/12/2025G
5	Individual lessor	Abha	Abha office	SAR 78,000	01/05/2025G to 30/04/2027G
6	Individual lessor	Riyadh	Warehouse	SAR 300,000	18/12/2024G to 07/12/2025G
7	Individual lessor	Tabuk	Employee housing	SAR 450,000	01/03/2023G to 28/02/2026G
8	Individual lessor	Tabuk	Employee housing	SAR 200,000	12/10/2023G to 11/10/2028G
9	Individual lessor	Tabuk	Employee housing	SAR 680,000	01/09/2024G to 31/08/2027G
10	Individual lessor	Tabuk	Employee housing	SAR 330,000	01/04/2023G to 31/03/2028G
11	Individual lessor	Tabuk	Employee housing	SAR 500,000	01/04/2024G to 31/03/2027G
12	Individual lessor	Tabuk	Employee housing	SAR 400,000	01/02/2025G to 31/01/2027G
13	Individual lessor	Thuwal	Employee housing	SAR 114,686	01/08/2025G to 31/01/2026G
14	Individual lessor	Jeddah	Employee housing	SAR 3,670,800	15/03/2025G to 14/03/2026G
15	Company	Jeddah	Employee housing	SAR 1,738,800	01/05/2025G to 30/04/2026G
16	Individual lessor	Jeddah	Employee housing	SAR 300,000	01/04/2024G to 31/03/2026G
17	Company	Jeddah	Employee housing	SAR 300,000	01/05/2022G to 30/04/2027G
18	Individual lessor	Jeddah	Employee housing	SAR 600,000	03/05/2025G to 02/05/2027G

#	Landlord	City	Leased Property Use	Annual (or Period) Rent	Lease Term
19	Individual lessor	Jeddah	Employee housing	SAR 220,000	01/04/2024G to 31/03/2026G
20	Company	Jeddah	Employee housing	SAR 258,359	18/09/2025G to 18/03/2026G
21	Individual lessor	Dammam	Employee housing	SAR 725,000	15/04/2025G to 14/04/2028G
22	Individual lessor	Dammam	Employee housing	SAR 675,000	15/04/2025G to 14/04/2028G
23	Individual lessor	Dammam	Employee housing	SAR 185,000	12/04/2025G to 11/04/2026G
24	Company	Riyadh	Employee housing	SAR 3,415,500	15/01/2025G to 14/01/2026G
25	Individual lessor	Riyadh	Employee housing	SAR 280,000	10/12/2023G to 09/12/2026G
26	Individual lessor	Riyadh	Employee housing	SAR 1,580,000	25/05/2024G to 24/05/2026G
27	Individual lessor	Sakaka	Employee housing	SAR 700,000	10/07/2024G to 09/07/2027G
28	Individual lessor	Duba	Employee housing	SAR 300,000	10/07/2024G to 09/07/2027G
29	Individual lessor	Duba	Employee housing	SAR 240,000	04/12/2023G to 03/12/2026G
30	Individual lessor	Duba	Employee housing	SAR 675,000	01/02/2025G to 31/01/2027G
31	Individual lessor	Duba	Employee housing	SAR 650,000	10/06/2024G to 09/06/2026G
32	Individual lessor	Duba	Employee housing	SAR 390,000	01/07/2023G to 30/06/2028G
33	Individual lessor	Duba	Employee housing	SAR 210,000	10/09/2022G to 09/09/2027G
34	Individual lessor	Duba	Employee housing	SAR 640,000	10/08/2024G to 09/08/2026G
35	Individual lessor	Duba	Employee housing	SAR 400,000	20/05/2024G to 19/05/2027G
36	Individual lessor	Duba	Employee housing	SAR 650,000	10/12/2023G to 09/12/2026G
37	Individual lessor	Duba	Employee housing	SAR 450,000	01/11/2024G to 31/10/2026G
38	Individual lessor	Duba	Employee housing	SAR 325,000	10/07/2022G to 09/07/2027G
39	Individual lessor	Makkah Al-Mukarramah	Employee housing	SAR 150,000	18/03/2024G to 17/03/2027G
40	Company*	Jeddah	Labor camp	Calculated by number of rooms and persons. Amounts paid for the financial year ended 31 December 2024G amounted to SAR 7,601,125.	28/02/2024G to 27/02/2026G
41	Company*	NEOM	Labor camp	Calculated by number of beds and persons. Amounts paid for the financial year ended 31 December 2024G amounted to SAR 2,573,976.	01/02/2025G to 31/01/2026G
42	Company*	NEOM	Labor camp	Calculated by number of beds and persons. Amounts paid for the financial year ended 31 December 2024G amounted to SAR 6,079,689.	15/07/2023G to 30/04/2027G
43	Company*	NEOM	Labor camp	Calculated by number of beds and persons. Amounts paid for the financial year ended 31 December 2024G amounted to SAR 11,139,731.	01/03/2025G to 28/02/2026G

* Not registered with the Ejar platform. For associated risks, refer to Section (2.1.26) ("Risks related to leasing properties and equipment").
Source: The Company

12.5 Intangible Assets

The Company and its subsidiary do not own any trademarks, patents, or intellectual property rights inside or outside the Kingdom.

It should be noted that the Company licenses the use of its logo and trademark from EFS Facilities Services Group Limited pursuant to the technical support agreement entered into with the said company. For more details in this regard, please refer to Section (12.4.1-a) ("**Technical Support Agreement with EFS Facilities Services Group Limited**") above.

12.6 Legal Claims and Disputes

As at 31 August 2025G, the Company is a defendant in two (2) cases: (1) one relating to legal fees in which a first-instance judgment was issued against the Company in the amount of SAR 200,000 and the Company intends to appeal; and (2) a case in the amount of SAR 2,340,037, which had previously been dismissed but has been refiled by the plaintiff, and, accordingly, no provision has been recorded therefor.

In addition, the Company is a defendant in two (2) labor cases filed against it, as at 1 August, with an aggregate amount of SAR 100,990. The Subsidiary has no outstanding disputes.

Other than the above, the Company is not involved in any legal claims or lawsuits (including any existing or threatened claims), nor is it subject to any ongoing investigations that may materially affect the business or financial position of the Issuer or its subsidiary.

For more details on risks related to legal proceedings and disputes, please refer to Section (2.1.19) ("**Risks related to disputes and legal cases**").

12.7 Description of Shareholder Rights

12.7.1 Voting Rights

Each shareholder has one vote for every share they own in the general assemblies. Cumulative voting must be used in the election of the Board of Directors.

12.7.2 Rights to Dividends

Pursuant to Article 125 of the Companies Law, a shareholder is entitled to their share of dividends as per the resolution of the General Assembly in this regard, which must specify the entitlement date and the distribution date. Entitlement to dividends is limited to shareholders registered in the shareholders' register at the end of the entitlement date. The Implementing Regulations of the Companies Law currently require the Board of Directors to execute the General Assembly's resolution on dividend distribution within a maximum period of fifteen (15) days.

12.7.3 Redemption or Repurchase Rights

In accordance with Article 114 of the Companies Law, a company may purchase or pledge its shares if permitted by its bylaws. Shares repurchased by the company shall not carry voting rights in shareholders' assemblies. The Implementing Regulations of the Companies Law govern the rules related to a company's purchase of its shares.

12.7.4 Rights to Surplus Assets Upon Liquidation or Dissolution

Pursuant to Article 255 of the Companies Law:

1. The liquidator shall pay the company's due debts in order of priority and allocate the necessary amounts for any debts that are deferred or disputed.
2. Debts arising from the liquidation process shall take priority over other debts.
3. After settling debts, the liquidator shall return to the partners or shareholders the value of their capital contributions or shares and distribute any surplus in accordance with the provisions of the company's Articles of Association or Bylaws. If no such provisions exist, the surplus shall be distributed in proportion to their capital contributions or shares.
4. If the company's net assets are insufficient to cover the value of capital contributions or shares, the resulting loss shall be distributed among the partners or shareholders according to the loss-sharing provisions.

12.7.5 Approvals Required for Amending Voting Rights

Under Article 85 of the Companies Law, the Extraordinary General Assembly is authorized to amend the company's bylaws, including any changes to share rights, except where the amendment would deprive a shareholder of or alter any of their fundamental rights as a shareholder. In doing so, the Assembly must respect the nature of the rights associated with the type or class of shares held, particularly the following rights:

1. To receive a portion of the distributable profits, whether in cash or through the issuance of bonus shares, excluding those allocated to employees of the company or its subsidiaries.

2. To receive a portion of the company's net assets upon liquidation.
3. To attend general or special shareholders' assemblies, participate in deliberations, and vote on resolutions.
4. To dispose of their shares, subject to the provisions of the law.
5. To access company records and documents, monitor the Board's performance, bring liability claims against Board members, and contest the validity of resolutions passed by the General or Special Assemblies.

Furthermore, the Assembly may not adopt amendments that increase the financial burdens on shareholders unless all shareholders approve such amendments.

12.8 Summary of the Company's Bylaws

Article 1: Incorporation

The Company is incorporated as a Saudi joint stock company pursuant to the Companies Law issued under Royal Decree No. (M/132) dated 01/12/1443H, its implementing regulations, and the Bylaws.

Article 2: Company Name

EFSIM Facilities Management Company, a Saudi unlisted Joint Stock Company (JSC).

Article 3: Company Headquarters

The Company's headquarters is located in Riyadh. Branches may be established inside or outside the Kingdom by a resolution of the Board of Directors.

Article 4: Company Objectives

Sector	Activities
Water supply, sanitation, waste management and remediation activities	Collection of non-hazardous
	Collection of hazardous waste
	Treatment and disposal of non-hazardous waste
Construction	Construction of buildings
	Construction of roads and railways
	Construction of utility projects
	Other civil engineering construction works
	Electrical installation
	Plumbing, heating and air-conditioning installation
	Other construction installation
Transportation and storage	Building completion and finishing
	Sea and coastal passenger water transport Storage
Accommodation and food services	Other food service activities
Administrative and support services	General cleaning of buildings
	Integrated facilities support services
	Other building and industrial cleaning activities
	Land scape care and maintenance services
Public administration and compulsory social security	Compulsory social security activities

The Company shall conduct its activities in accordance with applicable regulations and after obtaining the required licenses from the competent authorities, where applicable.

Article 5: Company Term

The duration of the Company is indefinite.

Chapter Two: Capital and Shares

Article 6: Capital

The issued capital of the Company is ninety million Saudi Riyals (SAR 90,000,000), divided into forty-five million (45,000,000) nominal shares of equal value, each with a nominal value of two (2) Saudi Riyals. All shares are ordinary shares issued in exchange for cash contributions, and the full amount of the capital has been paid in cash and deposited with a licensed bank.

Article 7: Subscription to Shares

The shareholders have subscribed to the entire issued capital amounting to SAR 90,000,000, which has been fully paid.

Article 8: Shareholders Register

The Company shall maintain a register containing the names, nationalities, information, places of residence, occupations of shareholders, the number of shares held by each, share numbers, and the amounts paid thereof. The Company may contract with a third party to maintain this register, which must be kept in the Kingdom.

The Company must provide the commercial register with the data referred to in paragraph (1) of this Article and any amendments thereto within fifteen (15) days from the date of registration of the Company or the date of such amendment, as applicable.

Article 9: Share Trading

1. Shares of the Company shall be traded through registration in the shareholders register. A transfer of share ownership shall not be valid against the Company or third parties except from the date of such registration.

Article 10: Sale of Unpaid Shares

1. A shareholder shall be obligated to pay the unpaid value of their shares on the due date. If the shareholder fails to pay on time, the Board of Directors may, after notifying the shareholder by registered mail to the address recorded in the shareholders register or by publishing in an official newspaper, or notifying through any modern technical means, sell the share at public auction or on the financial market, as applicable.
2. The Company shall deduct from the sale proceeds the amounts due to it and return the remainder to the shareholder. If the sale proceeds are insufficient to cover the dues, the Company may collect the shortfall from all the shareholder's assets.
3. The rights attached to unpaid shares shall be suspended after the due date until the share is sold or the outstanding amount is paid pursuant to paragraph (1) of this Article. These rights include entitlement to distributed net profits and the right to attend and vote at general meetings. However, the defaulting shareholder may pay the outstanding amount and the related expenses until the day of the sale and, in such case, shall be entitled to receive the distributed profits.
4. The Company shall cancel the certificate of the sold share in accordance with this Article and issue a new certificate to the buyer with the same number. The transfer shall be recorded in the shareholders register including the new owner's details.

Article 11: Capital Increase

1. The Board of Directors may increase the issued capital within the limits of the authorized capital, provided the issued capital has been fully paid. The Extraordinary General Assembly may also resolve to increase the issued capital, provided it has been fully paid. However, full payment is not required if the unpaid portion relates to shares issued in exchange for convertible debt instruments or financing sukuk, and the conversion period has not yet ended.

Article 12: Capital Reduction

1. The Extraordinary General Assembly may resolve to reduce the Company's capital if it exceeds the Company's needs or if the Company incurs losses. In the latter case only, the capital may be reduced below the minimum stipulated in Article 59 of the Companies Law. The resolution to reduce the capital may not be issued until a statement is read at a General Assembly meeting prepared by the Board of Directors explaining the reasons for the reduction, the Company's obligations, and the impact of the reduction on fulfilling them. A report from the Company's auditor must also be attached to this statement.
2. If the reduction is due to excess capital, the creditors must be invited to raise objections (if any) at least forty-five (45) days prior to the Extraordinary General Assembly meeting scheduled to consider the reduction. The invitation must include a statement showing the capital before and after the reduction, the meeting date, and the effective date of the reduction. If any creditor objects and submits documentation within the specified period, the Company must settle the due debt or provide adequate security if the debt is not yet due.
3. Equality must be observed among shareholders holding shares of the same class and category when reducing the capital.

Article 13: Additional Provisions Regarding Capital Increase

1. The nominal value of the newly issued shares must be equal to the nominal value of the original shares or of the same class or category.
2. A shareholder who owns shares at the time of the Extraordinary General Assembly's resolution approving the capital increase shall have pre-emptive rights to subscribe to the new cash shares. The shareholder shall be notified of this right, if applicable, by registered mail to their address as recorded in the shareholders register or through modern technical means. The resolution shall specify the capital increase, subscription conditions and methods, and its start and end dates, considering the class and type of shares held.
3. The Extraordinary General Assembly may suspend the pre-emptive rights of existing shareholders for the subscription to new shares issued against cash contributions or grant such rights to others if deemed in the Company's best interest.
4. A shareholder in a joint stock company may sell or assign their pre-emptive rights for consideration or otherwise in accordance with applicable regulations.
5. Subject to paragraph (4) above, the new shares shall be allocated to holders of pre-emptive rights who have requested subscription in proportion to their rights out of the total rights resulting from the capital increase, provided the number of shares allocated to each does not exceed what they applied for and considering the type and class of shares held. The remaining shares shall be allocated to those who applied for more than their share, based on the proportion of their rights, provided the number of shares allocated does not exceed what they requested. Any remaining shares may be offered to others unless the Extraordinary General Assembly decides otherwise.

Chapter Three: Board of Directors

Article 14: Company Management

- a. The Company shall be managed by a Board of Directors consisting of nine (9) natural persons elected by the Ordinary General Assembly of Shareholders for a term of four (4) years.
- b. The method of operation of the Board of Directors shall be as follows:
 - The Board of Directors shall supervise and manage the Company's business, and one of its members shall serve as the Chairman of the Board.
 - Meetings shall be held at any location determined by the Board and may be conducted using modern technical means.
 - A quorum for a valid meeting shall be the attendance of 66% of the Board members.
 - Resolutions shall be validly passed by a majority vote of 51% of the members.
 - Board members may authorize other members to attend meetings on their behalf.

Board communication shall be as follows:

1. The Board of Directors shall convene periodically upon the invitation of its Chairman or Vice Chairman, provided that meetings are held at least four times per year. Invitations must be in writing and delivered in person, via email, text messages, or social media platforms, along with the agenda, according to applicable laws and internal regulations of the Company, unless otherwise agreed by the Board members. The Chairman must call for a meeting whenever any Board member submits a written request to discuss one or more topics.
2. The Board shall determine the location of its meetings, and they may be held via modern technical means.

Membership shall be terminated under the following rules:

- Board membership ends upon expiration of the member's term or disqualification pursuant to any applicable laws or regulations in the Kingdom of Saudi Arabia.
- The General Assembly may, upon recommendation of the Board, remove a member who has been absent from three consecutive or five non-consecutive meetings without a valid excuse acceptable to the Board.
- The Ordinary General Assembly may dismiss all or some Board members. In such case, the Assembly shall elect a new Board or replace the dismissed member in accordance with the Companies Law.

For clarity, the legal quorum required to pass Board resolutions under these Bylaws shall be 51% of the members present.

Article 15: Termination or Expiry of Board Membership

1. A Board member's term shall expire upon the end of their designated period or upon disqualification in accordance with any applicable laws or regulations in the Kingdom. The General Assembly may, based on a recommendation from the Board of Directors, terminate the membership of any member who is absent from three (3) consecutive or five (5) non-consecutive meetings during their term without a valid excuse accepted by the Board.

Article 16: Expiry of Board Term, Resignation of Members, or Vacancy of Positions

1. Prior to the expiry of its term, the Board of Directors must call for a meeting of the Ordinary General Assembly to elect a new Board for the next term. If the election cannot be held and the current Board's term expires, the members shall continue to perform their duties until a new Board is elected, provided that the extension period does not exceed the time limit prescribed by the Implementing Regulations of the Companies Law.
2. If the Chairman and Board members resign, they must call for a meeting of the Ordinary General Assembly to elect a new Board. The resignation shall not take effect until the new Board is elected, provided that the continued service does not exceed the time limit set forth in the Implementing Regulations of the Companies Law.
3. A Board member may resign by submitting written notice to the Chairman. If the Chairman resigns, they must notify the other Board members and the Secretary of the Board. In both cases, the resignation shall be effective as of the date specified in the notice.
4. If a Board member's position becomes vacant due to death or resignation and such vacancy does not affect the quorum required for a valid Board meeting, the Board may temporarily appoint a qualified and experienced replacement. The appointment must be reported to the Commercial Register and the Capital Market Authority, if the Company is listed, within fifteen (15) days of the appointment. The appointment must be presented to the Ordinary General Assembly at its next meeting. The new member shall complete the term of their predecessor.
5. If the Board lacks the minimum number of members required for a valid meeting under the Companies Law or these Bylaws, the remaining members must call for a meeting of the Ordinary General Assembly within sixty (60) days to elect the required number of members.

Article 17: Powers of the Board

Subject to the powers reserved for the General Assembly, the Board of Directors shall have the broadest authorities to manage the Company in a manner that achieves its objectives. These include:

Authorities	
1. Commercial registrations	
a. Main	
- Issuing (may delegate)	
- Renewing (may delegate)	
- Writing-off/cancelling (may delegate)	
b. Branch	
- Issuing (may delegate)	
- Renewing (may delegate)	
- Writing-off/cancelling (may delegate)	
2. Companies in which the company participates	
a. Signing company's AOA/contracts (may delegate)	
b. Purchasing shares (may delegate)	
c. Liquidating company (may delegate)	
d. Selling shares (may delegate)	
e. Representing the Company in the joint venture company (may delegate)	
3. Incorporating companies on behalf of the company	
f. Commercial registers	
- Issuing (may delegate)	
- Renewing (may delegate)	
- Writing-off/cancelling (may delegate)	
g. Registering the company in the Ministry (may delegate)	
h. Representing the company before notary public (may delegate)	

Authorities

- i. Signing the AoA/contract (may delegate)
- j. Signing shareholders' resolutions (may delegate)

4. Banking

- a. Opening accounts (may delegate)
- b. Opening credits (may delegate)
- c. Depositing (may delegate)
- d. Withdrawing (may delegate)
- e. Issuing cheques (may delegate)
- f. Updating accounts (may delegate)
- g. Issuing account statements (may delegate)
- h. Requesting facilities (may delegate)
- i. Requesting securities/ guarantees (may delegate)
- j. Signing loan contracts (may delegate)
- k. Signing negotiable instruments (may delegate)
- l. Signing promissory notes (may delegate)
- m. Filing an application for any services under Communications & Information Technology Commission (may delegate)
- n. Delegating any third party to file an application for any services under Communications & Information Technology Commission in accordance with relevant laws (may delegate)

5. Managing property

- a. Buying, selling and transferring/conveyancing properties
 - Real Estate (may delegate)
 - Buying (may delegate)
 - Selling (may delegate)
 - Transferring/conveyancing (may delegate)
 - Lands
 - Buying (may delegate)
 - Selling (may delegate)
 - Transferring/conveyancing (may delegate)
 - Shares
 - Buying (may delegate)
 - Selling (may delegate)
- b. Mortgaging properties
 - Mortgage Right (may delegate)
 - Redeeming the mortgage (may delegate)
 - Receive (may delegate)

6. Negotiable Instruments

- a. Approving and signing negotiable instruments (may delegate)
- b. Creating commercial instruments (may delegate)

**Authorities**

- c. Cancelling commercial instruments (may delegate)
- d. Closing/settling commercial instruments (may delegate)

7. Amending companies AoAs in which the company is participating as a shareholder

- a. Approving the Shareholders' resolutions
 - Changing the legal entity (may delegate)
 - Increasing or decreasing capital (may delegate)
 - Accepting the assignment of shares and purchase of shares (may delegate)
 - Entry and exit of partners (may delegate)
 - Signing the shareholders' resolutions to merge (may delegate)
 - Amending the rest of the Articles of Association (may delegate)

- b. Liquidating the company (may delegate)
- c. Converting the company into an establishment (may delegate)

8. Courts/Judicial

- a. Representing before Shari'a courts
 - Case hearing and pleading (may delegate)
 - Settlements (may delegate)
 - Accepting and rejecting arbitration (may delegate)
 - Accepting and rejecting settlement (may delegate)
 - Acknowledgements and Denials (may delegate)
 - Waivers (may delegate)
 - Litigating (may delegate)
 - Defending (may delegate)
 - Claiming (may delegate)
 - Litigating (may delegate)
- b. Appointing arbitrators (may delegate)
- c. Appointing lawyers (may delegate)
- d. Representing before notary public (may delegate)
- e. Using and implementing all e-services of Ministry of Justice (may delegate)
- f. Delegating third parties to implement Ministry of Justice services (may delegate)
- g. (Signing loan contract and its amendments thereof and all related documents – signing follow up agreement – signing the consultation agreement – signing before a public notary with respect to industrial mortgage, mortgaging the company's property – receiving the loan – assigning the loan – requesting exemption from loan – settling loan – signing credit agreements) (may delegate)
- h. (Signing the legal security/guarantee) (may delegate) (may delegate)
- i. (Signing obligation transfer agreement and amendments of loan contract) (may delegate)
- j. (Signing debt arrangement agreement on behalf of the company and the shareholders) (may delegate)
- k. (Issuing, amending, cancelling and declaring assignment) (may delegate)

9. National Center for the Non-Profit Sector services

- a. Brokerage services for fundraising, disbursement, marketing, and other intermediation in the non-profit sector (may delegate)

Authorities

b. Volunteering services (may delegate)

c. Establishment and management of non-profit entities (may delegate)

d. Supply of goods and services to non-profit entities (may delegate)

10. Use and execution of all Etimad Platform services (may delegate)

11. Convert the branch into an institution (this authority is related to opening branches pursuant to a resolution from the management) (may delegate)

12. Opening branches for commercial registers (this authority is related to opening branches pursuant to a resolution from the management) (may delegate)

13. Buying the institution (may delegate)

14. Signing all documents at the Chamber of Commerce (may delegate)

15. Selling the institution (may delegate)

16. Following up with commercial registers department (may delegate)

17. Issuing commercial registers (may delegate)

18. Transferring commercial registers (may delegate)

19. Managing commercial registers (may delegate)

20. Cancelling commercial registers

21. Supervising commercial registers

22. Subscribing with the Chamber of Commerce

23. Authenticating the signature at the Chamber of Commerce

24. Cancelling the signature at the Chamber of Commerce

25. Entering tenders and receiving the forms

26. Following up with General Organization for Social Insurance

27. Following up with Zakat, Tax and Customs Authority

28. Managing commercial registration

29. Cancelling commercial registration

30. Following up with Civil Defence

31. Amending commercial registers

32. Adding activity

33. Reserving commercial name

34. Renewing subscription with the Chamber of Commerce

35. Amending commercial registration

36. Transferring the commercial registration

37. Issuing a replacement for lost or damaged registers

38. Issuing a replacement for lost or damaged registers

39. Registering trademark

40. Assigning trademark

41. Assigning the commercial name

42. Issuing licenses

43. Purchasing boats

Authorities

44. Issuing a replacement for lost/ damaged hunting licenses
45. Importing boats
46. Cancelling boating licenses
47. Renewing licenses
48. Amending licenses
49. Adding activity
50. Name Reservation
51. Invalidate the company's license
52. Renewing the subscription at the Chamber of Commerce
53. Opening branches
54. Following up with General Organization for Social insurance
55. Following up with Civil Defense
56. Following up with Zakat, Tax, and Customs Authority
57. Issuance of a hunting License
58. Issuing boat licenses
59. Renewing boat license
60. Transferring boat licenses
61. Selling a boat
62. Renewing hunting licenses
63. Cancelling hunting licenses
64. Issuing a replacement for lost/ damaged boating licenses
65. Opening a branch for licensing
66. Transferring license
67. Incorporating a company
68. Signing articles of association and the amendments thereof
69. Cancelling the article of association and the amendments thereof
70. Signing shareholders' resolutions
71. Appointing and removing managers
72. Amending the objects of the company
73. Increasing the capital
74. Decreasing Capital
75. Entry and exit of partners
76. Entering into existing companies
77. Transferring of shares and instruments
78. Receiving the surplus allocation
79. Selling shares and receiving the value
80. Assigning shares of the capital

Authorities

81. Selling a company's branch
82. Amending the nationality of any of the shareholders in the AoA
83. Purchasing shares and paying the value
84. Closing the bank Company's accounts
85. Opening bank accounts in the name of the company
86. Signing agreements
87. Registering the company
88. Registering the commercial agencies and trademarks
89. Attending general assemblies
90. Opening branches for the company
91. Opening company's files
92. Signing the articles of association and the amendments thereof before the notary public
93. Issuing and renewing the commercial registers
94. Subscribing at the Chamber of Commerce and renew the membership
95. Following up with the Ministry of Investment and signing before it
96. Following up with the Saudi Standards, Metrology and Quality Organization
97. Following up with Capital Market Authority
98. Issuing and renewing licenses for the company
99. Converting the institution into a company
100. Converting the company's branch into an establishment
101. Converting the company branch into a company
102. Publishing the company's articles of association, its amendments and summaries and the bylaws in the official newspaper
103. Following up with the telecommunications companies and establish a fixed telephones or phones in the name of company
104. Entering tenders and receiving the forms
105. Signing contracts of the company with third parties
106. Assigning or cancelling trademarks
107. Amending the name of the company
108. Issuing visas
109. Converting a company into an establishment
110. Receiving visa compensations
111. Updating workers'/employees' information
112. Opening, renewing and cancelling main and sub-files
113. Laying off and removing workers
114. Reporting workers' absence from work
115. Cancelling the workers' absence from work reports
116. Transferring sponsorships
117. Modifying professions

Authorities

118. Transferring ownership of establishments, liquidating and cancelling them

119. Following up with the national recruitment offices and reviewing.

120. Following up with the Labour Office computer department

121. Obtaining and renewing work permits

122. Receiving Saudization certificates

123. Issuing an information statement "Print"

124. Adding and removing Saudi employees

125. Admission

126. Recruiting

127. Opening a file

128. Activating Saudi Electronic Portal

129. Recruiting manpower from abroad

130. Completing employment procedures with GOSI

131. Cancelling visas

132. Refunding visa amounts

133. Modifying/ changing nationalities

134. Issuing family visit visas

135. Issuing visas to recruit family for residence

136. Following up with the embassy

137. Extending exit and re-entry visa

138. Extending visit visas

139. Issuing an information statement "Print"

140. Cancelling visas

141. Refunding visa amounts

142. Modifying destination

143. Issuing residence permits

144. renewing residence permits

145. Issuing exit and re-entry visas

146. Issuing final exit visa

147. Transferring sponsorships

148. Issuing a replacement for damaged and lost residence permits

149. Completing procedures for deceased workers

150. Reporting the workers absence

151. Cancelling the workers absence reports

152. Transferring information and updating of data

153. Settlement and assignment of workers

154. Following up with the Department of Deportation and Expatriates

Authorities

- 155.Obtaining workers'/employees' information extract (print)
- 156.Dropping workers from the company's name
- 157.Managing Business
- 158.Transferring sponsorship of workers for himself
- 159.Registering newborns
- 160.Finishing the procedures of the deceased worker
- 161.Department of Ports Affairs
- 162.Issuing repatriation certificates
- 163.Adding dependents
- 164.Adding children to the passport of the father or mother
- 165.Issuing separate passports for children
- 166.Cancelling exit and re-entry visas
- 167.Cancelling final exit visas
- 168.Issuing a replacement for damaged or lost travel visas
- 169.Issuing extended visit visas
- 170.Modifying professions
- 171.Obtaining Hajj permits
- 172.Following up with Housemaids Affairs Office
- 173.Registering in the electronic service
- 174.Following up with Ministry of Agriculture and Agriculture directorate/department regarding
- 175.Following up with notary public or court to accept a conveyance
- 176.Waiving agricultural decisions
- 177.Transferring agricultural decision
- 178.Receiving salaries
- 179.Receiving pensions
- 180.Receiving end-of-service award and leave compensation
- 181.Transferring of salary
- 182.Receiving bonus
- 183.Issuing a salary certificate
- 184.Receiving financial dues
- 185.Opening accounts that are compatible with Shariah rules
- 186.Closing and settlement of accounts
- 187.Withdrawing from accounts
- 188.Issuing ATM cards
- 189.Issuing credit cards that are compatible with Shariah rules
- 190.Receiving and disbursing remittances
- 191.Cheque cashing

**Authorities****192. Issuing certified bank cheques****193. Issuing cheque books****194. Issuing an account statement****195. Transferring from accounts****196. Requesting bank loans that are compatible with Shariah rules and controls****197. Opening an account that is compatible with Shariah rules****198. Depositing into the account****199. Renewing subscription to safe deposit boxes****200. Opening safe deposit boxes****201. Subscribing to safe deposit boxes****202. Requesting for loan exemption****203. Objecting to cheques****204. Updating data****205. Activating accounts****206. Receiving of cheques****207. Redeeming safe deposit funds units****208. Reviewing****209. Rescheduling instalments****210. Requesting a POS Terminal****211. Applying for bank credit****212. Requesting a bank guarantee)****213. Subscribing in joint stock companies****214. Receiving certificates of contributions****215. Buying Sharia-compliant shares****216. Selling Sharia-compliant shares****217. Receiving the value of the shares****218. Receiving profits****219. Receiving of the surplus allocation****220. Opening Sharia-compliant investment portfolios and editing, amending and cancelling orders****221. Subscription****222. Buying shares****223. Selling shares****224. Redeeming investment fund units****225. Transferring shares from the portfolio****226. Subscribing to Sharia-compliant investment funds****227. Managing investment portfolios****228. Issuing proof of indebtedness**

Authorities

- 229. Opening a business
- 230. Issuing health cards
- 231. Converting agricultural land into residential
- 232. Following up with General Administration for Urban Planning
- 233. Issuing licenses
- 234. Renewing licenses
- 235. Cancelling licenses
- 236. Transferring licenses
- 237. Issuing construction and restoration permits
- 238. Land-planning
- 239. Issuing construction completion certificates
- 240. Issuing fencing licenses
- 241. Issuing demolition permits
- 242. Signing the lease contract
- 243. Waiving contracts
- 244. Developing a plan for the owned land
- 245. Following up with Municipality
- 246. Converting agricultural soil into residential land
- 247. Supervising the construction
- 248. Signing contracts with construction establishments and contractors
- 249. Entering tenders and receiving the forms
- 250. Transferring ownership to the buyer
- 251. Purchasing, accepting the transfer of ownership, and paying the price
- 252. Receiving instruments
- 253. Leasing
- 254. Receiving rent
- 255. Signing lease contracts
- 256. Renewing lease contracts
- 257. Cancelling and terminating lease contracts
- 258. Mortgaging
- 259. Redeeming the mortgage
- 260. Allotment and sorting
- 261. Amending borders, lengths, area, lot numbers, plans, deeds, their dates, and neighbourhood names
- 262. Selling
- 263. Approving Mortgage
- 264. Updating deeds and registering them in the comprehensive e-System
- 265. Selling share of

Authorities

- 266. Buying
- 267. Buying share of
- 268. Leasing
- 269. Waiving space shortage
- 270. Consolidating instruments/ deeds
- 271. Accepting the waiver and transfer of ownership
- 272. Issuing replacements for the following lost deeds with their details as follows:
- 273. Issuing replacements for the following damaged deeds with their details as follows:
- 274. Selling and transferring ownership to heirs
- 275. Assigning ownership of
- 276. Proof of the building
- 277. Issuing a replacement for the damaged deed/ instrument
- 278. For the real estates located at:
- 279. Converting agricultural land into residential or industrial lands
- 280. Engaging in the real estate business
- 281. Purchasing shares in real estate business
- 282. Selling shares of real estate business
- 283. Waiving the leased land
- 284. Updating deed/ instrument and registering them in the comprehensive e-System
- 285. Issuing a replacement for the lost deed/ instrument
- 286. Land building
- 287. Land leasing
- 288. Dividing the shares among the heirs and transfer them to their portfolios

The Board of Directors must obtain the approval of the General Assembly when selling assets whose value exceeds fifty percent (50%) of the total value of the Company's assets, whether the sale is made in a single transaction or several transactions. In this case, the transaction that causes the threshold of fifty percent (50%) to be exceeded shall be deemed the transaction that requires General Assembly approval. This percentage shall be calculated from the date of the first transaction completed within the twelve (12) months preceding it.

The Board may, within the limits of its competence, delegate one or more of its members or others to carry out a specific act or acts.

Article 18: Remuneration of Board Members

1. The remuneration of the members of the Board of Directors may consist of a specific amount, an attendance allowance for meetings, in-kind benefits, a percentage of the net profits, or as determined by the Ordinary General Assembly.
2. The Board of Directors' report to the Ordinary General Assembly in its annual meeting must include a comprehensive statement of all amounts received or due to each member of the Board during the financial year, including remuneration, attendance allowances, reimbursement of expenses, and other benefits. It must also include a statement of amounts received by Board members in their capacity as employees or executives, or in return for technical, administrative, or advisory services. Furthermore, the report must contain a statement of the number of Board meetings and the number of meetings each member attended.

Article 19: Powers of the Chairman, Vice Chairman, Managing Director, and Board Secretary

The Board of Directors shall, at its first meeting, appoint from among its members a Chairman of the Board. It may also appoint a Vice Chairman or a Managing Director from among its members.

1. The Board of Directors shall appoint a Chief Executive Officer (CEO) from among its members or from outside the Board. The Chairman is vested with the authority to:

Authorities	
1. Commercial registrations	
a. Main	
- Issuing	
- Renewing	
- Writing-off/cancelling	
b. Branch	
- Issuing	
- Renewing	
- Writing-off/cancelling	
2. Companies in which the Company participates	
a. Signing Company's AOA/contracts	
b. Purchasing shares	
c. Liquidating Company	
d. Selling shares	
e. Representing the Company in the joint venture company	
3. Incorporating companies on behalf of the company	
a. Commercial registers	
- Issuing	
- Renewing	
- Writing-off/cancelling	
b. Registering the Company in the Ministry	
c. Representing the company before notary public	
d. Signing the AoA/contract	
e. Signing shareholders' resolutions	
4. Banking	
a. Opening accounts	
b. Opening credits	
c. Depositing	
d. Withdrawing	
e. Issuing cheques	
f. Updating accounts	
g. Issuing account statements	
h. Requesting facilities	

**Authorities**

- i. Requesting securities/ guarantees
- j. Signing loan contracts
- k. Signing negotiable instruments
- l. Signing promissory notes
- m. Filing an application for any services under Communications & Information Technology Commission
- n. Delegating any third party to file an application for any services under Communications & Information Technology Commission in accordance with relevant laws

5. Managing property**a. Buying, selling and transferring/conveyancing properties**

- Real Estate
 - Buying
 - Selling
 - Transferring/conveyancing

- Lands
 - Buying
 - Selling
 - Transferring/conveyancing

- Shares
 - Buying
 - Selling

b. Mortgaging properties

- Mortgage Right
- Redeeming the mortgage
- Receive

6. Amending companies AoAs in which the company is participating as a shareholder**a. Approving the Shareholders' resolutions**

- Changing the legal entity
- Increasing or decreasing capital
- Accepting the assignment of shares and purchase of shares
- Entry and exit of partners
- Signing the shareholders' resolutions to merge
- Amending the rest of the Articles of Association

b. Liquidating the company**c. Converting the company into an establishment****7. Courts/Judicial****a. Representing before Shari'a courts**

- Case hearing and pleading
- Settlements

Authorities

- Accepting and rejecting arbitration
- Accepting and rejecting settlement
- Acknowledgements and Denials
- Waivers
- Litigating
- Defending
- Claiming
- Litigating
- b. Appointing arbitrators
- c. Appointing lawyers
- d. Representing before notary public
- e. Using and implementing all e-services of Ministry of Justice
- f. Delegating third parties to implement Ministry of Justice services
- g. (Signing loan contract and its amendments thereof and all related documents – signing follow up agreement – signing the consultation agreement – signing before a public notary with respect to industrial mortgage in relation to mortgaging all of the company's property(ies) – receiving the loan – assigning the loan – requesting exemption from loan – settling loan – signing credit agreements)
- h. (Signing the legal security/guarantee)
- i. (Signing obligation transfer agreement and amendments of loan contract)
- j. (Signing debt arrangement agreement on behalf of the company and the shareholders)
- k. (Issuing, amending, cancelling and declaring assignment)
- 8. Convert the branch into an establishment (this authority is related to opening branches pursuant to a resolution from the management)**
- 9. Opening branches for commercial registers (this authority is related to opening branches pursuant to a resolution from the management)**
- 10. Buying the establishment**
- 11. Signing all documents at the Chamber of Commerce**
- 12. Selling the establishment**
- 13. Following up with commercial registers department**
- 14. Issuing commercial registers**
- 15. Transferring commercial registers**
- 16. Managing commercial registers**
- 17. Cancelling commercial registers**
- 18. Supervising commercial registers**
- 19. Subscribing with the Chamber of Commerce**
- 20. Authenticating the signature at the Chamber of Commerce**
- 21. Cancelling the signature at the Chamber of Commerce**
- 22. Entering tenders and receiving the forms**
- 23. Following up with General Organization for Social Insurance**
- 24. Following up with Zakat, Tax and Customs Authority**
- 25. Managing commercial registration**

Authorities

26. Cancelling commercial registration
27. Following up with Civil Defence
28. Amending commercial registers
29. Adding activity
30. Reserving commercial name
31. Renewing subscription with the Chamber of Commerce
32. Amending commercial registration
33. Transferring the commercial registration
34. Issuing a replacement for lost or damaged registers
35. Issuing a replacement for lost or damaged registers
36. Registering trademark
37. Assigning trademark
38. Assigning the commercial name
39. Issuing licenses
40. Purchasing boats
41. Issuing a replacement for lost/ damaged hunting licenses.
42. Importing boats.
43. Cancelling boating licenses
44. Renewing licences
45. Amending licenses
46. Adding activity
47. Name Reservation
48. Cancelling the company's license
49. Renewing the subscription at the Chamber of Commerce
50. Opening branches
51. Following up with General Organization for Social insurance
52. Following up with Civil Defense
53. Following up with Zakat, Tax, and Customs Authority
54. Issuance of a hunting License
55. Issuing boat licenses
56. Renewing boat licenses
57. Transferring boat licenses
58. Selling a boat
59. Renewing hunting licenses
60. Cancelling hunting licenses
61. Issuing a replacement for lost/ damaged boating licenses.
62. Opening a branch for licensing

Authorities

63. Transferring license
64. Incorporating a company
65. Signing articles of association and the amendments thereof
66. Signing shareholders' resolutions
67. Appointing and removing managers
68. Amending the objects of the company
69. Increasing the capital
70. Entering into existing companies
71. Transferring of shares and instruments
72. Receiving the surplus allocation
73. Selling shares and receiving the value
74. Selling a company's branch
75. Amending the nationality of any of the shareholders in the AoA
76. Accepting the assignment of shares and quotas and capital
77. Purchasing shares and quotas and and paying the value
78. Closing the Company's bank accounts
79. Opening bank accounts in the name of the company
80. Signing agreements
81. Registering the company
82. Registering the commercial agencies and trademarks
83. Attending general assemblies
84. Opening branches for the company
85. Opening company's files
86. Signing the articles of association and the amendments thereof before the notary public
87. Issuing and renewing the commercial registers
88. Subscribing at the Chamber of Commerce and renewing the membership
89. Following up with the Ministry of Investment and signing before it
90. Following up with the Saudi Standards, Metrology and Quality Organization
91. Following up with Capital Market Authority
92. Issuing and renewing licenses for the company
93. Converting the institution into a company
94. Converting the company's branch into an establishment
95. Converting the company branch into a company
96. Publishing the company's articles of association, its amendments and summaries and the bylaws in the official newspaper
97. Following up with the telecommunications companies and establishing a fixed telephones or phones in the name of company
98. Entering tenders and receiving the forms
99. Signing contracts of the company with third parties

**Authorities**

- 100. Assigning or cancelling trademarks
- 101. Amending the name of the company
- 102. Issuing visas
- 103. Converting a company into an establishment
- 104. Receiving visa compensations
- 105. Updating workers'/employees' information
- 106. Opening, renewing and cancelling main and sub-files
- 107. Laying off and cancelling labor
- 108. Reporting labor absconding
- 109. Cancelling labor absconding reports
- 110. Transferring sponsorships
- 111. Modifying professions
- 112. Transferring ownership of establishments, liquidating and cancelling them
- 113. Following up with the national recruitment offices
- 114. Following up with the Labour Office computer department
- 115. Obtaining and renewing work permits
- 116. Receiving Saudization certificates
- 117. Issuing an information statement "Print"
- 118. Adding and removing Saudi employees
- 119. Admission
- 120. Recruiting
- 121. Opening a file
- 122. Activating Saudi Electronic Portal
- 123. Recruiting manpower from abroad
- 124. Completing employment procedures with GOSI
- 125. Cancelling visas
- 126. Refunding visa amounts
- 127. Modifying/ changing nationalities
- 128. Issuing family visit visas
- 129. Issuing visas to recruit family for residence
- 130. Following up with the embassy
- 131. Extending exit and re-entry visa
- 132. Extending visit visas
- 133. Issuing an information statement "Print"
- 134. Cancelling visas
- 135. Refunding visa amounts
- 136. Modifying destination

Authorities

- 137. Issuing residence permits
- 138. renewing residence permits
- 139. Issuing exit and re-entry visas
- 140. Issuing final exit visa
- 141. Transferring sponsorships
- 142. Issuing a replacement for damaged and lost residence permits
- 143. Completing procedures for deceased workers
- 144. Reporting labor absconding
- 145. Cancelling labor absconding reports
- 146. Transferring information and updating of data
- 147. Settlement and assignment of workers
- 148. Following up with the Department of Deportation and Expatriates
- 149. Obtaining workers'/employees' information extract (print)
- 150. Cancelling of labor
- 151. Managing Business
- 152. Transferring sponsorship of workers for himself
- 153. Registering newborns
- 154. Finishing the procedures of the deceased worker
- 155. Department of Ports Affairs
- 156. Issuing repatriation certificates
- 157. Adding dependents
- 158. Adding children to the passport of the father or mother
- 159. Issuing separate passports for children
- 160. Cancelling exit and re-entry visas
- 161. Cancelling final exit visas
- 162. Issuing a replacement for damaged or lost travel visas
- 163. Issuing extended visit visas
- 164. Modifying professions
- 165. Obtaining Hajj permits
- 166. Following up with Housemaids Affairs Office
- 167. Registering in the electronic service
- 168. Following up with Ministry of Agriculture and Agriculture directorate/department regarding
- 169. Following up with notary public or court to accept a conveyance
- 170. Waiving agricultural decisions
- 171. Transferring agricultural decision
- 172. Receiving salaries
- 173. Receiving pensions

Authorities

174. Receiving end-of-service award and leave compensation
175. Transferring of salary
176. Receiving bonus
177. Issuing a salary certificate
178. Receiving financial dues
179. Opening accounts that are compatible with Shariah rules
180. Closing and settlement of accounts
181. Withdrawing from accounts
182. Issuing ATM cards
183. Issuing credit cards that are compatible with Shariah rules
184. Receiving and disbursing remittances
185. Cheque cashing
186. Issuing certified bank cheques
187. Issuing cheque books
188. Issuing an account statement
189. Transferring from accounts
190. Requesting bank loans that are compatible with Shariah rules and controls
191. Opening an account that is compatible with Shariah rules
192. Depositing into the account
193. Renewing subscription to safe deposit boxes
194. Opening safe deposit boxes
195. Subscribing to safe deposit boxes
196. Requesting for loan exemption
197. Objecting to cheques
198. Updating data
199. Activating accounts
200. Receiving of cheques
201. Redeeming safe deposit funds units
202. Reviewing
203. Rescheduling instalments
204. Requesting a POS Terminal
205. Applying for bank credit
206. Requesting a bank guarantee
207. Subscribing in joint stock companies
208. Receiving certificates of contributions
209. Buying Sharia-compliant shares
210. Selling Sharia-compliant shares

Authorities

- 211. Receiving the value of the shares
- 212. Receiving profits
- 213. Receiving of the surplus allocation
- 214. Opening Sharia-compliant investment portfolios and editing, amending and cancelling orders
- 215. Subscription
- 216. Buying shares
- 217. Selling shares
- 218. Redeeming investment fund units
- 219. Transferring shares from the portfolio
- 220. Subscribing to Sharia-compliant investment funds
- 221. Managing investment portfolios
- 222. Issuing proof of indebtedness
- 223. Opening a business
- 224. Issuing health cards
- 225. Converting agricultural land into residential
- 226. Following up with General Administration for Urban Planning
- 227. Issuing licenses
- 228. Renewing licenses
- 229. Cancelling licenses
- 230. Transferring licenses
- 231. Issuing construction and restoration permits
- 232. Land-planning
- 233. Issuing construction completion certificates
- 234. Issuing fencing licenses
- 235. Issuing demolition permits
- 236. Signing the lease contract
- 237. Waiving contracts
- 238. Developing a plan for the owned land
- 239. Following up with Municipality
- 240. Converting agricultural soil into residential land
- 241. Supervising the construction
- 242. Signing contracts with construction establishments and contractors
- 243. Entering tenders and receiving the forms
- 244. Transferring ownership to the buyer
- 245. Purchasing, accepting the transfer of ownership, and paying the price
- 246. Receiving instruments
- 247. Leasing
- 248. Receiving rent

Authorities

- 249. Signing lease contracts
- 250. Renewing lease contracts
- 251. Cancelling and terminating lease contracts
- 252. Mortgaging
- 253. Redeeming the mortgage
- 254. Allotment and sorting
- 255. Amending borders, lengths, area, lot numbers, plans, deeds, their dates, and neighbourhood names
- 256. Selling
- 257. Approving Mortgage
- 258. Updating deeds and registering them in the comprehensive e-System
- 259. Selling share of
- 260. Buying
- 261. Buying share of
- 262. Leasing
- 263. Disregarding space shortage
- 264. Consolidating deeds
- 265. Accepting the waiver and transfer of ownership
- 266. Issuing replacements for the following lost deeds:
- 267. Issuing replacements for the following damaged deeds:
- 268. Selling and transferring ownership to heirs
- 269. Assigning ownership of
- 270. Proof of the building
- 271. Issuing a replacement for the damaged deed/ instrument
- 272. For the real estates located at:
- 273. Converting agricultural land into residential or industrial lands
- 274. Engaging in the real estate business
- 275. Purchasing shares in real estate business
- 276. Selling shares of real estate business
- 277. Assigning the leased land
- 278. Updating deed and registering them in the comprehensive e-System
- 279. Issuing a replacement for the lost deed
- 280. Converting agricultural lands into residential lands
- 281. Land building
- 282. Land leasing
- 283. Changing the legal entity of the company
- 284. Converting the company from a limited partnership to a limited liability company
- 285. Dividing the shares among the heirs and transfer them to their portfolios

The Board of Directors shall appoint a Secretary to the Board, selected from among its members or from outside the Board. The Chairman of the Board may, by a written resolution, delegate some of his powers to other Board members or to third parties to carry out specific task(s). The Vice Chairman of the Board shall act in place of the Chairman in his absence, in cases where the Board has appointed a Vice Chairman.

Article 20: Board Meetings and Resolutions

1. A meeting of the Board of Directors shall only be valid if at least 66% of the members are present, either in person or by proxy.

A Board member may delegate another member to attend Board meetings on their behalf, subject to the following conditions:

- a. A Board member may not delegate more than one other member to attend the same meeting.
- b. The proxy must be in writing and limited to a specific Board meeting.
- c. The proxy may not vote on matters that are prohibited by law to be voted on by proxy on behalf of the delegator.

If the required quorum is not met at the first meeting convened in accordance with proper procedures, the meeting shall be postponed to a later date. If the quorum is still not met in the second meeting, the proposed resolutions shall be circulated in writing to all Board members for voting, and resolutions shall be passed by majority approval through circulation.

1. In the event of a tie in votes on a Board resolution, the side with which the Chairman of the meeting votes shall prevail. The Board may issue resolutions by circulation among all members, provided the majority approve, unless a member requests in writing that the matter be deliberated in a meeting. Such resolutions must be presented at the next Board meeting to be recorded in the minutes.
2. A resolution of the Board shall be effective from the date of its issuance, unless a different effective date or the fulfillment of certain conditions is stipulated therein.

Article 21: Board Deliberations

1. The deliberations and resolutions of the Board of Directors shall be recorded in minutes prepared by the Secretary, signed by the Chairman of the meeting, the attending Board members, and the Secretary.
2. The minutes shall be recorded in a special register, signed by the Chairman of the Board and the Secretary.
3. Modern technologies may be used for signing, recording deliberations and resolutions, and documenting the minutes.

Article 22: Additional Provisions Concerning the Board of Directors

The Board of Directors shall have the broadest powers and authorities in dealing with the Company's assets, properties, and real estate, as well as entering into financing arrangements and discharging the Company's debtors, subject to the following conditions:

1. Without prejudice to the powers reserved for the General Assembly, the Board shall have full authority over the Company's management, formulation of general policies, investment decisions, and supervision over operations and assets to fulfill the Company's objectives. This includes the rights to purchase, accept, pay, mortgage, release mortgages, sell, partition, receive and deliver payments, provided that the Board minutes justify the resolution and the rationale behind any such action involving Company assets, unless otherwise restricted under the Companies Law or these Bylaws or any actions falling under the General Assembly's authority.
2. The Board shall also be authorized to enter into loan and financing agreements with governmental or non-governmental funding institutions for any term, and commercial facilities with banks, financial institutions, and credit companies, provided such facilities do not extend beyond the Company's duration and comply with Shariah principles.
 - a. For loans with maturities exceeding three years, the Board must determine the purposes of such financing and repayment methods in its resolution.
 - b. The terms of such financing and the provided securities must not harm the Company, its shareholders, or the general securities of creditors.
3. The Board shall have the power to settle claims, waive rights, enter into, and execute contracts and commitments in the Company's name and on its behalf, including founding companies, amending their documents and annexes, participating in them, and engaging in mergers or other activities aligned with the Company's objectives.
4. The Board shall have the authority to appoint and dismiss the Company's employees and staff and to set their salaries and compensations.
5. Within its scope of powers, the Board may delegate one or more of its members or third parties to take specific actions or perform particular functions, and may delegate all or part of its powers as deemed appropriate.
6. The Board may, when deemed in the Company's interest, discharge the Company's debtors, provided that:
 - a. The debt has been due for no less than one full year.

- b. The discharge relates to a specific amount not exceeding 2% of the Company's capital per debtor per year, with the rationale recorded in the Board minutes.
7. The Board may open, manage, and close letters of credit, bank guarantees, and bank accounts, and may authorize withdrawals therefrom.
8. The Board is responsible for achieving the Company's strategic and operational objectives. Specifically, it shall be responsible for:
 - a. The general strategy and business plan of the Company.
 - b. The annual budget.
 - c. Forming committees from among its members and granting them appropriate powers.
 - d. Approving internal, financial, administrative, and technical regulations and human resources policies and performance standards.
 - e. Investing the Company's funds.
 - f. Approving the incorporation of companies, equity participation, mergers, and extraction and modification of commercial registrations.
 - g. Appointing the Company's representatives on the boards of directors or management of companies in which it holds shares or interests, attending shareholders' meetings, signing minutes and resolutions, approving those companies' annual accounts, and receiving dividends due to the Company.
 - h. Preparing an annual performance report for presentation to the General Assembly.
9. The Board must obtain the approval of the General Assembly before selling assets exceeding fifty percent (50%) of the total value of the Company's assets, whether through a single or multiple transactions. The transaction that results in exceeding the 50% threshold shall require General Assembly approval. The percentage shall be calculated from the date of the first transaction made within the previous twelve (12) months.
10. The Board may, within its competencies, authorize one or more of its members or third parties to perform certain tasks.

Article 23: Additional Provisions Regarding the Powers of the Chairman, Vice Chairman, Delegated Member, and Secretary

1. The Board of Directors shall, in its first meeting, appoint a Chairman from among its members. It may also appoint a Chief Executive Officer for the Company.
2. The Chairman of the Board shall have the authority to set the general policies and strategies of the Company, to call for Board meetings, and to chair such meetings. The Chairman shall also have the following powers: **[Claims before Courts]** To initiate and defend lawsuits, appear in litigation, present and respond to claims, acknowledge and deny, settle and waive, request and refuse oaths, bring and examine witnesses and evidence, challenge and respond, impeach and rehabilitate, challenge forgery, deny handwriting, stamps and signatures, request travel bans and their removal, request seizure and enforcement, request arbitration, appoint and challenge experts and arbitrators and replace them, enforce and reject judgments, file appeals, seek retrials, request cassation before the Supreme Court, request rehabilitation and preemption rights, attend all hearings for any legal proceedings before all courts, receive amounts and judgment deeds, request recusal of judges, and request joinder and intervention before general, commercial, and administrative courts (Board of Grievances), labor courts, forensic medical committees, financial dispute committees, banking dispute settlement committees, commercial paper dispute offices, commercial dispute resolution committees, customs committees, anti-commercial fraud committees, Control and Investigation Board, Public Prosecution, General Auditing Bureau, and all tax committees. Also included are the rights to obtain title deeds, object to title requests, lift endowments, waive blood money and damages, acknowledge debts, prove purchases and sales, obtain building proof deeds, deliver and receive, follow up with all relevant authorities, complete necessary procedures, and sign where required. The Chairman may collect any funds resulting from enforcement and file for cassation before the Supreme Court in cases filed by or against the Company. The Chairman may contract with consulting offices and appoint and dismiss lawyers and representatives. **[Companies]** The Chairman shall have full powers and authorities to manage and represent the Company in all matters related to its interests and affairs and to achieve its objectives in dealings with third parties. The Chairman may sign on behalf of the Company all types of transactions, contracts, documents, agreements, deeds, and notarized instruments, including the rights to sell, purchase, accept and transfer property, lease and rent, pay and receive funds, pledge and release pledges, including real estate and equipment; establish branches of the Company, obtain and deliver main and branch licenses and registrations, register and publish trademarks, enter tenders, establish new partnerships, sign articles of association and merger documents, collect Company entitlements, and settle its obligations. The Chairman may execute and implement agreements, deals, and services within the Company's scope, appoint and dismiss managers, purchase assets, receive their value, register the Company and its agencies and trademarks, waive or cancel trademarks, open Company branches, convert a branch into a company, sign agency agreements in accordance with Saudi laws, attend general assemblies, represent local and foreign entities, open and renew Company files and licenses, liaise with the Ministry of Investment and Capital Market Authority, sign contracts with third parties, publish the articles of association and amendments in the Official Gazette. The Chairman shall also have the right to approve mergers with or acquisitions of other companies or to participate in joint-stock companies as a founder or shareholder on behalf of the Company. **[Commercial Registrations]** The Chairman may liaise with the commercial registry to issue, renew, amend, or cancel main and branch commercial

registrations and licenses; reserve, renew, and waive trade names; open and renew chamber of commerce memberships; sign all relevant documents; validate signatures; supervise the registries; add or cancel activities; obtain replacement registrations; and liaise with the General Organization for Social Insurance. **[Companies and Non-profit Organizations]** The Chairman may represent and sign on behalf of the Company in dealings with engineering bodies, charitable entities, and Sharia-compliant insurance companies. **[Industrial Licenses]** The Chairman may renew and amend licenses, add activities, reserve names, cancel licenses, subscribe to the Chamber of Commerce, renew the Chamber of Commerce subscription, open branches, transfer licenses, obtain replacement registrations for lost or damaged records, liaise with all relevant authorities, complete all necessary procedures, and sign where required. **[Immigration and Recruitment]** The Chairman may have the right to issue residencies, renew residencies, and issue replacement residencies for lost or damaged ones, to process exit/re-entry visas and final exit visas, to transfer guarantees and transfer sponsorship of workers for himself, to transfer information, update data, and modify job titles, to conduct settlements and waive workers' rights, to report absconding and cancel absconding reports, to cancel exit/re-entry visas and final exit visas and issue replacement or lost/damaged travel visas, to issue extensions for visit visas, add dependents, and complete procedures for deceased workers, to obtain workers' data reports, terminate labor, and liaise with the General Directorate of Passports and Expats Affairs as well as the Department of Border Affairs, to obtain re-entry certificates, Hajj permits, and manage domestic worker affairs including issuing visas and receiving visa compensations, to complete procedures for deceased employees, obtain re-entry certificates, and extract workers' data reports, to issue visit visa extensions, transfer guarantees, modify job titles, and update workers' data, to liquidate and cancel labor, report absconding, and issue or renew work permits, to complete labor procedures with the General Organization for Social Insurance, to liaise with the Labor and Human Resources IT Department, add or remove Saudi employees, receive Saudization certificates, and obtain workers' data reports, to open main and branch files, renew, cancel, or transfer ownership of establishments, liquidate and cancel them, to liaise with private recruitment offices, activate the Saudi e-portal and upgrade to the next level, issue or cancel visas, recover visa fees, modify nationalities, issue family visit visas, issue family recruitment visas, modify job titles on visas, liaise with embassies, extend exit/re-entry visas and visit visas, obtain workers' data reports, modify professions on visas, and recruit workers from abroad. **[Traffic Department]** The Chairman may have the right to issue a driving license, issue a replacement driving license for lost or damaged licenses, renew driving licenses, issue and renew vehicle plates, transfer vehicle plates, cancel vehicle plates, obtain vehicle repair permits, purchase vehicle plates from the traffic department, export vehicles, change vehicle colors, issue driving authorizations, report theft and cancel theft reports, contest, settle, and adjudicate violations, obtain data reports, liaise with the Emirate, the Judicial Enforcement Division, police stations, the Traffic Security Command, the General Presidency of the National Guard and its sectors, the General Directorate of Mujahideen, the Public Investigation Department, the Administrative Investigation Department, the Criminal Investigation Department, the General Directorate for Narcotics Control, the General Directorate of Prisons, the General Directorate of Civil Defense, the General Directorate of Border Guard and its branches including all affiliated departments and divisions, buy and sell vehicles, import vehicles, liaise with Customs, clear vehicles through customs, issue vehicle plates, liaise with the Ministry of Transport to issue vehicle operation cards, waive executed contracts, sell inherited vehicles, lease vehicles with promise of ownership, complete sponsorship procedures, purchase motorcycles, receive seized vehicles, sell vehicles and motorcycles, liaise with traffic authorities regarding vehicle accidents, liaise with the Ministry of Transport and Traffic Department to transfer vehicles, purchase vehicles from outside Saudi Arabia, complete vehicle shipping procedures to and from Saudi Arabia, liaise with Customs and Traffic to complete customs clearance and issue vehicle plates, sell exported vehicles, liaise with the Customs Authority, issue and renew customs licenses, transfer or cancel customs licenses, open branches for them, clear goods, conduct inspections, pay fees, receive customs clearances and cards, and amend or issue replacement customs cards, as well as manage and supervise licensing. **[Ministries and Authorities]** The Chairman may have the right to represent the Company in its relations with third parties and to sign before governmental and private authorities, before courts, the Royal Court, the Ministry of Justice, the Ministry of Interior, the Ministry of Foreign Affairs, the Ministry of Defense, the Ministry of Commerce, the Ministry of Investment, the Ministry of Finance, the Ministry of Agriculture, the Ministry of Human Resources and Social Development, the Ministry of Municipal, Rural Affairs and Housing, the Ministry of Education, the Ministry of Health, the Ministry of Culture, the Ministry of Information, the Ministry of Islamic Affairs, Endowments, Dawah and Guidance, the Ministry of Environment, Water and Agriculture, the Ministry of Energy, the Ministry of Industry and Mineral Resources, the Ministry of Transport, the Ministry of Hajj and Umrah, the Ministry of Communications and Information Technology, the Ministry of Economy and Planning, and their branches including all affiliated departments and divisions, the Saudi Central Bank, the Technical and Vocational Training Corporation, the Ports Authority, the General Authority for Railways, the King Fahd Causeway Authority, King Abdulaziz City for Science and Technology, the General Authority for Grain Silos and Flour Mills, the General Pension Authority, the Saudi Arabian Airlines Corporation, the Saline Water Conversion Corporation, the General Organization for Social Insurance, the Public Prosecution, the Board of Auditors, the General Investment Authority, the Capital Market Authority, the Saudi Standards, Metrology and Quality Organization, the Saudi Commission for Health Specialties, the Saudi Food and Drug Authority, the General Authority for Tourism and Antiquities, the Ministry of Tourism, the National Anti-Corruption Commission, the Industrial Cities Authority and Technology Zones, the Royal Commission for Jubail and Yanbu, the Human Rights Commission, the National Commission for Wildlife Protection and Development, the General Authority of Civil Aviation, the Riyadh Development Authority, the Makkah and Holy Sites Development Authority, the Madinah Development Authority, the Communications Authority and its branches, liaise with the Saudi Embassy, the Education Department and all affiliated departments and divisions, liaise with the Zakat and Income Authority, and liaise with the Civil Defense. **[Telecommunications]** The Chairman may request all services from telecom and internet providers, and networks, liaise with companies, obtain mobile SIM cards, replace mobile SIM numbers, obtain replacement SIM numbers for lost or damaged SIMs, transfer mobile SIM numbers, waive or cancel mobile SIM numbers, request the establishment of a landline, transfer the landline, and cancel or waive the landline number. **[Electricity Company]** The Chairman may have the right with respect to the Electricity Company to request the installation, transfer, and upgrading of electricity meters. **[National Water Company]** The Chairman may have the right to

request sewage connections, contest fines, request the installation of water meters, request inspections of water meters, receive and deliver, liaise with all relevant authorities, complete all necessary procedures, and sign where required. **[Post]** The Chairman may have the right to request a post office box, receive the post box key, receive registered mail, obtain an authorization card for the box, renew or cancel the subscription to the box, liaise with all relevant authorities, complete all necessary procedures, and sign where required. **[Municipalities]** The Chairman may open and manage shops, obtain building permits and completion certificates, rezone lands, and complete all municipal procedures. **[Banks]** The Chairman may have the right to open shops, obtain licenses, renew licenses, cancel licenses, transfer licenses, obtain building and renovation permits, obtain completion certificates, plan lands, obtain health cards, convert agricultural lands to residential, waive contracts, prepare a plan for the land owned by deed, and liaise with the municipality. **[Banks]** The Chairman may have the right to deal on behalf of the Company with all banks, companies, and financial institutions operating in the Kingdom or abroad, including opening current accounts, investment portfolios, funds, and government institutions, operating and closing them, making deposits and withdrawals, conducting all banking transactions, requesting issuance of bank guarantees, opening letters of credit, signing all related contracts, papers, documents, and instruments, issuing bonds and checks, completing and endorsing commercial papers, collecting them on behalf of the Company, signing agreements, Islamic Murabaha and Tawarruq contracts and other Islamic financing agreements, and various investment contracts, requesting facilities and loans of all kinds, including Ijarah agreements, accepting their terms, conditions, and obligations, renewing, amending, rescheduling, and signing their contracts and agreements, waiving rights, signing all types of waivers, benefits, pledging shares, securities, and real estate for facilities and loans in accordance with Sharia-compliant rules, lifting pledges, opening letters of credit, issuing bank guarantees on behalf of the Company and others, issuing surety guarantees for others' facilities, collecting all funds due to the Company from third parties and depositing them in banks inside and outside the Kingdom, signing investment portfolios, buying and selling shares, managing financial and investment portfolios, and closing them on behalf of the Company, including signing all related contracts and documents, redemption and subscription of investment funds, updating data, opening and closing investment accounts, trading securities online, receiving PINs and other procedures related to giving orders to buy and sell shares on behalf of the Company, receiving proceeds, transferring shares between brokerage and investment companies, and authorizing others to do so. He shall also have all necessary powers to sign loan and guarantee requests on behalf of the Company, sign all related agreements and obligations, prepare the Company's budgets, submit all required documents to complete all Company transactions, delegate signing authority at chambers of commerce and industry, sign related instruments, provide all necessary proposals regarding allocating surplus reserves over statutory reserves, propose profit distribution, propose appointment of the auditor for each fiscal year, appoint employees and department managers, define their authorities, salaries, and payments, appoint others, pay end-of-service benefits, sign checks, open letters of credit, sign all required documents, execute all banking and commercial transactions related to Company operations, activate accounts, request account statements and checks, collect subscription surpluses, transfer between accounts and between investment and current accounts, follow up on all Company transactions, complete them, receive Company rights from third parties whether checks, credits, cash, or bank guarantees, liquidate them for the Company, receive the Company's profits from all companies of all types, receive Company claims and compensations from all governmental and non-governmental entities, individuals, companies, or banks, collect their value, sign on behalf of the Company in all required matters, collect the Company's debts from third parties, settle debts owed by the Company, request banking facilities from all banks in accordance with Sharia-compliant rules, and the right to borrow in accordance with Sharia-compliant rules from all banks, financial institutions, financing companies, and all government financing institutions, including, by way of example, real estate, industrial, and agricultural funds and guarantees related to the Company's operations.

3. The Chairman of the Board shall have the right to delegate or authorize one or more members of the Board, Company employees, or third parties to exercise all or some of the aforementioned powers, either permanently or temporarily. The powers of the Chairman and Vice Chairman shall apply both within and outside the Kingdom of Saudi Arabia.
4. The Board of Directors shall appoint a Secretary from among its members or from outside, and shall determine the Secretary's responsibilities and remuneration. The Secretary shall be responsible for documenting the minutes and resolutions of Board meetings in a designated register.
5. The Chairman of the Board may delegate, by written resolution, some of his powers to other members of the Board or to third parties to carry out specific acts or functions.
6. The Vice Chairman shall assume the duties of the Chairman in the latter's absence, in cases where the Board has appointed a Vice Chairman.
7. The term of the Chairman, Vice Chairman, and Secretary shall not exceed their respective terms as Board members. The Board of Directors may relieve the Chairman, Vice Chairman, Chief Executive Officer, Secretary, or any of them from their positions, without this affecting their Board membership.

Chapter Four: Shareholders' Assemblies

Article 24: General Assembly Meetings

1. The General Assembly meeting shall be chaired by the Chairman of the Board of Directors or, in his absence, his Deputy. If both are absent, the Board of Directors shall appoint one of its members to chair the meeting. If that is not possible, the shareholders shall appoint, by vote, a chairman from among the Board members or others.
2. Every shareholder has the right to attend the General Assembly meeting and may delegate another person to attend on his behalf, provided that the delegate is not a member of the Board of Directors.
3. The General Assembly meeting may be held, and shareholders may participate in deliberations and vote on resolutions, through modern technology means.

Article 25: Calling Assemblies

1. The General and Extraordinary Assemblies shall be convened upon the invitation of the Board of Directors. The Board must call the Ordinary General Assembly to convene within thirty (30) days from the date of a request made by the auditor or one or more shareholders representing at least ten percent (10%) of the voting shares. The auditor may call the Ordinary General Assembly if the Board does not issue the invitation within thirty (30) days from the date of the auditor's request.
2. The request mentioned in Paragraph (1) of this Article must specify the matters to be voted on by the shareholders.
3. The invitation to the Assembly must be issued at least twenty-one (21) days prior to the scheduled date, in accordance with the law, and taking into account the following:
 - a. Notifying shareholders via registered letters to the addresses listed in the shareholders' register or by announcing the invitation through modern technology.
 - b. Sending a copy of the invitation and agenda to the Commercial Register and the Capital Market Authority (if the Company is listed on the stock market at the time of the announcement).
4. The invitation to the General Assembly must include, at minimum:
 - a. A statement of the shareholder's right to attend the Assembly and to appoint a proxy who is not a Board member, and the shareholder's right to discuss agenda items and ask questions, as well as how to exercise voting rights.
 - b. The location, date, and time of the meeting.
 - c. Whether it is a General or Extraordinary Assembly.
 - d. The meeting agenda, including items to be voted on.

Article 26: Quorum for the Ordinary General Assembly

1. The Ordinary General Assembly meeting shall only be valid if shareholders representing at least half of the voting shares are present.
2. If the required quorum is not met for the first meeting as stated in Paragraph (1), a second meeting shall be convened under the same conditions as provided in Article 91 of the Companies Law, within thirty (30) days of the scheduled date of the first meeting. However, the second meeting may be held one hour after the end of the first meeting's scheduled time, provided that the first invitation indicates this possibility. In all cases, the second meeting shall be valid regardless of the number of voting shares represented.

Article 27: Quorum for the Extraordinary General Assembly

1. The Extraordinary General Assembly meeting shall only be valid if shareholders representing at least two-thirds of the voting shares are present.
2. If the quorum is not met as per Paragraph (1), a second meeting shall be convened under the same conditions as stated in Article 91 of the Companies Law. The second meeting may be held one hour after the first meeting's scheduled time if this is indicated in the first invitation. In all cases, the second meeting shall be valid if shareholders representing at least one-quarter of the voting shares are present.
3. If the quorum is still not met in the second meeting, a third meeting shall be convened under the same conditions as Article 91, and the third meeting shall be valid regardless of the number of voting shares represented.

Article 28: Voting in Assemblies

1. Members of the Board of Directors shall be elected through cumulative voting. Board members may not vote on resolutions of the General Assembly relating to contracts or transactions in which they have a direct or indirect interest or which involve a conflict of interest.

Article 29: Assembly Resolutions

1. Resolutions of the Ordinary General Assembly are adopted by a majority of the voting rights represented at the meeting.
2. Resolutions of the Extraordinary General Assembly are adopted by a two-thirds (2/3) majority of voting rights represented at the meeting. However, resolutions related to increasing or reducing capital, extending the Company's term, early dissolution, merger with another company, or division into two or more entities, shall only be valid if approved by three-quarters (3/4) of the voting rights represented.

Article 30: Discussion in Assemblies

1. Every shareholder has the right to discuss the items on the General Assembly's agenda and to ask questions about them to the Board of Directors and the auditor. The Board or the auditor must answer such questions to the extent that does not harm the Company's interest. If a shareholder deems the answer unsatisfactory, they may refer the matter to the General Assembly, whose decision shall be binding.

Article 31: Preparing Assembly Minutes

1. A record shall be prepared of each Assembly meeting including the number of shareholders present in person or by proxy, the number of shares held by them, the number of votes attached to those shares, the resolutions passed, the number of votes for and against each resolution, and a summary of discussions held. The minutes shall be regularly recorded in a special register and signed by the Chair of the Assembly, the Secretary, and vote counters.

Article 32: General Assembly Resolutions by Circulation

The Chairman of the Board may propose to issue a General Assembly resolution by circulation, without convening a meeting, unless any shareholder requests in writing that the Assembly be convened to deliberate the matter.

Chapter Five: Auditor

Article 33: Auditor

1. The Company shall have one or more auditors licensed in the Kingdom who shall be appointed by the General Assembly. The General Assembly shall determine the auditor's remuneration, duration of engagement, and scope of work. Reappointment shall be permissible, provided that the total duration of engagement does not exceed the limit prescribed by applicable regulations.
2. The General Assembly may, by a resolution, dismiss the auditor. The Chairman of the Board of Directors must notify the competent authority of the dismissal decision and its reasons within five (5) days from the date of such decision.
3. The auditor may resign by submitting a written notice to the Company. The auditor's engagement shall end either on the date of submission of such notice or on a later date specified therein, without prejudice to the Company's right to claim compensation for any damage suffered. The resigning auditor shall submit to the Company and the competent authority-at the time of resignation-a statement of the reasons for resignation. The Board of Directors must then call the General Assembly to convene to consider the resignation and appoint a replacement auditor, including determining the remuneration, engagement term, and scope of work.

Article 34: Powers of the Auditor

The auditor shall have the right, at any time, to access the Company's documents, accounting records, and supporting documents. The auditor may request any data and clarifications deemed necessary to verify the Company's assets, liabilities, and any matters falling within the scope of the audit. The Board of Directors must enable the auditor to perform their duties. If the auditor encounters difficulty in accessing the required information, such matter shall be recorded in a report submitted to the Board. If the Board fails to facilitate the auditor's work, the auditor must request that the Board call the General Assembly to convene to consider the matter. If the Board fails to issue the invitation within thirty (30) days from the auditor's request, the auditor may issue the invitation themselves.

Chapter Six: Company Financials and Profit Distribution

Article 35: Financial Year

The financial year of the Company shall be twelve (12) Gregorian calendar months, commencing on January 1 and ending on December 31 of each year.

Article 36: Financial Documents

1. At the end of each financial year, the Board of Directors must prepare the Company's financial statements and a report on its activities and financial position for the lapsed financial year, including the proposed method for distributing profits. These documents must be made available to the auditor, if any, at least forty-five (45) days before the scheduled date of the Annual Ordinary General Assembly meeting.
2. The documents referred to in paragraph (1) of this Article must be signed by the Chairman of the Board of Directors, the CEO, and the CFO, if any, and copies shall be deposited at the Company's head office for the shareholders' review.
3. The Chairman of the Board shall provide the shareholders with the signed financial statements, the Board's report, and the auditor's report (if any), unless published via modern technical means, at least twenty-one (21) days prior to the scheduled date of the Annual Ordinary General Assembly meeting. The Chairman must also file these documents in accordance with the Executive Regulations of the Companies Law.

Article 37: Entitlement to Dividends

1. A shareholder shall be entitled to a share of the dividends pursuant to a resolution by the General Assembly specifying the entitlement date and the distribution date. Entitlement to dividends shall be for shareholders registered in the shareholders' register at the end of the entitlement date. The Board of Directors must implement the General Assembly's resolution regarding the distribution of dividends.

Article 38: Distribution of Dividends

The Company's annual net Dividends shall be distributed as follows:

1. The Ordinary General Assembly shall determine the percentage of net profits to be distributed after deducting reserves, if any.
2. The Board of Directors may recommend distributing a certain percentage of the remaining Dividends to shareholders. The Company may distribute annual or interim dividends after the Board is authorized to do so, in accordance with applicable statutory controls.

Chapter Seven: Dissolution and Liquidation of the Company

Article 39: Dissolution of the Company

1. The Company shall be dissolved upon the occurrence of any of the dissolution events set out in Article (243) of the Companies Law. Upon its dissolution, the Company shall enter into liquidation in accordance with the provisions of Chapter Twelve of the Companies Law. If the Company is dissolved and its assets are insufficient to satisfy its debts, or if it becomes insolvent in accordance with the Bankruptcy Law, it must apply to the competent judicial authority to initiate any of the liquidation procedures prescribed by the Bankruptcy Law.

Chapter Eight: Final Provisions

Article 40: Final Provisions

1. The Company shall be subject to the applicable laws and regulations in force in the Kingdom of Saudi Arabia.
2. Any provision of these Bylaws that conflicts with the provisions of the Companies Law shall be disregarded, and the relevant provisions of the Companies Law shall apply instead. Any matter not addressed in these Bylaws shall be governed by the Companies Law and its Implementing Regulations.
3. The Founders acknowledge the accuracy of the information and provisions contained in these Bylaws and their conformity with the provisions of the Companies Law issued under Royal Decree No. (M/132) dated 01/12/1443H and its Implementing Regulations. They also confirm that the Bylaws comply with all requirements and guidelines issued by the Ministry of Commerce pursuant to the Law. The Founders assume full responsibility and liability, both regulatory and financial, for any resulting consequences. The Founders further acknowledge the Ministry's right to take all necessary legal measures in case of any contradiction or violation of the provisions of these Bylaws.

13. Underwriting

13. Underwriting

The Underwriter has undertaken to fully underwrite the Offering of sixteen million eight hundred thousand (16,800,000) Offer Shares, subject to certain terms and conditions, pursuant to the underwriting agreement (the “**Underwriting Agreement**”) to be entered into with the Company, the Selling Shareholders and the Underwriter. The name and address of the Underwriter are set out below:

13.1 Underwriter

EFG Hermes KSA

Third floor, Northern Tower, Sky Towers

King Fahad Road, Al Olaya, Riyadh

Kingdom of Saudi Arabia

P.O Box 300189, Riyadh 11372

Tel: +966 (11) 293 8084

Fax: +966 (11) 293 8032

Website: www.efghermesksa.com

E-mail: EFG_ProjectGround@EFG-HERMES.com



13.2 Summary of Underwriting Arrangements

Under the terms and subject to the conditions contained in the Underwriting Agreement:

- a. The Company and the Selling Shareholders undertakes to the Underwriter that, on the first Business Day after the allocation of the Offer Shares following the end of the Offering Period, they shall:
 - (i) sell issue, and allocate the Offer Shares to any Individual Subscriber or Participating Party whose application for Offer Shares has been accepted by the Receiving Agents, as applicable; and
 - (ii) sell issue, and allocate to the Underwriter the Offer Shares that have not been subscribed by the Individual Subscribers or Participating Parties pursuant to the Offering, as applicable.
- b. The Underwriter undertake to the Company and the Selling Shareholders that, they will purchase any Offer Shares that have not been subscribed by the Individual Subscribers or Participating Parties, in accordance with what is mentioned below:

Table 13.1: Underwritten Shares

Underwriter	Number of Offer Shares to be Underwritten	Percentage of Offer Shares Underwritten
EFG Hermes KSA	16,800,000	100%

- c. The parties agreed to underwriting fees, whether the Underwriter ends up subscribing in any of the Offer Shares or not.
- d. The Company will be subject to several restrictions and obligations immediately following the listing, in accordance with what is customary in such agreements.
- e. The parties agreed that the Company will indemnify the Underwriter for any claims, obligations, or losses incurred in connection with the Offering, and the Company has comprehensive warranties, as customary in such agreements.

The Company has committed to satisfy all of the provisions of the Underwriting Agreement.

13.3 Underwriting Costs

The Selling Shareholder and the Company will pay the Underwriter an underwriting fee based on the total value of the Offering, on a pro-rata basis based on the number of shares sold.

14. Expenses

14. Expenses

The Offering Expenses are estimated at approximately twenty one million Saudi Riyals (SAR 21,000,000). This figure includes the fees of the Financial Advisor, the Lead Manager, the Bookrunner, the Underwriter, the Legal Advisor, the Legal Advisor to the Financial Advisor, the Financial Due Diligence Advisor, the Receiving Agents and the Independent Auditors and the Market Consultant, as well as the regulatory fees, marketing and other costs and expenses relevant to the Offering. The Offering expenses will be deducted from the Offering Proceeds. The Company and Selling Shareholders will bear the offering expenses, pro rata to their ownership in the Offer Shares, and these expenses will be deducted from the Net offering Proceed.



15. Undertakings Following Admission

15. Undertakings Following Admission

Following Admission, the Company undertakes to:

- a. complete Form 8 (related to compliance with the Corporate Governance Regulations) and, in the event that the Company does not comply with any of the requirements of the Corporate Governance Regulations, to present justification for such non-compliance;
- b. provide the CMA with the date on which the first General Assembly will be held following Admission so that a representative thereof may attend;
- c. submit transactions and contracts in which a Director has a direct or indirect interest for authorisation by the General Assembly (in accordance with the Companies Law and Corporate Governance Regulations), provided that the interested Director is prohibited from voting on the relevant resolution (whether in the Board or the General Assembly);
- d. comply with all the mandatory provisions of the ROSCOs, the Listing Rules and the Corporate Governance Regulations immediately upon Admission; and
- e. update the Bylaws, if needed, in the first Extraordinary General Assembly post the Admission.

Similarly, following Admission, the Directors undertake to:

- a. record all Board of Directors resolutions by means of written minutes of meetings, which shall be signed by the Chairman, attending Directors and the Secretary;
- b. members must inform the Board of Directors of any direct or indirect personal interest they may have in the Company's business dealings or contracts, and that disclosure must be recorded in the minutes of the Board meeting; and
- c. disclose the details of any Related Party transactions in accordance with the CMA's regulations.

16. Waivers

16. Waivers

The Company has not applied to the CMA for any waivers.



17. Subscription Terms and Conditions

17. Subscription Terms and Conditions

The Company has made an application to the CMA for the registration of the Shares and the offer of the Offer Shares, and made an application for the listing of the Shares on the Exchange in accordance with the Listing Rules.

All Subscribers must carefully read the subscription terms and conditions before completing the Subscription Application Form. Signing the Subscription Application Form and delivering it to the Bookrunner or to the Receiving Agent, as applicable, is deemed as acceptance and approval of the subscription terms and conditions.

17.1 Subscription to Offer Shares

The Offering consist of the offer of sixteen million eight hundred thousand (16,800,000) ordinary Shares through (1) the sale of five million eight hundred thousand (5,800,000) ordinary Shares by the Current Shareholders proportionally of their holding, as follows: (i) the sale of EFS Group of three million one hundred ninety thousand (3,190,000) Shares, representing seven point one per cent. (7.1%) of the Company's share capital; (ii) the sale of AlKhafrah Company of eight hundred seventy thousand (870,000) Shares, representing one point nine per cent (1.9%) of the Company's share capital; (iii) the sale of Lama Holding of seven hundred fifty four thousand (754,000) Shares, representing one point seven per cent. (1.7%) of the Company's share capital; (iv) the sale of Career First Company of five hundred eighty thousand (580,000) Shares, representing one point three per cent. (1.3%) of the Company's share capital; and (v) the sale of Khaled Abdulrahman Abdullah AlKuwaiz of four hundred six thousand (406,000) Shares, representing zero point nine per cent. (0.9%) of the Company's share capital; and (2) the issuance and offering of eleven million (11,000,000) new ordinary Shares. The Sale Shares represent twelve point nine per cent. (12.9%) and ten point four per cent. (10.4%), respectively, of the Company's share capital before and after the Offering and Capital Increase, and the New Shares represent twenty-four point four per cent. (24.4%) and nineteen point six per cent. (19.6%) before the Offering and Capital Increase, respectively. Together, this represents thirty-seven point three per cent. (37.3%) per cent. before the Offering and Capital Increase, and thirty (30%) of the Company's capital post the Offering and Capital Increase.

The Offering to Individual Subscribers and the subsequent listing of the Company's Shares is contingent upon the successful subscription of the Participating Parties for all of the Offer Shares. The Offering shall be cancelled if the Offering is not covered during such a period. The CMA may suspend the Offering after approving this Prospectus and before Admission, in case there was any material change which would materially and adversely impact the Company's operations.

The Offering is restricted to the following groups of Investors:

Tranche (A): Participating Parties

Participating Parties comprising the parties entitled to participate in the book-building process as specified under the Book-Building Instructions issued by the CMA (for further details, see Section (1) ("**Definitions and Abbreviations**")). Participating Entities will provisionally be allocated sixteen million eight hundred thousand (16,800,000) Offer Shares, representing one hundred per cent. (100%) of Offer Shares. The final allocation for the Participating Entities will be made upon the expiry of Individual Subscribers' subscription period, using the discretionary allocation mechanism. As a result, some of the Participating Entities may not be allocated any Offer Shares. If there is sufficient demand by Individual Subscribers, the Financial Advisor, in coordination with the Company shall have the right to reduce the previously allocated Offer Shares to Participating Entities to eleven million seven hundred sixty thousand (11,760,000) Offer Shares, representing seventy per cent. (70%) of the total Offer Shares.

Tranche (B): Individual Subscribers

Comprising Individual Subscribers comprising Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit and in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children, as well as any GCC natural persons, or non-Saudi natural persons resident in, or were previously residents in the Kingdom or the GCC countries, in each case who has an investment account and an active portfolio with a Receiving Agent and the right to open an investment account with a Capital Market Institution. A subscription for Offer Shares made by a person in the name of his divorcee shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. A maximum of five million forty thousand (5,040,000) Offer Shares, representing thirty per cent. (30%) of the total Offer Shares shall be allocated to Individual Subscribers. If the Individual Subscribers do not subscribe in full to the Offer Shares allocated to them, the Financial Advisor in coordination with the Company, may reduce the number of Offer Shares allocated to Individual Subscribers in proportion to the number of Offer Shares subscribed by them.

17.2 Offering Price

The offer price is [•] per share, inclusive of the nominal value of two SAR 2.

17.3 Book-Building and Subscription by Participating Parties

- a. The Financial Advisor shall determine in consultation with the Company the price range for the purposes of book-building, which will be made available to all Participating Parties, using the discretionary allocation mechanism.
- b. Each of the Participating Parties shall submit a Bidding Participation Application during the book-building period. The Participating Entities may change or cancel their Bidding Participation Application at any time during the book-building period, provided that such change is made by submitting an amended or additional Bidding Participation Application, where applicable, prior to the conclusion of fixing the Offer Price, which precedes the commencement of the Offering Period. The number of Offer Shares to be subscribed by each Participating Entity shall be no less than 50,000 Offer Shares and no more than 2,799,999 Offer Shares, and in relation only to public investment funds, without exceeding the maximum amount specified for each participating fund that is determined in accordance with Book-Building Instructions. The number of requested shares shall be subject to allocation.
- c. The Bookrunner will inform the Participating Entities of the Offer Price and the number of Offer Shares provisionally allocated to them, using the discretionary allocation mechanism. As a result, some of the Participating Entities may not be allocated any Offer Shares. Subscriptions by the Participating Entities shall commence during the Offering Period, which also includes the Individual Subscribers, according to the subscription terms and conditions set out in the Subscription Application Forms.
- d. All Participating Parties must submit Bidding Participation Applications with requests that can be fully allocated, and not submit any false or exaggerated request in their Bidding Participation Applications in order to obtain a larger allocation. They must have sufficient funding equal to the value of their request through the availability of cash coverage or the necessary arrangements to cover the value from the time of submitting the Bidding Participation Application and until the final allocation.
- e. After book-building for the Participating Entities is completed, the Bookrunner will announce the coverage percentage for the Participating Entities.
- f. The Financial Advisor, in coordination with the Company, shall determine the Offer Price based on the supply and demand for the Offer Shares, provided that it does not exceed the price set out in the Underwriting Agreement and provided that the Offer Price is in accordance with the tick size applied by the Exchange.

17.4 Subscription by Individual Subscribers

Each Individual Subscriber shall subscribe for a minimum of ten (10) Offer Shares and a maximum of seven hundred fifty thousand (750,000) Offer Shares. Changes to or withdrawals of the subscription application shall not be permitted once the Subscription Application Form has been submitted.

Individual Subscribers who intend to subscribe to the Offer Shares shall submit a Subscription Application Form electronically through the Receiving Agents' websites and platforms that provide this service or through any other means provided by the Receiving Agents through which Individual Subscribers will be able to subscribe to the Company's Shares during the Offering Period, provided that:

- a. the Individual Subscriber has an investment account with a Receiving Agent which offers such services; and
- b. there have been no changes in the personal information or data of the Individual Subscriber since his subscription in a recent initial public offering.

A signed Subscription Application Form represents a legally binding agreement between the Company, the Selling Shareholders and the relevant Subscriber.

Individual Subscribers may obtain a copy of this Prospectus from the websites of the Company (efsme.com) the CMA (www.cma.org.sa) or the Financial Advisor (www.efghermesksa.com) and the Subscription Application Forms from the websites of the following Receiving Agents providing such service:

EFG Hermes KSA

Third Floor, North Tower, Sky Towers
 King Fahd Road, Al Olaya, Riyadh
 P.O Box 300189, Riyadh 11372
 Kingdom of Saudi Arabia
 Tel.: +966 (11) 293 8048
 Fax: +966 (11) 293 8032
 Website: www.efghermesksa.com
 E-mail: ksareipo@efg-hermes.com


 An EFG Holding Company

Al Rajhi Capital

Head Office, King Fahad Road, Al Murooj District
P.O. Box 5561, Riyadh 11432
Kingdom of Saudi Arabia
Tel: +966 92 000 5856
Fax: +966 11 460 0625
Website: www.alrajhi-capital.com
E-mail: InvestmentBankingTeam@alrajhi-capital.com

**BSF Capital**

8092, King Fahd Road
P.O. Box 23454, Riyadh 3735-12313
Kingdom of Saudi Arabia
Tel.: +966 11 282 6666
Fax: +966 11 282 6723
Website: www.bsfcapital.sa
E-mail: sfc-supportcenter@bsfcapital.sa

**SAB Invest**

Al Olaya Street
P.O. Box 1467
Riyadh 11431
Kingdom of Saudi Arabia
Tel.: 8001242442
Fax: +966 11 216 9102
Website: www.sabinvest.com
E-mail: customercare@sabinvest.com

**Alinma Capital**

King Fahad Road, Al-Anoud Tower 2
P.O. Box 55560,
Riyadh 11544
Kingdom of Saudi Arabia
Tel: +966 11 218 5999
Fax: +966 11 218 5970
Website: www.alinmainvestment.com
E-mail: info@alinmainvest.com

**Alistithmar for Financial Securities and Brokerage Company**

King Fahd Road
P.O. Box 6888, Riyadh 11452
Kingdom of Saudi Arabia
Tel.: +966 11 254 7666
Fax: +966 11 489 6253
Website: www.icap.com.sa
E-mail: WebEcare@icap.com.sa

**Albilad Investment Company**

King Fahad Road
Olaya District
Riyadh 12313-3701
Kingdom of Saudi Arabia
Tel: +966 800 116 0002
Fax: +966 11 290 6299
Website: www.albilad-capital.com
E-mail: investmentbanking@albilad-capital.com



Riyad Capital

2414 – Al Shuhada District
 P.O. Box 7279, Riyadh 13241
 Kingdom of Saudi Arabia
 Tel: +966 11 4865649
 Fax: +966 11 48665908
 Website: www.RiyadCapital.com
 E-mail: Ask@RiyadCapital.com



Yaqeen Capital

Al Olaya Street, Al Worood District,
 P.O. Box 884, Riyadh 11421
 Kingdom of Saudi Arabia
 Tel.: +966 11 4298888
 Fax: +966 11 2054827
 Website: www.yaqeen.sa
 E-mail: addingvalue@yaqeen.sa



SNB Capital

King Saud Road, Al Murabba District
 P.O. Box 2575
 Riyadh 12624
 Kingdom of Saudi Arabia
 Tel: +966 920000232
 Fax: +966 11 4060052
 Website: www.alahlicapital.com
 E-mail: snbc.cm@alahlicapital.com.sa



Aljazira Capital

King Fahd Branch Road, Al Rahmadiyah District
 P.O. Box 20438, Riyadh 11455
 Kingdom of Saudi Arabia
 Tel.: +966 11 225 6000
 Fax: +966 11 225 6182
 Website: www.aljaziracapital.com.sa
 E-mail: Contactus@aljaziracapital.com.sa



ANB Capital

King Faisal Street, ANB Capital Building
 P.O. Box 220009, Riyadh 11311
 Kingdom of Saudi Arabia
 Tel.: +966 11 406 2500
 Fax: +966 11 290 6299
 Website: www.anbcapital.com.sa
 E-mail: investment.banking@anbcapital.com.sa



Alkhabeer Capital

Al Madinah Road
 Jeddah, P.O. Box 128289
 Kingdom of Saudi Arabia
 Tel.: +966 (12) 612 9345
 Fax: +966 (12) 685 6663
 Website: www.alkhabeer.com
 E-mail: info@alkhabeer.com



Derayah Financial Company

Prestige Center, Al Takhassusi Road
 P.O. Box 286546, Riyadh 11323
 Kingdom of Saudi Arabia
 Tel.: +966 11 299 8000
 Fax: +966 11 419 5498
 Website: www.derayah.com
 E-mail: support@derayah.com



Sahm Capital Financial Company

King Abdullah Financial District
Riyadh 13519
Kingdom of Saudi Arabia
Tel.: +966 11 414 5260
Website: www.sahmcapital.com
E-mail: Info@sahmcapital.com

**GIB Capital**

Building B1, Granada Business & Residential Park
Eastern Ring Road
P.O. Box 89589, Riyadh 11692
Kingdom of Saudi Arabia
Tel: +966 11 5110022
Fax: +966 11 5112201
Website: www.gibcapital.com
E-mail: customercare@gibcapital.com

**Musharaka Capital Company**

Al Khobar - Prince Turki bin Abdulaziz Street - Adeer Tower - 13th Floor
P.O. Box: 712, Al Khobar 31952
Kingdom of Saudi Arabia
Tel: +966 920006811
Fax: +966 138818412
Website: www.musharaka.sa
E-mail: receiving-entity@musharaka.sa

**Awaed Alosool Capital**

AlUrubah Road 2163, AlMathar Ash Shamali 12334, Home Offices, Riyadh
Kingdom of Saudi Arabia
Tel: +966 8001111870
Website: www.awaed.capital
E-mail: ipo_awaed@awaed.co



The Receiving Agents will commence receiving Subscription Applications electronically through the websites and platforms of the Receiving Agents that provide this service to subscribers or through any other means provided by the Receiving Agents, beginning on 27/06/1447H (corresponding to 18/12/2025G) until 02/07/1447H (corresponding to 22/12/2025G). If the information provided in the Subscription Application Form is incomplete or inaccurate, or not stamped by the relevant Receiving Agent (as applicable), it will be considered void. Individual Subscribers do not have the right to claim any compensation for damages incurred due to such cancellation.

Each Individual Subscriber is required to specify the number of Offer Shares applied for in the Subscription Application Form, and the total subscription amount will be equal to the number of Offer Shares applied for multiplied by the Offer Price of SAR [●] per Offer Share.

Subscriptions by Individual Subscribers for less than ten (10) Offer Shares or fractional Shares will not be accepted. Increments are to be made in multiples of such minimum number, while the maximum number of Offer Shares to be applied for is seven hundred fifty thousand (750,000) Offer Shares.

Each Individual Subscriber agrees to subscribe for and purchase the number of Offer Shares specified in his/her Subscription Application Form for an amount equal to the number of Offer Shares applied for multiplied by the Offer Price of SAR [●] per Offer Share. The total value of the Offer Shares subscribed for must be paid in full to the Receiving Agents by authorising a debit of the Individual Subscriber's account held with the Receiving Agents to whom the Subscription Application Form is being submitted. The Offer Shares ownership transfer will be valid only from the time such transfer is recorded in the Company's share register and the Shares have commenced trading on the Exchange.

If a submitted Subscription Application Form is not in compliance with the terms and conditions of the Offer, the Company shall have the right to reject it in full or in part. The Individual Subscriber shall accept any number of Offer Shares allocated to him/her unless the allocated shares exceed the number of Offer Shares he/she has applied for.

17.5 Allocation and Refunds

The Lead Manager shall open and operate an escrow account for the purpose of depositing and keeping subscription monies collected from Participating Entities and Receiving Agents (on behalf of Individual Subscribers). Each of the Receiving Agents shall deposit all amounts received from the Subscribers into escrow accounts.

The Lead Manager and the relevant Receiving Agents, as applicable, shall notify Subscribers of the final number of Offer Shares allocated to each of them along with the amounts to be refunded. The refunds shall be processed no later than 05/07/1447H (corresponding to 25/12/2025G). The individual Investor should contact the Lead Manager or the Receiving Agent with whom the subscription application form was submitted (as applicable) should they wish to obtain additional details.

A. Allocation of Offer Shares to Participating Entities

The initial allocation of the Offer Shares will be made as the Financial Advisor deem appropriate, in coordination with the Company, using the discretionary share allocation mechanism. It is possible that certain Participating Parties will not be allocated any shares, as deemed appropriate by the Company and the Financial Advisor. The number of Offer Shares to be provisionally allocated to Participating Entities is sixteen million eight hundred thousand (16,800,000) Shares, representing one hundred per cent. (100%) of the Offer Shares. If there is sufficient demand by Individual Subscribers for the Offer Shares, the Financial Advisor, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to Participating Entities to eleven million seven hundred sixty thousand (11,760,000) Offer Shares as a minimum, representing seventy per cent. (70%) of the Offer Shares. Initially, five million forty thousand (5,040,000) Shares (representing 30% of the total Offer Shares) will be allocated to public funds, noting that in the event there is sufficient demand by Individual Investors, the Financial Advisor shall have the right to reduce the number of Offer Shares allocated to public funds to a minimum of three million five hundred twenty eight thousand (3,528,000) Ordinary Shares representing twenty one per cent. (21%) of the total Offer Shares, after completion of the Individual Investors Subscription. In all cases, the allocation percentage for public funds will be reduced to the extent covered by them.

B. Allocation of Offer Shares to Individual Subscribers

A total of five million forty thousand (5,040,000) offer shares, representing up to thirty per cent. (30%) of the total offer shares, will be allocated to individual subscribers. The allocation of the Offer Shares to Individual Subscribers is expected to be completed no later than 05/07/1447H (corresponding to 25/12/2025G). The minimum allocation per Individual Subscriber is ten (10) Offer Shares, and the maximum allocation per Individual Subscriber is seven hundred fifty thousand (750,000) Offer Shares, with the remaining Offer Shares, if any, being allocated on a pro-rata basis of the number of Offer Shares applied for by that Individual Subscriber to the total Offer Shares. If the number of Individual Subscribers exceeds five hundred four thousand (504,000) Individual Subscribers, the Company will not guarantee the minimum allocation. In this case, the Offer Shares will be allocated at the discretion of the Financial Advisor in coordination with the Company. Excess subscription monies, if any, will be refunded to the Individual Subscribers by the Receiving Agents without any charge or withholding.

17.6 Circumstances Where Trading and Listing May be Suspended or Cancelled

17.6.1 Power to Suspend Trading or Cancel Listing

- a. The CMA may suspend trading in listed securities or cancel the listing at any time as it deems fit, in any of the following circumstances:
 - (i) the CMA considers it necessary for the protection of investors or the maintenance of an orderly market;
 - (ii) the issuer fails, in a manner which the CMA considers material, to comply with the CML, its implementing regulations or the Listing Rules;
 - (iii) the issuer fails to pay on time any fees due to the CMA or the Exchange or any fines due to the CMA;
 - (iv) if it considers that the issuer or its business, the level of its operations or its assets are no longer suitable for the continued listing of its securities on the Exchange;
 - (v) if a reverse takeover announcement does not contain sufficient information about the proposed transaction. If the issuer announces sufficient information regarding the target and the CMA is satisfied, following the issuer's announcement, that there will be sufficient information available for the public about the proposed transaction of the reverse takeover, the CMA may decide not to suspend trading at this stage;
 - (vi) if information about the proposed transaction of reverse takeover is leaked and the issuer cannot accurately assess its financial position and the Exchange cannot be informed accordingly;
 - (vii) if an application for the financial restructuring of the issuer in the event of its accumulated losses reaching fifty per cent. (50%) or more of its capital is registered with the court under the Bankruptcy Law;
 - (viii) if a request for liquidation procedure or the administrative liquidation of the issuer is registered with the court under the Bankruptcy Law;

- (ix) upon the issuance of a final judgment closing the financial restructuring and initiating the liquidation procedure or the administrative liquidation procedure of the issuer in court under the Bankruptcy Law; or
- (x) upon issuance of a final judgment initiating the liquidation procedure or the administrative liquidation procedure of the issuer in court under the Bankruptcy Law; or
- b. Lifting of the trading suspension under paragraph (a) above is subject to the following:
 - (i) the issuer adequately addressing the conditions that led to the suspension and the lack of the need to continue the suspension for the protection of investors;
 - (ii) the lifting of the suspension is unlikely to affect the normal activity of the Exchange;
 - (iii) the issuer complies with any other conditions that the CMA may require;
 - (iv) upon the issuance of a final judgment initiating financial restructuring for the issuer under the Bankruptcy Law, unless it was suspended from its activities by the relevant competent authority, if the suspension is made in accordance with paragraph (a)(vii) above; and
 - (v) upon the issuance of a final judgment rejecting the commencement of liquidation procedure or administrative liquidation of the issuer under the Bankruptcy Law, unless the issuer was suspended from its activities by the relevant competent authority, if the suspension is made in accordance with paragraph (a)(viii) above.
- c. The Exchange shall suspend the trading of securities of the Company in any of the following cases:
 - (i) if the issuer does not comply with the deadlines for the disclosure of its periodic financial information within the periods specified in accordance with the relevant implementing regulations;
 - (ii) if the external auditor's report on the financial statements of the issuer contains an adverse opinion or an abstention from expressing an opinion;
 - (iii) if the liquidity requirements in Part 2 of the Listing Rules are not satisfied after listing after the time limit set by the Exchange for the issuer to rectify its conditions, unless the CMA agrees otherwise; or
 - (iv) upon the issuance of a resolution by an Extraordinary General Assembly of the issuer to reduce its capital for the two trading days following the issuance of such resolution.
- d. The Exchange shall remove the suspension referred to in subparagraphs ((i)) and ((ii)) of paragraph (c) above after one trading session has passed after the cause of suspension ceases to exist. In the event that over-the-counter trading of the issuer's shares is allowed, the Exchange shall lift the suspension within a period of not more than five trading sessions after the end of the suspension circumstances.
- e. The Exchange may at any time propose to the CMA the suspension of trading of any listed security or cancel its listing where, in its opinion, it is likely that any of the circumstances set out in paragraph (a) above were to occur.
- f. The issuer whose securities are subject to a trading suspension must continue to comply with the Capital Market Law, its implementing regulations and the Listing Rules.
- g. If the listing suspension continues for six (6) months with no appropriate procedure made by the issuer to correct such suspension, the CMA may cancel the listing.
- h. Upon the issuer's completion of a reverse takeover, the issuer's shares shall be de-listed. If the issuer wishes to re-list its shares, it must submit a new application for the registration and admission to listing in accordance with the requirements stipulated in the ROSCOs and the Listing Rules.
- i. The above paragraphs shall not prejudice the suspension of trading and the cancellation of listing resulting from the losses of the issuer pursuant to the relevant implementing regulations of the CML and the Listing Rules.

17.6.2 Voluntary Cancellation of Listing

- a. After its shares have been listed on the Exchange, an issuer may not cancel the listing without the prior approval of the CMA. To obtain CMA's approval, the issuer must submit a cancellation application to the CMA along with a simultaneous notice to the Exchange. The application must include the following:
 - (i) the specific reasons for the request for cancellation;
 - (ii) a copy of the disclosure described in paragraph (d) below;
 - (iii) a copy of the relevant documentation and a copy of all related communication to shareholders if the cancellation is to take place as a result of a takeover or another corporate action by the issuer; and
 - (iv) the names and contact information of the financial advisor and legal advisor appointed according to the ROSCOs.
- b. The CMA may, at its discretion, approve or reject the cancellation request.
- c. The issuer must obtain the consent of the Extraordinary General Assembly for the cancellation of the listing after obtaining the CMA's approval.
- d. Where cancellation is made at the issuer's request, it must disclose this to the public as soon as possible. The disclosure must include the reason for the cancellation, the nature of the event resulting in the cancellation, and the extent to which it affects the issuer's activities.

17.6.3 Temporary Trading Suspension

- a. An issuer may request from the Exchange a temporary trading suspension of its securities upon the occurrence of an event during trading hours which requires immediate disclosure under the CML, its implementing regulations or the Listing Rules, and where the issuer cannot maintain the confidentiality of this information until the end of the trading period. The Exchange shall suspend the trading of the securities of that issuer immediately upon receiving such request.
- b. When trading is temporarily suspended at the issuer's request, the issuer must disclose to the public as soon as possible the reason for the suspension, the nature of the event that gave rise to it, the anticipated length of the suspension and the extent to which it affects the issuer's activities.
- c. The CMA may impose a temporary trading suspension without a request from the issuer where the CMA becomes aware of information or circumstances affecting the issuer's activities which the CMA considers would be likely to interrupt the operation of the Exchange or jeopardise the protection of investors. If its securities are subject to temporary trading suspension, the issuer must continue to comply with the CML, its implementing regulations and the Listing Rules.
- d. The Exchange may propose to the CMA to exercise its powers in accordance with paragraph (c) above if it becomes aware of information or circumstances affecting the issuer's activities which would be likely to interrupt the operation of the Exchange or jeopardise the protection of investors.
- e. A temporary trading suspension will be lifted following the elapse of the period referred to in paragraph (b) above, unless the CMA or the Exchange decides otherwise.
- f. If the listing suspension continues for six (6) months or more with no appropriate procedure made by the issuer to correct such suspension, CMA may cancel the listing of issuer.

17.6.4 Re-Registering and Listing After Cancellation of Listing

After the cancellation of an issuer's securities listing, if the issuer wishes to re-list such securities, it must submit new applications in accordance with the procedures set out in the ROSCOs and the Listing Rules.

17.7 Approvals and Decisions under Which the Shares are Offered

The following are the decisions and approvals under which the Offer Shares are publicly offered:

- a. the Company's Board of Directors' resolution recommending the Offering dated 16/09/1446H (corresponding to 16/03/2025G);
- b. the Shareholders' approval of the Company's Capital Increase and the Offering dated 16/09/1446H (corresponding to 16/03/2025G);
- c. the CMA's approval of the Offering dated 07/04/1447H (corresponding to 29/09/2025G); and
- d. the conditional approval of Tadawul to list the Shares dated 08/12/1446H (corresponding to 04/06/2025G).

17.8 Lock-up Period

The Substantial Shareholders, named in Table (2) "**Substantial Shareholders and Their Ownership in the Company Pre- and Post-Offering**" are subject to a Lock-up Period of six (6) months from the date on which trading of the Offer Shares on the Exchange commences, in accordance with the ROSCOs. Khalid bin Abdulrahman bin Abdullah AlKuwaiz has committed to observe this Lock-up Period, notwithstanding that he will not be a Substantial Shareholder following the Listing, and EFS Group has also committed contractually to a lock-up period of two (2) years from the Listing Date. They may not dispose of any of their Shares during such period. Following the end of the Lock-up Period, the Current Shareholders may dispose of their Shares. The Company may not list shares of the same type as the Shares for six (6) months from the date on which trading of the Offer Shares on the Exchange commences.

17.9 Acknowledgments and Declarations by Subscribers

By completing and delivering the Subscription Application Form, each Subscriber:

- a. agrees to subscribe to the number of Offer Shares specified in the Subscription Application Form;
- b. warrants that he/she has read this Prospectus and has understood all of its content;
- c. accepts the Bylaws and all Offering instructions and terms mentioned in this Prospectus and the Subscription Application Form, and subscribes to the Offer Shares accordingly;
- d. declares that neither he/she nor any of his/her family members included in the Subscription Application Form have previously subscribed for any Shares and that the Company has the right to reject any or all duplicate applications;
- e. accepts the number of Offer Shares allocated to him/her (up to the maximum of the amount subscribed for) as per the Subscription Application Form; and

- f. warrants not to cancel or amend the Subscription Application Form after submitting it to the Receiving Agents or the Bookrunner, as applicable.

17.10 Shares' Record and Trading Arrangements

Edaa keeps the Shareholders' register as per the CMA's regulations.

17.11 Saudi Exchange (Tadawul)

In 1990G, full electronic trading of shares in the Kingdom was introduced. Tadawul was founded in 2001G as a successor to the Electronic Securities Information System. Trading in shares occurs on the "Tadawul" system through a fully integrated trading system covering the entire trading process from the execution of the trade transaction through to settlement. Trading occurs on each Business Day of the week between 10:00 a.m. and 3:00 p.m. from Sunday to Thursday, during which orders are executed. However, orders can be entered, amended or cancelled from 9:30 a.m. to 10:00 a.m. at other times. Trading times change during the month of Ramadan and are announced by Tadawul's management. Transactions take place through the automatic matching of orders. Each valid order is accepted and generated according to the price level. In general, market orders (orders placed at the best price) are executed first, followed by limit orders (orders placed at a price limit), provided that, if several orders are generated at the same price, they are executed according to the time of entry. Tadawul distributes a comprehensive range of information through various channels, including, in particular, the "Tadawul" website and the "Tadawul" Information Link, which supplies trading data in real time to information providers such as Reuters. Exchange transactions are settled on a T+2 basis, meaning that share ownership is transferred two working days after the trade transaction is executed.

Listed companies are required to disclose all material decisions and information that are important for the investors via Tadawul. Surveillance and monitoring are the responsibility of Tadawul, as the operator of the market, to ensure fair trading and an orderly market.

17.12 Securities Depository Center Company (Edaa)

Securities Depository Center Company (Edaa) was established in 2016G as a closed joint stock company in accordance with the Companies Law issued by Royal Decree No. M/3 dated 28/01/1437H (corresponding to 10/11/2015G), with a capital of SAR 400,000,000 divided into 40,000,000 shares, with a nominal value of SAR 10 per share, and is fully owned by the Exchange.

The establishment of Edaa was based on the CMA's approval of Tadawul's board of directors request in relation to the conversion of the Securities Depository Center into a joint stock company in accordance with the Capital Market Law issued by Royal Decree No. M/30 dated 2 Jumada al-Akhirah 1424H (2 July 2003G).

The activities of Edaa are to conduct businesses related to depositing, registering, transferring, settling and clearing of securities, as well as recording any ownership restrictions on the deposited securities. Further, it deposits and manages the records of the issuers of securities, and organises issuers' general assemblies, including remote voting services (e-Voting), reporting, notifications, and information, as well as providing other related services that Edaa may provide in accordance with the CML and its implementing regulations.

17.13 Trading of the Company's Shares

Trading of the Shares is expected to commence on the Exchange after finalisation of the allocation process and the fulfilment of all relevant regulatory requirements. (For further details, please refer to the Section titled "**Key Dates and Subscription Procedures**" on page (xvii)). Following the registration of the shares with the CMA and their listing on the market. Saudi natural persons, non-Saudi natural persons holding valid residence permits in the Kingdom, companies, banks, and investment funds established in the Kingdom, and nationals of the GCC, as well as legal persons which capital is majority owned by GCC nationals or governments and has the nationality of one of the GCC countries, will be permitted to trade in the Shares. Moreover, foreign investors will be permitted to trade in the Shares in accordance with the Rules for Foreign Investment in Securities.

Furthermore, Shares can only be traded after the allocated Offer Shares have been deposited in Subscribers' investment portfolio, the Company has been registered in the Main Market and its Shares have been listed on the Exchange. Pre-trading in Shares is strictly prohibited and Subscribers entering into any pre-trading activities will be acting at their own risk. The Company and the Selling Shareholders shall have no legal responsibility in connection with any pre-trading activities.

17.14 Miscellaneous

The Subscription Application Form and all related terms, conditions, provisions, covenants and undertakings shall be binding upon and inure to the benefit of their parties and their respective successors, permitted assigns, executors, administrators and heirs; provided that, neither the Subscription Application Form nor any of the rights, interests or obligations arising pursuant thereto shall be assigned or delegated by any of the parties to the subscription without the prior written consent of the Company.

These instructions and conditions and the receipt of any Subscription Application Forms or related contracts shall be governed, construed and enforced in accordance with the laws of the Kingdom.

This Prospectus has been released in both Arabic and English languages and the Arabic version is the only one approved by the CMA. In the event of a discrepancy between the English and the Arabic texts, the Arabic text of this Prospectus shall prevail.

Pursuant to the requirements of the ROSCOs, the Company shall submit a supplementary prospectus to the CMA if, at any time after the date of publication of this Prospectus and prior to the completion of the Offering, the Company becomes aware that: (a) there has been a significant change in material matters contained in this Prospectus, or (b) additional significant matters have become known which inclusion in this Prospectus would have been necessary.

Except for these two cases, the Company will not update or revise any information included in this Prospectus, whether as a result of new information, future events, updating its information or the information of contracts or licenses or otherwise. As a result of the foregoing and other risks, uncertainties and estimates, the forward-looking events and conditions described in this Prospectus may not occur as expected by the Company, or at all. Consequently, prospective investors should consider all forward-looking statements in light of these explanations and should not rely on forward-looking statements.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to purchase any of the Offer Shares to any person in any jurisdiction where such offer or solicitation is not permitted under applicable laws. The distribution of this Prospectus and the sale of the Offer Shares to any person in any country other than the Kingdom where such distribution is not legally permitted are expressly prohibited. All of the recipients of this Prospectus must inform themselves of any legal restrictions relevant to the Offering and the sale of Offer Shares and observe all such restrictions.

Both eligible Individual Subscribers and Participating Entities must read this Prospectus in full and seek advice from their legal advisors, financial advisors, and any professional advisors regarding statutory, tax, regulatory, and economic considerations related to their investment in the Offer Shares, and they will personally bear the fees associated with that advice derived from their legal advisors, accountants, and other advisors regarding all matters related to investing in the Offer Shares. There is no guarantee that any profits will be realised from an investment in the Offer Shares.

18. Documents Available for Inspection

18. Documents Available for Inspection

The following documents will be available for inspection at the Company's head office located at 6756 Prince Faisal bin Bandar bin Abdulaziz, 3604 Al Narjis Dist., 13328, Riyadh, Kingdom of Saudi Arabia, between 9:00 a.m. and 3:00 p.m. from Tuesday, 04/06/1447H (corresponding to 25/11/2025G) until the end of Monday, 02/07/1447H (corresponding to 22/12/2025G) for a period of not less than 20 days prior to the end of the Offering Period:

- the CMA announcement of the approval of the Offering;
- the Exchange's approval on the listing of the Shares;
- the Company's Board of Directors' resolution recommending the Offering and Capital Increase dated 16/09/1446H (corresponding to 16/03/2025G);
- the Company's Shareholders' approval on the Offering and the Capital Increase dated 16/09/1446H (corresponding to 16/03/2025G);
- the Company's article of association, bylaws and all amended made thereto;
- the Company's commercial registration certificate issued by the Ministry of Commerce;
- the audited financial statements for the financial years ended 31 December 2022G, 2023G and 2024G, and the unaudited interim financial statements for the three-month period ended 31 March 2025G, the six-month period ended 30 June 2025G, and the nine-month period ended 30 September 2025G;
- the Market Study Report prepared by the Market Consultant;
- the document showing the mechanism used to reach the price range used on the bookbuilding (or valuation report);
- all other reports, letters, documents, value and data assessments prepared by any expert, including any part thereof mentioned in this Prospectus;
- The contracts and agreements disclosed in Section (5.10) ("**Conflicts of Interest**"); and
- letters of consent from:
 - a. the Financial Advisor, Bookrunner, Underwriter, and Lead Manager (EFG Hermes KSA) for the inclusion of its name, logo, and statements in this Prospectus;
 - b. the Legal Advisor (Zeyad Sameer Khoshaim Law Firm (Professional Limited Liability Company) for the inclusion of its name, logo and statements in this Prospectus;
 - c. the legal adviser for the Underwriter, Financial Advisor, Lead Manager, Bookrunner's Legal Advisor (White and Case for Advocacy and Legal Consultations), for the inclusion of its name, logo and statements, in this Prospectus;
 - d. the Auditor, Deloitte and Touche & Co., for the inclusion herein of their names and logos, along with the reports on the financial statements of the Company for the financial years ended 31 December 2022, 2023 and 2024, and its report on the unaudited interim financial statements for the three-month period ended 3 March 2025G, the six-month period ended 30 June 2025G, and the nine-month period ended 30 September 2025 in this Prospectus;
 - e. the Financial Due Diligence Advisor (PricewaterhouseCoopers Public Accountants) for the inclusion of its name, logo and statements in this Prospectus;
 - f. the Market Consultant (Arthur D. Little) for the inclusion of its name, logo and statements, in this Prospectus; and
- the Underwriting Agreement; and
- a document summarizing the forward-looking guidance for the Company's financial performance.

19. Financial Statements and Auditor's Report

19. Financial Statements and Auditor's Report

This Section contains the audited financial statements of the Company for the financial years ended 31 December 2022G, 2023G, 2024G, and the unaudited interim financial statements for the three-month period ended 31 March 2025G, the six-month period ended 30 June 2025G, and the nine-month period ended 30 September 2025G, and the accompanying notes thereto, which have been prepared in accordance with IFRS as endorsed in the Kingdom and other standards and pronouncements endorsed by SOCPA.

**SAUDI EMCOR COMPANY LIMITED
(LIMITED LIABILITY COMPANY)**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

SAUDI EMCOR COMPANY LIMITED
(LIMITED LIABILITY COMPANY)

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

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Deloitte and Touche & Co.
Chartered Accountants
Head office - Riyadh
License #323/11/96
Date 10/3/1419
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders
Saudi Emcor Company Limited
Riyadh, Kingdom of Saudi Arabia

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Saudi Emcor Company Limited** (the "Company"), which comprise the statement of financial position as at December 31, 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) ("the Code") as endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, Company's Articles of Association and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e. Board of Directors, are responsible for overseeing the Company's financial reporting process.



Deloitte and Touche & Co.
Chartered Accountants

**Report on the audit of financial statements of Saudi EMCOR Limited for the year ended
December 31, 2022 (Continued)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte and Touche & Co.
Chartered Accountants
P.O. Box 213
Riyadh 11411
Kingdom of Saudi Arabia


Alwaleed K. Alkhayyal
Certified Public Accountant
License No. 625
Shawwal 19, 1444H
May 9, 2023



SAUDI EMCOR COMPANY LIMITED
(LIMITED LIABILITY COMPANY)

Statement of financial position

As at December 31, 2022

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

	Notes	2022	2021
ASSETS			
Non-current assets			
Property and equipment	5	15,920,148	4,665,513
Right-of-use assets	6	8,723,045	2,826,667
Deferred tax asset	17.4	1,500,226	1,151,898
Long -term prepayments	8	6,590,821	2,089,849
Total non-current assets		32,734,240	10,733,927
Current assets			
Contract assets		31,786,338	20,130,178
Trade receivables	7	81,936,591	46,528,300
Prepayments and other current assets	8	29,260,745	10,953,559
Cash and bank balances	9	24,930,085	7,608,717
Total current assets		167,913,759	85,220,754
Total Assets		200,647,999	95,954,681
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	10,000,000	10,000,000
Statutory reserve	12	5,000,000	5,000,000
Retained earnings		40,825,013	30,672,429
Total equity		55,825,013	45,672,429
LIABILITIES			
Non-current liabilities			
Employee's defined benefit liabilities	13	9,597,022	7,219,068
Lease liabilities – non current portion	14	5,471,949	837,857
Bank borrowing – long term	16	2,750,000	-
Total non-current liabilities		17,818,971	8,056,925
Current liabilities			
Bank borrowings- short term	16	27,180,436	4,429,427
Lease liabilities - current portion	14	2,954,810	1,693,539
Trade and other payables	15	82,063,469	30,637,370
Due to related parties	10	11,827,138	3,680,961
Accrued zakat and income tax	17	2,978,162	1,784,030
Total current liabilities		127,004,015	42,225,327
Total liabilities		144,822,986	50,282,252
Total Equity and Liabilities		200,647,999	95,954,681

The accompanying notes form an integral part of these financial statements

SAUDI EMCOR COMPANY LIMITED
(LIMITED LIABILITY COMPANY)

Statement of profit or loss and other comprehensive income
For the year ended December 31, 2022
(All amounts are in Saudi Arabian Riyals unless otherwise stated)

	Notes	2022	2021
Revenue	18	337,517,858	134,233,507
Cost of revenue	19	(300,345,911)	(117,734,844)
Gross profit		37,171,947	16,498,663
General and administrative expenses	20	(13,306,969)	(8,407,772)
Operating profit		23,864,978	8,090,891
Finance costs	21	(3,931,944)	(541,801)
Other income		-	3,100,000
Profit before zakat and tax		19,933,034	10,649,090
Zakat and income tax expense	17	(2,833,104)	(1,911,877)
Profit for the year		17,099,930	8,737,213
Other comprehensive loss			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement loss on employee defined benefit liability	13.2	(899,976)	(166,969)
Deferred tax credit recognized in statement of other comprehensive income		180,549	-
Total comprehensive income for the year		16,380,503	8,570,244

The accompanying notes form an integral part of these financial statements

SAUDI EMCOR COMPANY LIMITED
(LIMITED LIABILITY COMPANY)

Statement of changes in equity

For the year ended December 31, 2022

(All amounts are in Saudi Arabian Riyal unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Total
Balance at January 1, 2021	10,000,000	5,000,000	20,744,073	35,744,073
Net profit for the year	-	-	8,737,213	8,737,213
Other comprehensive loss	-	-	(166,969)	(166,969)
Total comprehensive income for the year	-	-	8,570,244	8,570,244
Zakat and Income tax receivable from shareholders	-	-	1,358,112	1,358,112
Balance at December 31, 2021	10,000,000	5,000,000	30,672,429	45,672,429
Net profit for the year	-	-	17,099,930	17,099,930
Other comprehensive loss	-	-	(719,427)	(719,427)
Total comprehensive income for the year	-	-	16,380,503	16,380,503
Dividend for the year (Note 26)	-	-	(8,000,000)	(8,000,000)
Zakat and Income tax receivable from shareholders	-	-	1,772,081	1,772,081
Balance at December 31, 2022	10,000,000	5,000,000	40,825,013	55,825,013

The accompanying notes form an integral part of these financial statements

SAUDI EMCOR COMPANY LIMITED
(LIMITED LIABILITY COMPANY)

Statement of cash flows

For the year ended December 31, 2022

(All amounts are in Saudi Arabian Riyal unless otherwise stated)

	Notes	2022	2021
Cash flows from operating activities			
Profit before zakat and tax		19,933,034	10,649,090
Adjustments for:			
Depreciation expenses	5	2,578,141	1,679,907
Depreciation on right of use assets	6	3,135,227	2,380,044
Finance costs	21	3,931,944	541,801
Deferred tax expense	17	-	(534,062)
Provision for employee benefits	13	3,378,431	1,596,264
Provision for bad debts written off	7	-	(2,093,900)
Write off - right of use assets		-	204,300
		32,956,777	14,423,444
Changes in:			
Trade receivables and contract assets		(47,064,451)	(9,564,106)
Prepayments and other current assets		(22,808,158)	(2,437,757)
Trade and other payables		51,426,099	6,698,265
Due to related parties		5,263,791	-
Cash generated from operating activities		19,774,058	9,119,846
Finance costs paid		(3,466,022)	(330,474)
Employees benefits paid	13	(2,040,971)	(818,151)
Zakat and income tax paid	17	(1,806,751)	(1,358,112)
Zakat and income tax receivable from shareholders		1,772,081	(1,412,128)
Net cash generated from operating activities		14,232,395	5,200,981
Cash flows from investing activities			
Purchase of property and equipment	5	(13,832,776)	(2,349,815)
Net cash used in investing activities		(13,832,776)	(2,349,815)
Cash flows from financing activities			
Proceeds /(repayment) from/to bank borrowings		25,501,009	(548,732)
Lease rentals paid	14	(3,461,646)	(2,482,878)
Dividend paid	26	(5,117,614)	-
Net cash from (used in) financing activities		16,921,749	(3,031,610)
Net increase(decrease) in cash and bank balances		17,321,368	(180,444)
Cash and bank balances at beginning of the year		7,608,717	7,789,161
Cash and bank balances at end of the year	9	24,930,085	7,608,717

The accompanying notes form an integral part of these financial statements

SAUDI EMCOR COMPANY LIMITED
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

(ALL AMOUNTS ARE IN SAUDI ARABIAN RIYAL UNLESS OTHERWISE STATED)

1. ESTABLISHMENT AND OPERATIONS

Saudi Emcor ("the Company") is a limited liability Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010259920 dated 27 Dhul- Hijjah 1429H (corresponding to 26 December 2008). The Company is a subsidiary of Emcor Facilities Services Group Limited (the "Parent Company") which owns 55% of the share capital (refer note 11).

The Company is engaged in executing operation, maintenance and cleanliness contracts for commercial, residential and industrial facilities and its related maintenance, repair of equipment, electrical and mechanical appliances in accordance with Saudi Arabia General Investment, Authority (SAGIA) License No. 10202911835 dated 21 Dhul-Qadah 1429H (corresponding to 20 November 2008).

Branch name	Commercial registration
Khobar	2051221373
Jeddah	4030193432
Al-Ula	4651103441
Riyadh	1010259920

The results, assets and liabilities of these branches are included in these financial statements.

The Company's registered office is located at at Ivory Centre, Office No 8, 1st Floor, Ar Rabi, Thumamah St Al Sahafa District, Riyadh 13315, KSA.

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (effective from January 1, 2022).
- Amendments to IAS 16 Property, Plant and Equipment related to proceeds before intended use (effective from January 1, 2022).
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets related to Onerous Contracts—Cost of Fulfilling a Contract (effective from January 1, 2022).

SAUDI EMCOR COMPANY LIMITED
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (CONTINUED)
(ALL AMOUNTS ARE IN SAUDI ARABIAN RIYAL UNLESS OTHERWISE STATED)

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS (Continued)

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Continued)

- Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards (effective from January 1, 2022), IFRS 9 Financial Instruments (effective from January 1, 2022), and IAS 41 Agriculture (effective from January 1, 2022).

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On May 28, 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until June 30, 2021, but as the impact of the Covid-19 pandemic is continuing, on March 31, 2021, the IASB extended the period of application of the practical expedient to June 30, 2022. The amendment applies to annual reporting periods beginning on or after April 30, 2021.

However, the Company has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

New and revised IFRS Standards in issue but not yet effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- IFRS 17 Insurance Contracts (effective from January 1, 2023).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective from January 1, 2023).
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors related to definition of accounting estimates (effective from January 1, 2023).

The management do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods

SAUDI EMCOR COMPANY LIMITED
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (CONTINUED)
(ALL AMOUNTS ARE IN SAUDI ARABIAN RIYAL UNLESS OTHERWISE STATED)

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), collectively hereafter referred to as ("IFRS").

These financial statements have been prepared on the historical cost basis except for the employees' defined benefit obligations, which has been actuarially valued and for right of use of assets and lease liabilities that have been recorded at the present value of future lease rent payable, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

These financial statements are presented in Saudi Riyals (SR), which is the Company's functional currency.

Property and equipment

Property and equipment, except for land, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land is stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes accounted for on a prospective basis.

The Company applies the following estimated useful lives:

Asset	Years
Leasehold improvements	5 (or lease term if less)
Furniture and fixtures	5
Office equipment	5
Computers	3

Leasehold improvements are depreciated over the shorter of their useful lives or the lease term. Land is not depreciated.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain and loss on derecognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the statement of profit or loss.

Maintenance and normal repairs which do not materially extend the estimated useful life of an asset are charged to the statement of profit or loss, as and when incurred. Major renewals and improvements, if any, are recognized in the carrying amount of the property and equipment.

SAUDI EMCOR COMPANY LIMITED
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (CONTINUED)
(ALL AMOUNTS ARE IN SAUDI ARABIAN RIYAL UNLESS OTHERWISE STATED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

The Company recognizes financial assets on trade date basis at which the Company becomes a party to the contracted provisions of the investment.

All recognized financial assets are subsequently measured in their entirety at amortized cost using the effective interest rate ("EIR") method (if the impact of discounting or any transaction costs is significant). Interest income from these financial assets is included in finance income. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / expenses.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

SAUDI EMCOR COMPANY LIMITED
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (CONTINUED)
(ALL AMOUNTS ARE IN SAUDI ARABIAN RIYAL UNLESS OTHERWISE STATED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any financial asset that meets the criteria to be classified as subsequently measured at 'fair value through profit or loss' or at 'fair value through other comprehensive income' nor it has elected to irrevocably designate its financial assets to be subsequently measured at 'fair value through profit or loss' or at 'fair value through other comprehensive income'.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the EIR method for debt instruments measured subsequently at amortized cost. Interest income is calculated by applying the EIR to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the EIR to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the EIR to the gross carrying amount of the financial asset.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on Cash and bank balances, trade receivables, contract assets and other financial assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime Expected Credit Loss ("ECL") for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following bases:

- Nature of financial instruments
- Past-due status; and
- Nature, size and industry of debtors

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12 month ECL at the current reporting date. The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating
- significant deterioration in external market indicators of credit risk for a particular financial instrument
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
- an actual or expected significant deterioration in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

Irrespective of the outcome of the above assessment, the company presumes that the credit risk on the financial assets has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Company considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' in accordance with the globally understood definition.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a long outstanding debt and a similar past experience exists; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company)

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 180 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower
- a breach of contract, such as a default or past due event

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; and
- the disappearance of an active market for that financial asset because of financial difficulties

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of accounts receivable, when the amounts are over two year past due whichever occurs sooner and when there is a past similar experience of default for such transaction. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities (Continued)

- company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liabilities.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities subsequently measured at amortized cost

The Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Trade receivables

Trade receivables are initially measured at their transaction price, subsequently measured at amortized cost using the effective interest method, less provision for impairment. At the end of each reporting period, the carrying amounts of trade receivable are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in statement of comprehensive income.

Cash and bank balances

For the purposes of the statement of cash flows, cash and bank balances comprise cash on hand and current accounts held with banks, all of which are available for use by the Company unless otherwise stated and have maturities of 90 days or less from the date of acquisition, which are subject to insignificant risk of changes in values.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits

Employee defined benefit liabilities

The employee defined benefit liability is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- remeasurements

The Company presents the first two components of defined benefit costs in profit or loss in relevant line items.

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave, air tickets and sick leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Retirement benefits

Retirement benefits made to defined contribution plans are expensed when incurred.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Zakat and income tax

Zakat

The Company is subject to the Regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is provided on an accruals basis. The zakat charge is computed on the zakat base. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Zakat and income tax (continued)

Income Tax

Income tax is applied at specified rate on adjusted share of income of foreign shareholders determined as per Saudi regulations applicable in Kingdom of Saudi Arabia.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Value added tax (VAT)

Sales, expenses and assets are recognized net of the amount of Value added tax, except when the value added tax on purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. The net amount of value added tax receivable from, or payable to, the taxation authority is included as part of receivable or payables in the statement of financial position.

Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company as lessee (Continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers the ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue

The Company's revenue mainly consists of revenue from facility management services and variations and out of scope works (e.g. procurement of equipment, spares and consumables, non-routine and other additional services). Under IFRS 15, the Company recognises revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the Company's performance completed to date. Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Facility management services	The Company provides overall facility management services which include, among others, hard services, soft services, Mechanical, Electrical and Plumbing (MEP), civil works, Health, Safety and Environment (HSE) maintenance and accounts management.	Revenue is recognised over a period of time as the services are provided.
Variations and out-of-scope works	Variations and out-of-scope works include procurement of equipment, spares and consumables, non-routine and other additional services requested by the customers. For goods, customers obtain control of the products when the goods are delivered to the customers' location. For services, customers obtain control upon the completion of work order.	Revenue is recognised at a point in time when: - the goods are delivered to the customers' location; or - the work order has been performed and the Company has the right to invoice the customer for an amount that corresponds directly with performance as per contract.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration.

Expenses

Costs incurred in relation to contracts and employees directly related to projects is classified as cost of revenue.

All other expenses, excluding cost of revenue and financial charges, are classified as general and administrative expenses. Allocations of common expenses between cost of revenue and general and administrative expenses, when required, are made on a consistent basis.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Saudi Riyals at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in profit or loss.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

i. Allowance for expected credit losses of trade receivables

The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information.

For instance, if forecast economic conditions are expected to change, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses ("ECLs") is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 24.

ii. Employee defined benefit liabilities

Employee defined benefit liabilities are determined using an actuarial valuation which requires estimates to be made of the various inputs. These estimates have been disclosed in note 13.

iii. Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease.

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5. PROPERTY AND EQUIPMENT

	Leaschold improvement	Furniture and fixtures	Office & machinery equipment	Vehicles	Computers	Total
Cost						
At 1 January 2021	299,719	2,556,716	7,510,649	-	1,356,030	11,723,114
Additions	-	442,231	1,776,381	-	131,203	2,349,815
At 31 December 2021	299,719	2,998,947	9,287,030	-	1,487,233	14,072,929
Additions	388,121	1,775,409	11,137,317	69,500	462,429	13,832,776
At 31 December 2022	687,840	4,774,356	20,424,347	69,500	1,949,662	27,905,705
Accumulated depreciation						
At 1 January 2021	299,719	2,092,367	4,234,461	-	1,100,962	7,727,509
Charge for the year	-	356,761	1,171,239	-	151,907	1,679,907
At 31 December 2021	299,719	2,449,128	5,405,700	-	1,252,869	9,407,416
Charge for the year	19,496	379,853	1,973,562	12,773	192,457	2,578,141
At 31 December 2022	319,215	2,828,981	7,379,262	12,773	1,445,326	11,985,557
Carrying amount						
At 31 December 2022	368,625	1,945,375	13,045,085	56,727	504,336	15,920,148
At 31 December 2021	-	549,819	3,881,330	-	234,364	4,665,513

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5. PROPERTY AND EQUIPMENT (continued)

Depreciation is charged to the statement of profit or loss as follows:

	2022	2021
Costs of revenue (note 19)	2,421,383	1,610,999
General and administrative expenses (note 20)	156,758	68,908
	2,578,141	1,679,907

6. RIGHT-OF-USE ASSETS

Company as a lessee

The Company leases several assets including offices, warehouses and vehicles. The average lease term is 3 years.

	Vehicles	Properties	Total
Cost			
Balance at January 1, 2021	2,636,930	3,881,724	6,518,654
Additions for the year	1,344,339	110,250	1,454,589
Balance at December 31, 2021	3,981,269	3,991,974	7,973,243
Additions for the year	1,579,508	7,452,097	9,031,605
Write off	(1,602,058)	(2,834,573)	(4,436,631)
Balance at December 31, 2022	3,958,719	8,609,498	12,568,217
Accumulated depreciation			
Balance at January 1, 2021	823,817	1,942,715	2,766,532
Depreciation for the year	1,208,004	1,172,040	2,380,044
Balance at December 31, 2021	2,031,821	3,114,755	5,146,576
Depreciation for the year	1,315,452	1,819,775	3,135,227
Write off	(1,602,058)	(2,834,573)	(4,436,631)
Balance at December 31, 2022	1,745,215	2,099,957	3,845,172
Carrying amount			
As at December 31, 2022	2,213,504	6,509,541	8,723,045
As at December 31, 2021	1,949,448	877,219	2,826,667

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6. RIGHT-OF-USE ASSETS (continued)

Depreciation expense is charged to the statement of profit or loss are as follows:

	<u>2022</u>	<u>2021</u>
Cost of revenue (Note 19)	<u>3,135,227</u>	<u>2,380,044</u>

7. TRADE RECEIVABLES

	<u>2022</u>	<u>2021</u>
Trade receivables	<u>83,058,779</u>	48,642,390
Expected Credit Loss (ECL) on trade receivables (Note 7.1)	<u>(1,122,188)</u>	<u>(2,114,090)</u>
	<u>81,936,591</u>	<u>46,528,300</u>

7.1. Movement in allowance for Expected Credit Loss (ECL) on trade receivables:

	<u>2022</u>	<u>2021</u>
Balance January 1	<u>2,114,090</u>	7,307,990
Reversal during the year	-	(3,100,000)
Write-off	<u>(991,902)</u>	<u>(2,093,900)</u>
Balance at December 31	<u>1,122,188</u>	<u>2,114,090</u>

The credit period on sales of goods ranges from 60 to 120 days (2022: 60 to 120 days). No interest is charged on outstanding trade receivables. At the reporting date, 5 customers (2021: 5 customers) represents more than 10% of the total balance of trade receivables.

The Company measures loss allowance against trade receivables at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The customers that were determined to be credit impaired, are individually assessed for ECL.

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8. PREPAYMENTS AND OTHER CURRENT ASSETS

	2022	2021
Pre-paid expenses	10,799,721	4,798,693
Advances to suppliers	4,599,080	3,930,348
Advances to employees	1,087,792	405,255
Mobilization cost ((refer to note (a) below)	9,800,926	3,101,210
Refundable deposits	8,231,884	371,100
Supplies	1,056,838	
Others	275,325	436,802
	35,851,566	13,043,408
Less: Long -term prepayments (refer to note (a) below)	(6,590,821)	(2,089,849)
	29,260,745	10,953,559

(a) Mobilization costs relates to specific contracts and is recognized on straight -line basis over the term of the respective contracts i.e. the period over which the respective economic benefits will be earned by the company. Amortization of mobilization cost is recognized as part of the direct cost.

9. CASH AND BANK BALANCES

	2022	2021
Cash in hand	77,506	25,951
Cash at banks – current account	24,852,579	7,582,766
	24,930,085	7,608,717

10. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the shareholders, directors, key management personnel and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions.

The Company maintains balances with these related parties which arise in the normal course of business from the commercial transactions, the Company transacts with its related parties, on agreed prices and contract terms as approved by the Company's management. The prices are not fixed by any agreement and are mutually agreed at the time of the transaction.

The significant transactions entered into by the Company with related parties during the year, other than those disclosed elsewhere in these financial statements, are as follows:

	2022	2021
<u>Parent Company</u>		
Marketing and support services fee	(3,665,092)	(1,987,725)
Income /WH tax Charged/reimbursement	4,260,130	652,664
Dividend Declared	(8,000,000)	-
IT Support	(2,590,800)	(965,780)
Services (received)/rendered net of reimbursement	(583,274)	(553,062)
Seconded Salaries	(2,684,754)	(946,184)

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10. RELATED PARTY TRANSACTIONS (continued)

The above transactions resulted in following due to related party balance:

	2022	2021
<i>Due to a related party</i>		
EMCOR Facilities Services Group limited	8,944,752	3,680,961
EMCOR Facilities Services Group limited -Dividend payable	2,882,386	-
Total	11,827,138	3,680,961

11. SHARE CAPITAL

The share capital of the Company as at December 31, 2021 and 2022 was SR 10,000,000 divided into 100,000 shares of SR 100 each, which are fully paid and owned as follows:

<u>Name of shareholders</u>	<u>No. of shares</u>	<u>%</u>	<u>Total value</u>
Emcor Facilities Services Group Limited	55,000	55%	5,500,000
Al-Khafrah Holding Company	15,000	15%	1,500,000
Star Oula Company	10,000	10%	1,000,000
Lama Holding Company	8,500	8.5%	850,000
Khalid Abdulrahman Al- Gwaiz	7,000	7%	700,000
Abdulraouf Waleed Al-Bittar	4,500	4.5%	450,000
	100,000	100%	10,000,000

12. STATUTORY RESERVE

In accordance with the Regulations for Companies in Saudi Arabia, the Company has to establish a statutory reserve by the appropriation of 10% of net profit. The shareholders may cease appropriation when the reserve equals 30% of the share capital. The Company has established the statutory reserve until it equaled 50% of the capital based on the previous Regulations for Companies before applying the recent change to the Regulations for Companies. This reserve is not available for dividend distribution.

13. EMPLOYEE DEFINED BENEFITS LIABILITIES

The most recent actuarial valuation was performed by an independent, qualified actuary using the projected unit credit method.

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13. EMPLOYEE DEFINED BENEFITS LIABILITIES (continued)

The movement in the provision is as follows:

	2022	2021
Defined benefit liability (note 13.1)	<u>9,597,022</u>	7,219,068
Total	<u>9,597,022</u>	7,219,068

13.1 Movements in liabilities recognized in the statement of financial position and its components are as follows:

	2022	2021
Balance at January 1	7,219,068	6,210,367
Included in statement of profit and loss		
Current service cost	3,378,431	1,596,264
Interest cost (Note 21)	140,518	63,619
	<u>3,518,949</u>	1,659,883
Included in other comprehensive loss		
Actuarial loss recognized in statement of comprehensive income	899,976	166,969
Other		
Benefits paid	<u>(2,040,971)</u>	(818,151)
Balance at December 31	<u>9,597,022</u>	7,219,068

13.2. The amounts recognized in other comprehensive income are as follows:

	2022	2021
Re-measurements (gain) / loss of employee defined benefit liability from:		
- Change in demographic assumptions	45,281	-
- Change in financial assumptions	(1,133,792)	236,044
- Experience adjustment	<u>1,988,487</u>	(69,075)
	<u>899,976</u>	166,969

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13. EMPLOYEE DEFINED BENEFITS LIABILITIES (continued)

13.3. The significant assumptions used in determining end of service benefit obligations for the Company's plans are shown below:

	2022	2021
Discount rate	4.65%	2.20%
Salary increases rate	1.50%	1.50%

13.4. A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation are shown below:

	31 December 2022		31 December 2021	
	+1% increase	- 1% decrease	+1% increase	- 1% decrease
Discount rate	8,018,687	8,796,637	6,063,533	6,760,372
Future salary growth	8,805,731	8,004,305	6,759,227	6,058,297

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another

14. LEASE LIABILITIES

	2022	2021
At January 1	2,531,396	3,411,979
Recognition of lease liabilities during the year	9,031,605	1,454,587
Interest charged during the year (note 21)	325,404	147,708
Payments made during the year	(3,461,646)	(2,482,878)
Lease liabilities	8,426,759	2,531,396
Less: Non-current portion	5,471,949	837,857
Lease liabilities (current)	2,954,810	1,693,539

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14. LEASE LIABILITIES (continued)

14.1. The movement in lease liability is as follows:

	2022	2021
Opening	2,531,396	3,411,979
Additions	8,725,490	1,454,587
Lease charges – (Note 21)	325,404	147,708
Lease rentals paid	(3,155,531)	(2,482,878)
	<u>8,426,759</u>	<u>2,531,396</u>

15. TRADE AND OTHER PAYABLES

	2022	2021
Trade payables:	51,744,198	14,107,407
Accrued expenses:		
- Suppliers	9,630,541	5,246,523
- Others	17,762,737	10,708,877
VAT	2,773,729	574,563
Withholding tax payable	152,264	-
	<u>82,063,469</u>	<u>30,637,370</u>

16. BANK BORROWINGS

	2022 SR	2021 SR
Progress payment finance (PPF) – BSF (a)	4,879,156	4,429,427
Progress payment finance (PPF) – ENBD (a)	11,301,280	-
Mobilization Finance - ENBD	13,750,000	-
	<u>29,930,436</u>	<u>4,429,427</u>
Long-term borrowings	2,750,000	-
	<u>27,180,436</u>	<u>4,429,427</u>

- (a) The Company agreed on secured credit facilities with Banque Saudi Fransi (BSF) and Emirates NBD KSA in order to provide liquidity for the daily operations under PPF and Mobilization finance arrangement. The SAIBOR percentages for the above facilities are be 2.5% and 3.5% respectively. The Company is in compliance with all financial covenants.

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17. ZAKAT AND INCOME TAX

	<u>2022</u>	<u>2021</u>
Current tax and zakat expense		
- Current year tax (Note 17.3)	2,204,262	732,152
- Current year zakat (Note 17.2)	773,900	645,663
	2,978,162	1,377,815
Deferred tax liabilities / (assets) (Note 17.4)	(167,779)	534,062
Net of the Re-assessment of prior years	22,721	-
	2,833,104	1,911,877

17.1 Zakat liability

Zakat is charged at the higher of adjusted income or Zakat base as required by the Zakat, Tax and Customs Authority ("ZATCA").

	<u>2022</u>	<u>2021</u>
Balance at January 1	1,784,030	1,764,327
Charge for the year	2,978,162	1,377,815
Net of assessment of prior years	22,721	-
Payment during the year	(1,806,751)	(1,358,112)
Balance at December 31	2,978,162	1,784,030

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17. ZAKAT AND INCOME TAX (continued)

17.2 Zakat expense

The Zakat charge for the year is based on the zakat base, which has the following significant components with regards to the Saudi shareholders' share: 45%

	2022	2021
Share capital, beginning of the year	10,000,000	10,000,000
Statutory reserve, beginning of the year	5,000,000	5,000,000
Retained earnings, beginning of the year	30,672,430	20,744,073
Provisions at beginning of the year	6,300,284	7,506,306
Bank borrowing	17,716,660	4,429,427
Trade payable over one year (Capped)	-	1,604,929
Lease liability	7,367,843	2,531,396
Less: property and equipment, as adjusted	(15,920,148)	(4,665,514)
Less: right of use assets	(7,664,129)	(2,826,667)
Less: dividends paid	(8,000,000)	-
Deferred tax assets	(1,500,226)	(1,151,898)
Other addition	-	406,216
Zakat base without adjusted income	43,972,714	43,578,268
Zakat base without adjusted taxable income	43,972,714	43,578,268
Adjusted net income	23,451,984	12,459,813
Approximate aggregate zakat base	67,424,698	56,038,081
Total Saudi share of zakat base	30,341,114	25,217,136
Zakat charge at 2.5%	773,900	645,663

17.3 Income tax:

	2022	2021
Net income for the year	19,033,059	10,482,121
Adjustment to net income	1,005,687	(3,826,190)
Adjusted net income	20,038,746	6,655,931
Total non-saudi share of adjusted net income 55%	11,021,310	3,660,762
Income tax at 20%	2,204,262	732,152

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17. ZAKAT AND INCOME TAX (continued)

17.4 Movement in Deferred tax assets:

	<u>2022</u>	<u>2021</u>
Balance at January 1	1,151,898	1,685,960
Income / Charge for the year	167,779	-
Deferred tax credit recognised in statement of other comprehensive income	180,549	(534,062)
	<u>1,500,226</u>	<u>1,151,898</u>
Balance at December 31		

Temporary differences give rise to the deferred tax asset which are recognized in the statement of financial position. The deferred tax asset is recognized on the following items.

	<u>2022</u>	<u>2021</u>
Accelerated tax depreciation	179,999	125,251
Employee's defined benefit liabilities	1,016,237	794,097
Actuarial gain or loss	180,549	-
Expected Credit Loss (ECL) on trade receivables	123,441	232,550
	<u>1,500,226</u>	<u>1,151,898</u>

17.5 Status of income tax assessments

The Company has submitted its zakat and tax returns to the Zakat, Tax and Customs Authority ("ZATCA") up to the years ended December 31, 2022.

During 2022, ZATCA has issued assessments for the years ended December 31, 2016, 2017, and 2018 claiming the amounts of SR 396,265, SR 3,095 and SR 29,575 respectively, in which the company has accepted and paid these claims.

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18. REVENUE

The company derives its revenues from two types of contracts with customers, facility management services, which are recognized over time as the service is provided, and Variations, which are recognized for the transfer of goods and services at point in time.

	<u>2022</u>	<u>2021</u>
18.1 Revenue from contracts with customers		
Facility management services	284,773,634	108,204,196
Variations orders	<u>52,744,224</u>	<u>26,029,311</u>
	<u>337,517,858</u>	<u>134,233,507</u>

18.2 Contract balances

The following table provides information about contract balances from contracts with customers:

	<u>2022</u>	<u>2021</u>
Trade receivables (Note 7)	83,058,779	48,642,390
Contract assets	<u>31,786,338</u>	<u>20,130,178</u>
	<u>114,845,117</u>	<u>68,772,568</u>

19. COSTS OF REVENUE

	<u>2022</u>	<u>2021</u>
Sub-contractor cost	137,307,847	50,259,559
Employee costs	144,336,101	57,005,223
I.T support charges	1,458,666	837,150
Marketing and license fees	3,669,150	1,987,725
Vehicle running expenses	1,586,726	388,752
Amortization of Mobilization cost	2,464,904	2,347,514
Depreciation of property and equipment (Note 5)	2,421,383	1,610,999
Depreciation of right-of-use assets (Note 6)	3,135,227	2,380,044
Communication expenses	716,437	266,839
Stationery cost	282,049	128,547
Other	<u>2,967,421</u>	<u>522,492</u>
	<u>300,345,911</u>	<u>117,734,844</u>

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20. GENERAL AND ADMINISTRATIVE EXPENSES

	2022	2021
Employee costs	10,839,216	6,623,147
Depreciation of property and equipment (Note 5)	156,758	68,908
Rent expenses	418,000	86,078
Legal and professional charges	629,500	724,879
Travelling expenses	303,249	251,792
I.T Cost	528,820	326,600
Other	431,426	326,368
	<u>13,306,969</u>	<u>8,407,772</u>

21. FINANCE COST

	2022	2021
Bank charges	3,466,022	330,474
Changes in the present values of the employee's defined benefit liabilities (Note 13)	140,518	63,619
Interest on lease liabilities (Note 14)	325,404	147,708
	<u>3,931,944</u>	<u>541,801</u>

22. CONTINGENCIES AND COMMITMENTS

As at December 31, 2022, the Company has outstanding Bid Bonds amounting to SR 4,018,044 for Tourism Development Fund and King Abdullah Financial District Zone-C and Performance Bonds amounting to SR 3,068,402 for Tatweer building company, Neom Company, Saudi Payment, Saudi Central bank and Arabian Centers (2021: outstanding Bid Bonds amounting to SR 1,249,773 for Diriyah Gate Development Authority and Saudi Real Estate Co (Al Akaria) and Performance Bonds amounting to SR 3,732,804 for Tatweer building Company and Neom Company) issued by the local banks in the favor of its customers.

23. FINANCIAL INSTRUMENTS

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

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23. FINANCIAL INSTRUMENTS (continued)

(b) Categories of financial instruments

	2022	2021
Financial assets		
Trade and other receivables (including cash and bank balances)	106,866,676	68,772,568
Financial liabilities		
At amortised cost	132,213,131	41,279,154

(c) Fair value of financial instruments

The fair values of financial assets and financial liabilities at the end of the reporting period approximate the amounts as shown in the statement of financial position.

24. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Risk Management Framework:

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's board of directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Company.

B. Accounting classification and fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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24. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

B. Accounting classification and fair values (continued)

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Financial risk management:

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Management assessed that the fair values of cash and bank balances, trade receivables, contract assets, trade and other payables, contract liabilities and employee benefits approximate their carrying values largely due to the short-term maturities of these financial instruments.

The Company has exposure to the following risk arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The carrying amount of financial assets and contract assets represents the maximum credit exposure, details of impairment losses on financial assets recognized is explained below.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, trading history with the Company and existence of previous financial difficulties.

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24. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

B. Accounting classification and fair values (continued)

Expected credit loss assessment for customers:

The Company uses an allowance matrix to measure the ECLs of trade receivables from customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region, age of customer relationship and type of product purchased.

Loss rates are based on actual credit loss experience. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast gross domestic product growth.

Impairment losses on financial assets and contract assets recognized in profit or loss relating to trade receivables and contract assets were nil, there was no reversal for the year 2022 (2021: SR 3,100,000). The write off for the year 2022 was SR: 991,902 (2021: SR 2,093,900).

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2022.

	Weighted average loss rate	Gross carrying amount	Impairment allowance	Total trade receivable
Past due 1-90 days	0.27%	94,023,784	258,232	94,282,016
Past due 91-180 days	0.92%	13,044,587	121,599	13,166,186
Past Due 181 -360 days	0.59%	2,414,338	14,248	2,428,586
Past Due 360 and above	14.66%	4,240,219	728,109	4,968,329
		<u>113,722,929</u>	<u>1,122,188</u>	<u>114,845,117</u>

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2021.

	Weighted average loss rate	Gross carrying amount	Impairment allowance	Total trade receivable
Past due 1-90 days	0.10%	43,452,996	42,512	43,495,508
Past due 91-180 days	0.96%	6,484,083	62,888	6,546,971
Past Due 181 -360 days	5.20%	2,102,568	115,264	2,217,832
Past Due 360 and above	11.47%	14,618,831	1,893,426	16,512,257
		<u>66,658,478</u>	<u>2,114,090</u>	<u>68,772,568</u>

Cash and bank balances

The Company held cash and bank balances of SR: 24,930,085 (31 December 2021: SR 7,608,717). The cash and bank balances are held with a bank with sound credit rating.

SAUDI EMCOR COMPANY LIMITED
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (CONTINUED)
(ALL AMOUNTS ARE IN SAUDI ARABIAN RIYAL UNLESS OTHERWISE STATED)

24. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

B. Accounting classification and fair values (continued)

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and bank balances at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 360 days. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

	Carrying amount	Total	Less than 1 year	1 years to 5 years	More than 5 years
December 31, 2022					
Trade and other payables	93,855,936	93,855,936	93,855,936	-	-
Bank borrowing	29,930,436	29,930,436	27,180,436	2,750,000	-
Lease liability	8,426,759	8,426,759	2,954,810	5,471,949	-
	132,213,131	132,213,131	123,991,182	8,221,949	-

	Carrying amount	Total	Less than 1 year	1 years to 5 years	More than 5 years
December 31, 2021					
Trade and other payables	34,318,331	34,318,331	32,713,402	1,604,929	-
Bank borrowing	4,429,427	4,429,427	4,429,427	-	-
Lease liability	2,531,396	2,531,396	1,693,539	837,857	-
	41,279,154	41,279,154	38,836,368	2,442,786	-

iii. Market risk:

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market profit rates or the market prices of securities due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of three types of risk: currency risk, commission rate risk and other price risk.

SAUDI EMCOR COMPANY LIMITED
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (CONTINUED)
(ALL AMOUNTS ARE IN SAUDI ARABIAN RIYAL UNLESS OTHERWISE STATED)

24. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

B. Accounting classification and fair values (continued)

iii. Market risk (continued)

a. Interest rate risk

Interest rate risk is the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows. The Company's interest rate risks arise mainly from long term debts, which are at floating rates of interest and is subject to re-pricing on a regular basis.

The sensitivity of the income to reasonably possible changes in interest rates, with all other variables held constant which result immaterial difference due low to borrowing balances. There is no direct impact on the Company's equity.

b. Currency risk

It is a risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's principal transactions are carried in Saudi Riyal and UAE Dirham. The Company's management believes that currency risk is not significant since the exchange rate of Saudi Riyal is pegged against those currencies. Further, the Company is also not exposed to any significant commission rate risk.

25. CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes assigned capital and all equity reserves attributable to Company's shareholders. The primary objective of the Company's capital management is to maximise value to the shareholder equity. Other objectives include maintaining a positive capital base so as to maintain market and government confidence and to enable development of the Saudi Emcor Company Limited business in Saudi Arabia.

Management achieves these objectives through operating the Company as optimally as possible and through maintaining adequate positive cash flows. Management ensure that it meets its financial commitments, its statutory and legal obligations and evaluates whether any additional support may be required in the form of capital contributions.

Company's net debt to adjusted equity ratio as at year end was as follows.

	2022	2021
Total current liabilities	127,004,015	42,459,086
Less: Bank balances	24,930,085	7,608,717
Net debt	102,073,930	34,850,369
Total equity	55,825,013	45,672,429
Net debt to equity ratio	183%	76%

**SAUDI EMCOR COMPANY LIMITED
(LIMITED LIABILITY COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022 (CONTINUED)
(ALL AMOUNTS ARE IN SAUDI ARABIAN RIYAL UNLESS OTHERWISE STATED)**

26. DIVIDEND'S DECLARATION

On December 12, 2022, the shareholders approved cash dividend amounting to SR 3 million for 2021 and SR 5 million as interim dividend for 2022.

27. RETIREMENT BENEFIT INFORMATION

The Company makes contributions for a defined contribution retirement benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. The total amount expensed during the year in respect of this plan was SR 1.82 million (December 31, 2021: SR 1.64 million).

28. COMPARATIVE INFORMATION

Certain comparative amounts in the statement of financial position and notes to the financial statement have been adjusted to conform to the current presentation.

29. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the management on May 9, 2023.

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**EFS IM FACILITIES MANAGEMENT COMPANY
(FORMERLY SAUDI EMCOR COMPANY LIMITED)
(SAUDI UNLISTED JOINT STOCK COMPANY)**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

**EFS IM FACILITIES MANAGEMENT COMPANY
(FORMERLY SAUDI EMCOR COMPANY LIMITED)
(SAUDI UNLISTED JOINT STOCK COMPANY)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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 Saudi Arabia
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
 EFS IM Facilities Management Company (formerly Saudi EMCOR Company Limited)
 Saudi Unlisted Joint Stock Company
 Riyadh, Kingdom of Saudi Arabia

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **EFS IM Facilities Management Company (formerly Saudi EMCOR Company Limited)** (the “Company”), which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred to as “IFRSs that are endorsed in the Kingdom of Saudi Arabia”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (“the Code”) as endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, Company’s Bylaws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company’s financial reporting process.

Report on the audit of financial statements of EFS IM Facilities Management Company (formerly Saudi EMCOR Company Limited) for the year ended December 31, 2023 (Continued)**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte and Touche & Co.
Chartered Accountants


Alwaleed K. Alkhayyal
License No. 625

Dhual-Hijja 5, 1445H
June 11, 2024



**EFS IM FACILITIES MANAGEMENT COMPANY
(FORMERLY SAUDI EMCOR COMPANY LIMITED)
(SAUDI UNLISTED JOINT STOCK COMPANY)**

STATEMENT OF FINANCIAL POSITION

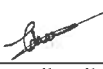
AS AT DECEMBER 31, 2023

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

	Notes	2023	2022
ASSETS			
Non-current assets			
Property and equipment	5	32,077,777	15,920,148
Right-of-use assets	6	14,895,418	8,723,045
Deferred tax asset	17.4	1,738,314	1,500,226
Long term prepayments	8	7,462,648	6,590,821
Total non-current assets		56,174,157	32,734,240
Current assets			
Contract assets	18	59,930,834	31,786,338
Trade receivables	7	174,990,888	81,936,591
Prepayments and other current assets	8	43,181,218	29,260,745
Cash and cash equivalents	9	21,867,922	24,930,085
Total current assets		299,970,862	167,913,759
Total Assets		356,145,019	200,647,999
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	10,000,000	10,000,000
Statutory reserve	12	5,000,000	5,000,000
Retained earnings		69,277,270	40,825,013
Total equity		84,277,270	55,825,013
LIABILITIES			
Non-current liabilities			
Employee's defined benefit liabilities	13	12,213,407	9,597,022
Lease liabilities – non current portion	14	8,704,472	5,471,949
Bank Borrowing – long term	16	23,458,329	2,750,000
Total non-current liabilities		44,376,208	17,818,971
Current liabilities			
Bank borrowings-short term	16	77,114,934	27,180,436
Lease liabilities - current portion	14	5,191,925	2,954,810
Loan from shareholders	10.1	11,580,000	-
Trade and other payables	15	130,390,462	82,063,469
Due to related parties	10	303,066	11,827,138
Accrued zakat and income tax	17.1	2,911,154	2,978,162
Total current liabilities		227,491,541	127,004,015
Total liabilities		271,867,749	144,822,986
Total Liabilities and Equity		356,145,019	200,647,999

The accompanying notes form an integral part of these financial statements.


Tariq Chauhan
Group Chief Executive
Officer


Taher Jhanjharya
Group Chief Financial
Officer


Abdul Raouf Al Bitar
Chairman of the Board of
Directors

**EFS IM FACILITIES MANAGEMENT COMPANY
(FORMERLY SAUDI EMCOR COMPANY LIMITED)
(SAUDI UNLISTED JOINT STOCK COMPANY)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

	Notes	2023	2022
Revenue	18	520,413,277	337,517,858
Cost of revenue	19	(462,758,009)	(300,079,111)
Gross profit		57,655,268	37,438,747
General and administrative expenses	20	(19,506,572)	(13,573,769)
Operating profit		38,148,696	23,864,978
Finance costs	21	(6,299,930)	(3,931,944)
Profit before zakat and tax		31,848,766	19,933,034
Zakat and income tax expense	17	(4,002,180)	(2,833,104)
Profit for the year		27,846,586	17,099,930
Other comprehensive loss			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement loss on employee defined benefit liability	13.2	(3,701,605)	(899,976)
Deferred tax credit recognized in statement of other comprehensive income	17.4	365,061	180,549
Total comprehensive income for the year		24,510,042	16,380,503

The accompanying notes form an integral part of these financial statements.


Tariq Chauhan
Group Chief Executive
Officer


Taher Jhanjharya
Group Chief Financial
Officer


Abdul Raouf Al Bitar
Chairman of the Board of
Directors

**EFES IM FACILITIES MANAGEMENT COMPANY
(FORMERLY SAUDI EMCOR COMPANY LIMITED)
(SAUDI UNLISTED JOINT STOCK COMPANY)**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023**
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

Note	Share capital	Statutory reserve	Retained earnings	Total
Balance at January 1, 2022	10,000,000	5,000,000	30,672,429	45,672,429
Net profit for the year	-	-	17,099,930	17,099,930
Other comprehensive loss	-	-	(719,427)	(719,427)
Total comprehensive income for the year	-	-	16,380,503	16,380,503
Dividend for the year	-	-	(8,000,000)	(8,000,000)
Zakat and income tax receivable from shareholders	-	-	1,772,081	1,772,081
Balance at December 31, 2022	10,000,000	5,000,000	40,825,013	55,825,013
Net profit for the year	-	-	27,846,586	27,846,586
Other comprehensive income	-	-	(3,336,544)	(3,336,544)
Total comprehensive income for the year	-	-	24,510,042	24,510,042
Zakat and Income tax receivable from shareholders	-	-	3,942,215	3,942,215
Balance at December 31, 2023	10,000,000	5,000,000	69,277,270	84,277,270

The accompanying notes form an integral part of these financial statements.

Tariq Chauhan
Group Chief Executive
Officer

Taher Jhanjhyra
Group Chief Financial
Officer



Abdul Rauf Al Bitar
Chairman of the Board of Directors

**EFS IM FACILITIES MANAGEMENT COMPANY
(FORMERLY SAUDI EMCOR COMPANY LIMITED)
(SAUDI UNLISTED JOINT STOCK COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

	Notes	2023	2022
Cash flows from operating activities			
Profit before zakat and tax		31,848,766	19,933,034
Adjustments for:			
Depreciation expenses	5	6,735,508	2,578,141
Depreciation on right of use assets	6	3,743,968	3,135,227
Impairment of trade receivables	20	995,596	-
Finance costs	21	6,299,930	3,931,944
Provision for employee benefits	13	2,346,231	3,378,431
		<u>51,969,999</u>	<u>32,956,777</u>
Changes in:			
Trade receivables and contract assets		(122,194,389)	(47,064,451)
Prepayments and other current assets		(14,792,300)	(22,808,158)
Trade and other payables		48,326,993	51,426,099
Due to related parties		(7,581,857)	3,905,681
Cash (used in) / generated from operating activities		<u>(44,271,554)</u>	<u>18,415,948</u>
Interest costs on borrowings - paid		(5,440,885)	(3,466,022)
Employees benefits paid	13	(3,821,160)	(2,040,971)
Zakat and income tax paid	17	(3,942,215)	(1,806,751)
Net cash (used in) / generated from operating activities		<u>(57,475,814)</u>	<u>11,102,204</u>
Cash flows from investing activities			
Purchase of property and equipment	5	(22,893,137)	(13,832,776)
Net cash used in investing activities		<u>(22,893,137)</u>	<u>(13,832,776)</u>
Cash flows from financing activities			
Proceeds from banks against borrowings	16	282,613,262	45,332,753
Repayments to banks against borrowings	16	(211,970,435)	(19,831,744)
Loan from shareholders	10.1	11,580,000	-
Lease rentals paid	14	(4,916,039)	(3,461,646)
Dividend paid	26	-	(1,987,423)
Net cash generated from financing activities		<u>77,306,788</u>	<u>20,051,940</u>
Net (decrease) / increase in cash and cash equivalents		<u>(3,062,163)</u>	<u>17,321,368</u>
Cash and cash equivalents at beginning of the year		24,930,085	7,608,717
Cash and cash equivalents at end of the year	9	<u>21,867,922</u>	<u>24,930,085</u>
Non-cash transactions			
Re-measurement loss on employee defined benefit liability	13.2	(3,701,605)	(899,976)

The accompanying notes form an integral part of these financial statements.


Tariq Chauhan
Group Chief Executive
Officer


Taher Jhanjharya
Group Chief Financial
Officer


Abdul Raouf Al Bitar
Chairman of the Board of
Directors

**EFS IM FACILITIES MANAGEMENT COMPANY
(FORMERLY SAUDI EMCOR COMPANY LIMITED)
(SAUDI UNLISTED JOINT STOCK COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

1. ESTABLISHMENT AND OPERATIONS

EFS IM Facilities Management Company (formerly Saudi EMCOR Company Limited) ("the Company") is a Saudi Unlisted Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010259920 dated 27 Dhul- Hijjah 1429H (corresponding to 26 December 2008). The Company is a subsidiary of EFS Facilities Services Group Limited (formerly EMCOR Facilities Services Group Limited) (the "Parent Company") which owns 55% of the share capital (refer note 11).

On 13 Jammad-ul-Awwal 1445H (corresponding to 27 November 2023), the Company changed its legal name from Saudi EMCOR Company Limited to EFS IM Facilities Management Company and re-registered from limited liability company to a Saudi Unlisted Joint Stock Company and changed its articles of association to bylaws dated 5th Ramadan, 1445H (corresponding to 15 March 2024).

The Company is engaged in executing operation, maintenance and cleaning contracts for commercial, residential and industrial facilities and its related maintenance, repair of equipment, electrical and mechanical appliances, restoration and maintenance of buildings and infrastructure facilities, storage and catering facilities, renting leisure and fishing boats, firefighting rescue teams and equipment and in accordance with Ministry of Investment of Saudi Arabia (MISA) License No. 10202911835 dated 21 Dhul-Qadah 1429H (corresponding to 20 November 2008).

Branch name	Commercial registration
Khobar	2051221373
Riyadh	1010884208
Al-Ula	4651103441
Tabuk	3550151803
Jeddah	4030193432

The results, assets and liabilities of these branches are included in these financial statements.

The Company's registered office is located at 6756 Prince Faisal Ibn Bandar Ibn Abdulaziz 3604 Al Narjis Dist. 13328, Riyadh, KSA.

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The following standards, amendments, or interpretations effective for annual periods beginning on or after January 1, 2023, did not have a significant impact on the Company's financial statements:

Standard, interpretation, amendments	Description	Effective date
IFRS 17, 'Insurance contracts'	This standard replaces IFRS 4, which permits a wide variety of practices in accounting for insurance contracts.	Annual periods beginning on or after January 01, 2023.
Narrow scope amendments to IAS 1	Practice statement 2 and IAS 8 - The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.	Annual periods beginning on or after January 01, 2023.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2023
 (All amounts are in Saudi Arabian Riyal unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2023
 (All amounts are in Saudi Arabian Riyal unless otherwise stated)

New and revised IFRS Standards in issue but not yet effective (continued)

Standard, interpretation, amendments	Description	Effective date
IFRS S1 & IFRS S2 'General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement from SOCPA
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Available for optional adoption/effective date deferred indefinitely)

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), collectively hereafter referred to as ("IFRS").

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue its operations and will discharge its liabilities, in the normal course of business. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

These financial statements have been prepared on the historical cost basis except for the employees' defined benefit obligations, which has been actuarially valued and for right of use of assets and lease liabilities that have been recorded at the present value of future lease rent payable, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

These financial statements are presented in Saudi Riyals (SR), which is the Company's functional currency.

Property and equipment

Property and equipment, except for land, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land is stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2023
 (All amounts are in Saudi Arabian Riyal unless otherwise stated)

Property and equipment (continued)

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes accounted for on a prospective basis.

The Company applies the following estimated useful lives:

Asset	Years
Leasehold improvements	5 (or lease term if less)
Furniture and fixtures	5
Office and machinery equipment	5
Vehicles	5
Computers	3

Leasehold improvements are depreciated over the shorter of their useful lives or the lease term. Land is not depreciated.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain and loss on derecognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the statement of profit or loss.

Maintenance and normal repairs which do not materially extend the estimated useful life of an asset are charged to the statement of profit or loss, as and when incurred. Major renewals and improvements, if any, are recognized in the carrying amount of the property and equipment.

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

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3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment of tangible assets (continued)

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

The Company recognizes financial assets on trade date basis at which the Company becomes a party to the contracted provisions of the instruments.

All recognized financial assets are subsequently measured in their entirety at amortized cost using the effective interest rate ("EIR") method (if the impact of discounting or any transaction costs is significant). Interest income from these financial assets is included in finance income. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / expenses.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any financial asset that meets the criteria to be classified as subsequently measured at 'fair value through profit or loss' or at 'fair value through other comprehensive income' nor it has elected to irrevocably designate its financial assets to be subsequently measured at 'fair value through profit or loss' or at 'fair value through other comprehensive income'.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected

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Financial instruments (continued)

life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the EIR method for debt instruments measured subsequently at amortized cost. Interest income is calculated by applying the EIR to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the EIR to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the EIR to the gross carrying amount of the financial asset.

The Company recognises loss allowances for ECL on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables, due from related parties and loan to a shareholder are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 360 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (continued)

Impairment of financial assets (continued)

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement and recognition of expected credit losses

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the customer;
- a breach of contract such as a default or being more than 450 days past due;
- it is probable that the customer will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets

Write-off policy

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (continued)

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Trade receivables

Trade receivables are initially measured at their transaction price, subsequently measured at amortized cost using the effective interest method, less loss allowance. At the end of each reporting period, the carrying amounts of trade receivable are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, a loss allowance is recognized immediately in statement of profit and loss.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and current accounts held with banks, all of which are available for use by the Company unless otherwise stated and have maturities of 90 days or less from the date of acquisition, which are subject to insignificant risk of changes in values.

Employee benefits

Employee defined benefit liabilities

The employee defined benefit liability is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurements recognized in other

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3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Employee benefits (continued)

Employee defined benefit liabilities (continued)

comprehensive income are reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- remeasurements

The Company presents the first two components of defined benefit costs in profit or loss in relevant line items.

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave, air tickets and sick leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Retirement benefits

Retirement benefits made to defined contribution plans are expensed when incurred.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Zakat and income tax

Zakat

The Company is subject to the Regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is provided on an accruals basis. The zakat charge is computed on the zakat base. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

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3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Zakat and income tax (continued)

Income Tax

Income tax is applied at specified rate on adjusted share of income of foreign shareholders determined as per Saudi regulations applicable in Kingdom of Saudi Arabia.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Value added tax (VAT)

Sales, expenses and assets are recognized net of the amount of Value added tax, except when the value added tax on purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. The net amount of value added tax receivable from, or payable to, the taxation authority is included as part of receivable or payables in the statement of financial position.

Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (continued)

The Company as lessee (Continued)

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers the ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

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3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (continued)

The Company as lessee (Continued)

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this

practical expedient. For contracts that contain a lease component and one or more additional lease or non- lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non- lease components.

Revenue

The Company's revenue mainly consists of revenue from facility management services and variations and out of scope works (e.g. procurement of equipment, spares and consumables, non-routine and other additional services). Under IFRS 15, the Company recognises revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the Company's performance completed to date. Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Facility management services	The Company provides overall facility management services which include, among others, hard services, soft services, Mechanical, Electrical and Plumbing (MEP), civil works, Health, Safety and Environment (HSE) maintenance and accounts management.	Revenue is recognised over a period of time as the services are provided.

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3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue (continued)

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Variations and out-of-scope works	Variations and out-of-scope works include procurement of equipment, spares and consumables, non-routine and other additional services requested by the customers. For goods, customers obtain control of the products when the goods are delivered to the customers' location. For services, customers obtain control upon the completion of work order.	Revenue is recognised at a point in time when: - the goods are delivered to the customers' location; or - the work order has been performed and the entity has the right to invoice the customer for an amount that corresponds directly with performance as per contract.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration.

Expenses

Costs incurred in relation to contracts and employees directly related to projects is classified as cost of revenue.

All other expenses, excluding cost of revenue and financial charges, are classified as general and administrative expenses. Allocations of common expenses between cost of revenue and general and administrative expenses, when required, are made on a consistent basis.

Foreign currency translation

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Saudi Riyals at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in profit or loss.

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

i. Allowance for expected credit losses of trade receivables

The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information.

For instance, if forecast economic conditions are expected to change, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses ("ECLs") is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 24.

ii. Useful lives and residual values of property and equipment

Estimated useful lives of property and equipment are determined for calculating depreciation, taking into account the expected usage of assets and physical wear and tear. Residual values and estimated useful lives are reviewed annually.

iii. Employee defined benefit liabilities

Employee defined benefit liabilities are determined using an actuarial valuation which requires estimates to be made of the various inputs. These estimates have been disclosed in note 13.

iv. Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease.

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5. PROPERTY AND EQUIPMENT

	Leasehold improvement	Furniture and fixtures	Office & machinery equipment	Vehicles	Computers	Total
Cost						
At 1 January 2022	299,719	2,998,947	9,287,030	-	1,487,233	14,072,929
Additions	388,121	1,775,409	11,137,317	69,500	462,429	13,832,776
At 31 December 2022	687,840	4,774,356	20,424,347	69,500	1,949,662	27,905,705
Additions	393,755	1,059,007	21,107,415	34,751	298,209	22,893,137
At 31 December 2023	1,081,595	5,833,363	41,531,762	104,251	2,247,871	50,798,842
Accumulated depreciation						
At 1 January 2022	299,719	2,449,128	5,405,700	-	1,252,869	9,407,416
Charge for the year	19,496	379,853	1,973,562	12,773	192,457	2,578,141
At 31 December 2022	319,215	2,828,981	7,379,262	12,773	1,445,326	11,985,557
Charge for the year	113,193	631,778	5,661,491	20,851	308,195	6,735,508
At 31 December 2023	432,408	3,460,759	13,040,753	33,624	1,753,521	18,721,065
Carrying amount						
At 31 December 2023	649,187	2,372,604	28,491,009	70,627	494,350	32,077,777
At 31 December 2022	368,625	1,945,375	13,045,085	56,727	504,336	15,920,148

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5. PROPERTY AND EQUIPMENT (Continued)

Depreciation is charged to the statement of profit or loss as follows:

	2023	2022
Cost of revenue (note 19)	5,546,566	2,421,383
General and administrative expenses (note 20)	1,188,942	156,758
	6,735,508	2,578,141

6. RIGHT-OF-USE ASSETS

Company as a lessee

The Company leases several assets including vehicles, offices, and warehouses. The average lease term is 3 years.

	Vehicles	Properties	Total
Cost			
Balance at 01 January 2022	3,981,269	3,991,974	7,973,243
Additions for the year	1,579,508	7,452,097	9,031,605
Write off	(1,602,058)	(2,834,573)	(4,436,631)
Balance at 31 December 2022	3,958,719	8,609,498	12,568,217
Additions for the year	-	9,916,341	9,916,341
Balance at 31 December 2023	3,958,719	18,525,839	22,484,558
Accumulated depreciation			
Balance at 1 January 2022	2,031,821	3,114,755	5,146,576
Depreciation for the year	1,315,452	1,819,775	3,135,227
Write off	(1,602,058)	(2,834,573)	(4,436,631)
Balance at 31 December 2022	1,745,215	2,099,957	3,845,172
Depreciation for the year	817,519	2,926,449	3,743,968
Balance at 31 December 2023	2,562,734	5,026,406	7,589,140
Carrying amount			
As at 31 December 2023	1,395,985	13,499,433	14,895,418
As at 31 December 2022	2,213,504	6,509,541	8,723,045

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6. RIGHT-OF-USE ASSETS (Continued)

Depreciation expense is charged to the statement of profit or loss are as follows:

	2023	2022
Cost of revenue (Note 19)	2,629,034	2,868,428
General and administrative expenses (Note 20)	1,114,934	266,799
	<u>3,743,968</u>	<u>3,135,227</u>

7. TRADE RECEIVABLES

	2023	2022
Trade receivables	176,790,976	83,058,779
Less: allowance for impairment (Note 7.1)	(1,800,088)	(1,122,188)
	<u>174,990,888</u>	<u>81,936,591</u>

7.1. Movement in allowance for impairment on trade receivables:

	2023	2022
Balance at 1 January	1,122,188	2,114,090
Charge for the year	995,596	-
Write-off	(317,696)	(991,902)
Balance at 31 December	<u>1,800,088</u>	<u>1,122,188</u>

The credit period on sales of goods ranges from 60 to 120 days (2022: 60 to 120 days). No interest is charged on outstanding trade receivables. At the reporting date, 5 customers (2022: 5 customers) represents more than 50% of the total balance of trade receivables.

The Company measures loss allowance against trade receivables at an amount equal to lifetime expected credit losses (ECL) using the simplified approach. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The customers that were determined to be credit impaired, are individually assessed for ECL.

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8. PREPAYMENTS AND OTHER CURRENT ASSETS

	<u>2023</u>	<u>2022</u>
Pre-paid expenses	14,818,783	10,799,721
Advances to suppliers	12,056,980	4,599,080
Mobilization cost (refer to note (a) below)	11,554,742	9,800,926
Refundable deposits	8,936,266	8,231,884
Supplies	2,065,287	1,056,838
Advances to employees	849,345	1,087,792
Others	362,463	275,325
	<u>50,643,866</u>	35,851,566
Less: Long-term prepayments (refer to note (a) below)	<u>(7,462,648)</u>	(6,590,821)
	<u>43,181,218</u>	29,260,745

(a) Mobilization costs relates to specific contracts and is recognized on straight -line basis over the term of the respective contracts i.e. the period over which the respective economic benefits will be earned by the Company. Amortization of mobilization cost is recognized as part of the direct cost.

9. CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
Cash at banks – current account	21,780,410	24,852,579
Cash in hand	87,512	77,506
	<u>21,867,922</u>	24,930,085

Balance with the banks are assessed to have low credit risk of default since the banks are highly regulated by the Saudi Central Bank. Accordingly, management of the company estimates the loss allowance on balances with the banks at the end of the reporting period at an amount equal to 12 months ECL. None of the balances with the banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the banks, the management of the company have assessed ECL on bank balances and any loss given default is considered negligible and hence have not recorded any loss allowances in these financial statements.

10. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the shareholders, directors, key management personnel and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions.

The Company maintains balances with these related parties which arise in the normal course of business from the commercial transactions, the Company transacts with its related parties, on agreed prices and contract terms as approved by the Company's management. The prices are not fixed by any agreement and are mutually agreed at the time of the transaction.

The significant transactions entered into by the Company with related parties during the year, other than those disclosed elsewhere in these financial statements, are as follows:

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10. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

	2023	2022
<u>Parent Company</u>		
Marketing and support services fee	(5,491,254)	(3,665,092)
Income /WH tax charged/reimbursement	920,150	2,798,189
Dividend declared	-	(4,400,000)
Reimbursement of tax*	2,840,083	1,517,614
IT support	(3,888,753)	(2,590,800)
Services rendered / (received) net of reimbursement	14,341,726	(878,668)
Shareholder's loan	6,600,000	-
Secondee salaries	(3,838,711)	(2,684,754)
<u>Other shareholders</u>		
Dividend declared	-	(3,600,000)
Dividend paid	-	(1,987,422)
Reimbursement of zakat*	-	1,612,578
Shareholders' loan	4,980,000	-

The above transactions resulted in following due to related party balance:

	2023	2022
<u>Due to a related party</u>		
EFS Facilities Services Group Limited	303,066	11,827,138

* The Company has an arrangement with its shareholders whereby taxes and zakat paid during the year are reimbursed by the shareholders in the proportion of their respective shareholding.

10.1 Shareholders' loan

	2023	2022
Shareholders' loan	11,580,000	-

Shareholders' loan represents a short-term interest-free loan from the shareholders provided to support the Company's operations / cashflow requirements which will be transferred into equity by the decision of the shareholders and subject to the completion of all necessary legal formalities, including the re-registration of the share capital.

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11. SHARE CAPITAL

The share capital of the Company as at 31 December 2022 and 2023 was SR 10,000,000 divided into 100,000 shares of SR 100 each, which are fully paid and owned as follows:

<u>Name of shareholders</u>	<u>No. of shares</u>	<u>%</u>	<u>Total value</u>
EFS Facilities Services Group Limited	55,000	55%	5,500,000
Al-Khafrah Holding Company	15,000	15%	1,500,000
Lama Holding Company	13,000	13%	1,300,000
Star Oula Company	10,000	10%	1,000,000
Khalid Abdulrahman Al- Gwaiz	7,000	7%	700,000
	100,000	100%	10,000,000

12. STATUTORY RESERVE

In accordance with the Companies Law in Saudi Arabia and the Company's Articles of Association up to the year ended December 31, 2022, the Company had to establish a statutory reserve by the appropriation of 10% of net profit. The shareholders may cease appropriation when the reserve equals 30% of the share capital. The Company has established the statutory reserve until it equaled 50% of the capital. In accordance with the Company's bylaws after the change of the legal structure of the Company from a limited liability company to a Saudi Unlisted Joint Stock Company (note 1) and the new Companies Law, effective from January 2023, the Company is not required to appropriate a reserve from its profit for the year.

13. EMPLOYEES DEFINED BENEFITS LIABILITY

The most recent actuarial valuation was performed by an independent, qualified actuary using the projected unit credit method.

13.1 Movement in liability recognized in the statement of financial position and its components are as follows:

	<u>2023</u>	<u>2022</u>
Balance at 1 January	9,597,022	7,219,068
Included in statement of profit and loss:		
- Current service cost	2,346,231	3,378,431
- Interest cost – Note 21	389,709	140,518
	2,735,940	3,518,949
Included in statement of other comprehensive income:		
- Actuarial loss recognized	3,701,605	899,976
Benefits paid	(3,821,160)	(2,040,971)
Balance at 31 December	12,213,407	9,597,022

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13. EMPLOYEE DEFINED BENEFITS LIABILITY (Continued)

13.2. The amounts recognized in other comprehensive income are as follows:

	<u>2023</u>	<u>2022</u>
Re-measurements (gain) / loss of employee defined benefit liability from:		
- Change in demographic assumptions	-	45,281
- Change in financial assumptions	780,469	(1,133,792)
- Experience adjustment	2,921,136	1,988,487
	<u>3,701,605</u>	<u>899,976</u>

13.3. The significant assumptions used in determining end of service benefit obligations for the Company's plans are shown below:

	<u>2023</u>	<u>2022</u>
Discount rate	4.45%	4.65%
Salary increases rate	<u>2.50%</u>	<u>1.50%</u>

13.4. A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation are shown below:

	<u>31 December 2023</u>		<u>31 December 2022</u>	
	+1%	- 1%	-1%	- 1%
	increase	decrease	increase	decrease
Discount rate	11,571,477	12,931,673	8,018,687	8,796,637
Future salary growth	12,938,658	11,553,849	8,805,731	8,004,305

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

14. LEASE LIABILITIES

	<u>2023</u>	<u>2022</u>
At 1 January	8,426,759	2,531,396
Recognition of lease liabilities during the year	9,916,341	9,031,605
Interest charged during the year (note 21)	469,336	325,404
Payments made during the year	<u>(4,916,039)</u>	<u>(3,461,646)</u>
Lease liabilities at 31 December	13,896,397	8,426,759
Less: Non-current portion	<u>(8,704,472)</u>	<u>(5,471,949)</u>
Lease liabilities (current)	<u>5,191,925</u>	<u>2,954,810</u>

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14. LEASE LIABILITIES (Continued)

Maturity analysis of minimum lease payments:

	2023	2022
Minimum lease payments		
Less than one year	5,843,092	3,269,863
Later than one year but not later than 5 years	9,451,667	5,800,789
Total	<u>15,294,759</u>	<u>9,070,652</u>
Finance costs		
Less than one year	(651,167)	(315,053)
Later than one year but not later than 5 years	(747,195)	(302,443)
Total	<u>(1,398,362)</u>	<u>(617,496)</u>
Present value of minimum lease payments		
Less than one year	5,191,925	2,954,810
Later than one year but not later than 5 years	8,704,472	5,471,949
Total	<u>13,896,397</u>	<u>8,426,759</u>

15. TRADE AND OTHER PAYABLES

	2023	2022
Trade payables	81,371,660	51,744,198
Accrued expenses:		
- Leave payable	13,610,888	9,093,718
- Salaries payable	11,461,570	6,424,518
- VAT	10,951,696	2,773,729
- Suppliers	10,734,032	9,630,541
- Other	2,260,616	2,244,501
Withholding tax payable	-	152,264
	<u>130,390,462</u>	<u>82,063,469</u>

16. BANK BORROWINGS

<u>2023</u>	<u>Opening</u>	<u>Additions</u>	<u>Payments</u>	<u>Closing</u>
Progress payment finance (PPF) – Fransi	4,879,156	34,788,635	(28,115,692)	11,552,099
Progress payment finance (PPF) – ENBD	11,301,280	203,465,636	(175,463,075)	39,303,841
Mobilization Finance – Fransi	-	18,358,991	-	18,358,991
Mobilization Finance – ENBD	13,750,000	26,000,000	(8,391,668)	31,358,332
	<u>29,930,436</u>	<u>282,613,262</u>	<u>(211,970,435)</u>	<u>100,573,263</u>

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16. BANK BORROWINGS (Continued)

<u>2022</u>	<u>Opening</u>	<u>Additions</u>	<u>Payments</u>	<u>Closing</u>
Progress payment finance (PPF) – Fransi	4,429,427	20,281,473	(19,831,744)	4,879,156
Progress payment finance (PPF) – ENBD	-	11,301,280	-	11,301,280
Mobilization Finance – ENBD	-	13,750,000	-	13,750,000
	<u>4,429,427</u>	<u>45,332,753</u>	<u>(19,831,744)</u>	<u>29,930,436</u>
		<u>2023</u>		<u>2022</u>
Balance closing as on 31 Dec		100,573,263		29,930,436
Less: Long-term		(23,458,329)		(2,750,000)
Current portion		<u>77,114,934</u>		<u>27,180,436</u>

- (a) The Company agreed on secured credit facilities with Banque Saudi Fransi (BSF) and Emirates NBD KSA in order to provide liquidity for the daily operations under PPF and Mobilization finance arrangement. The SAIBOR percentages for the above facilities are 1.75% and 3% respectively.
- (b) The facilities are secured by personal and corporate guarantees of shareholders.
- (c) The facilities have different maturity terms ranging between 3 months to 5 years.
- (d) The Company is subject to financial covenants in their agreement with the banks such as leverage ratio, current ratio and tangible net worth. The Company was in compliance with all the covenants during the year.

17. ACCRUED ZAKAT AND INCOME TAX

	<u>2023</u>	<u>2022</u>
Current tax and zakat expense		
- Current year tax (Note 17.3)	3,063,559	2,204,262
- Current year zakat (Note 17.2)	949,726	773,900
	<u>4,013,285</u>	<u>2,978,162</u>
Deferred tax charge / (reversal) (Note 17.4)	126,973	(167,779)
Net of the re-assessment of prior years	<u>(138,078)</u>	<u>22,721</u>
	<u>4,002,180</u>	<u>2,833,104</u>

17.1 Zakat and tax liability

Zakat is charged at the higher of adjusted income or Zakat base as required by the Zakat, Tax and Customs Authority ("ZATCA") and tax is charged for Non-Saudi share of net adjusted income at 20%.

	<u>2023</u>	<u>2022</u>
Balance at 1 January	2,978,162	1,784,030
Charge for the year	4,013,285	2,978,162
Net of assessment of prior years	(138,078)	22,721
Payment during the year	<u>(3,942,215)</u>	<u>(1,806,751)</u>
Balance at 31 December	<u>2,911,154</u>	<u>2,978,162</u>

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17. ACCRUED ZAKAT AND INCOME TAX (Continued)

17.2 Zakat expense

The Zakat charge for the year is based on the Zakat base, which has the following significant components with regards to the Saudi shareholders' share: 45%

	2023	2022
Share capital, beginning of the year	10,000,000	10,000,000
Statutory reserve, beginning of the year	5,000,000	5,000,000
Retained earnings, beginning of the year	40,825,013	30,672,430
Provisions at beginning of the year	6,580,354	6,300,284
Bank borrowing	21,473,397	17,716,660
Loan from shareholder	1,935,290	-
Lease Liability	13,896,393	7,367,843
Less: property and equipment, as adjusted	(32,077,777)	(15,920,148)
Less: Right of use assets	(14,895,418)	(7,664,129)
Less: dividends declared	-	(8,000,000)
Deferred Tax	(1,738,314)	(1,500,226)
Other addition	-	-
Zakat Base without adjusted income	50,998,938	43,972,714

	2023	2022
Zakat Base without adjusted taxable income	50,998,937	43,972,714
Adjusted net income	31,836,395	23,451,984
Approximate aggregate Zakat base	82,835,333	67,424,698
Total Saudi share of Zakat base	37,275,900	30,341,114
Zakat charge at 2.5%	949,726	773,900

17.3 Income tax

	2023	2022
Net income for the year	28,104,858	19,033,059
Adjustment to net income	(254,321)	1,005,687
Adjusted net income	27,850,537	20,038,746
Total non-Saudi share of adjusted net income 55%	15,317,795	11,021,310
Income tax at 20%	3,063,559	2,204,262

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17. ACCRUED ZAKAT AND INCOME TAX (Continued)

17.4 Movement in Deferred tax assets:

	2023	2022
Balance at 1 January	1,500,226	1,151,898
(Reversal) / charge for the year	(126,973)	167,779
Deferred tax credit recognised in statement of other comprehensive income	365,061	180,549
	<u>1,738,314</u>	<u>1,500,226</u>

Temporary differences give rise to the deferred tax asset which are recognized in the statement of financial position. The deferred tax asset is recognized on the following items.

	2023	2022
Actuarial gain or loss	365,061	180,549
Employee benefits	(218,372)	222,140
Expected credit loss (ECL) on trade receivables	74,569	(109,109)
Accelerated tax depreciation	16,830	54,748
	<u>238,088</u>	<u>348,328</u>

17.5 Status of income tax assessments

The Company has submitted its zakat and tax returns to the Zakat, Tax and Customs Authority ("ZATCA") up to the years ended 31 December 2023. During 2022, ZATCA has issued assessments for the years ended December 31, 2016, 2017 and 2018 claiming the amounts of SR 396,265, SR 3,095 and SR 29,575 respectively in which the Company has accepted and paid these claims. The ZATCA has not yet issued the final assessments for the year ended 31 December 2019 to 2022.

18. REVENUE

Revenue from contracts with customers is disaggregated by timing of revenue recognition.

	2023	2022
18.1 Revenue from contracts with customers		
Service transferred over time	445,215,560	284,773,634
Service transferred at a point in time	75,197,717	52,744,224
	<u>520,413,277</u>	<u>337,517,858</u>

18.2 Contract balances

The following table provides information about receivables, contract assets from contracts with customers:

	2023	2022
Receivables, which are included in the trade receivables	176,790,976	83,058,779
Contract assets	59,930,834	31,786,338
	<u>236,721,810</u>	<u>114,845,117</u>

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19. COSTS OF REVENUE

	<u>2023</u>	<u>2022</u>
Sub-contractor cost	237,849,616	137,307,847
Employee costs	195,081,904	144,336,101
Depreciation of property and equipment (Note 5)	5,546,566	2,421,383
Marketing and license fees	5,524,528	3,669,150
Amortisation of mobilization cost	5,446,604	2,464,904
Vehicle running expenses	3,365,775	1,586,726
Amortisation of right-of-use assets (Note 6)	2,629,034	2,868,428
I.T support charges	2,052,561	1,458,666
Communication expenses	948,657	716,437
Stationery cost	384,135	282,049
Other	3,928,629	2,967,420
	<u>462,758,009</u>	<u>300,079,111</u>

20. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>2023</u>	<u>2022</u>
Employee costs	12,567,893	10,839,216
I.T Cost	1,710,672	528,820
Depreciation of property and equipment (Note 5)	1,188,942	156,758
Amortisation of right-of-use assets (Note 6)	1,114,934	266,799
Impairment of trade receivables	995,596	-
Rent expenses	-	418,000
Legal and professional charges	413,580	629,500
Travelling expenses	313,250	303,249
Other	1,201,705	431,427
	<u>19,506,572</u>	<u>13,573,769</u>

21. FINANCE COST

	<u>2023</u>	<u>2022</u>
Interest on borrowings	5,440,885	3,466,022
Interest on lease liabilities (Note 14)	469,336	325,404
Interest on defined benefits obligations (Note 13.1)	389,709	140,518
	<u>6,299,930</u>	<u>3,931,944</u>

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22. CONTINGENCIES AND COMMITMENTS

As at December 31, 2023, The Company has outstanding bid bonds amounting to SR 3,621,340 for JEDCO, Umm Al Qura Development and Construction Company, Tatweer Buildings Company and King Abdullah Financial District Development and Management Company and Performance Bonds amounting to SR 49,954,510 for Tatweer Building Company, Neom Company, Saudi Central Bank, King Abdullah Financial District and Diriyah Gate Development Authority (2022 : bid bonds amounting to SR 4,018,044 for Tourism Development Fund And King Abdullah Financial District Zone-C and performance bonds amounting to SR 3,068,402 for Tatweer Building Company, Neom Company, Saudi Payment, Saudi Central Bank And Arabian Centers) issued by the local banks in the favor of its customers. The performance bond payment is remote as there are no conditions exist as per the current terms of the agreements for it to be paid.

During the year, there is also payment guarantee of SR 50,000 (2022: Nil) issued for Saudi Ground Service Company and guarantee margin of SR 1,725,000 (2022: Nil) For JEDCO.

23. FINANCIAL INSTRUMENTS

(a) Material accounting policy information

Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

(b) Categories of financial instruments

	2023	2022
Financial assets - at amortized cost		
Trade and other receivables	174,990,888	81,936,591
Cash and cash equivalents	21,867,922	24,930,085
Financial liabilities - at amortized cost		
Bank borrowings	100,573,263	29,930,436
Trade and other payables	92,105,692	76,892,975
Lease liabilities	13,896,397	8,426,759
Due to related parties	303,066	11,827,138

(c) Fair value of financial instruments

The fair values of financial assets and financial liabilities at the end of the reporting period approximate the amounts as shown in the statement of financial position.

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A. Risk management framework

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

B. Accounting classification and fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial risk management

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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24. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Continued)

Financial risk management (continued)

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Management assessed that the fair values of cash and cash equivalents, trade receivables, contract assets, trade and other payables, contract liabilities and employee benefits approximate their carrying values largely due to the short-term maturities of these financial instruments.

The Company has exposure to the following risk arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

B. Accounting classification and fair values (continued)

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The carrying amount of financial assets and contract assets represents the maximum credit exposure, details of impairment losses on financial assets recognized is explained below.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, trading history with the Company and existence of previous financial difficulties.

Expected credit loss assessment for customers:

The Company uses an allowance matrix to measure the ECLs of trade receivables from customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region, age of customer relationship and type of product purchased.

Loss rates are based on actual credit loss experience. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast gross domestic product growth.

Impairment losses on financial assets and contract assets recognized in statement of profit or loss relating to trade receivables and contract assets during the year were 995,196 (2022: SR Nil) and write off of SR: 317,696 (2022: 991,902).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)
 (All amounts are in Saudi Arabian Riyal unless otherwise stated)

B. Accounting classification and fair values (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2023.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2022.

Cash and cash equivalents

The Company held cash and cash equivalent of SR: 21,867,922 (31 December 2022: SR 24,930,085). The cash and cash equivalent are held with a bank with sound credit rating.

ii. **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

**EFS IM FACILITIES MANAGEMENT COMPANY
(FORMERLY SAUDI EMCOR COMPANY LIMITED)
(SAUDI UNLISTED JOINT STOCK COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)
(All amounts are in Saudi Arabian Riyal unless otherwise stated)**

24. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Continued)

B. Accounting classification and fair values (continued)

iii. Liquidity risk (continued)

The following are the remaining contractual maturities of financial liabilities at the reporting date.

	Total Contractual Cashflows	Less than 1 year	1 years to 5 years	More than 5 years
31 December 2023				
Trade and other payables	130,390,462	130,390,462	-	-
Bank borrowing	100,573,263	77,114,934	23,458,329	-
Lease liability	13,896,397	5,191,925	8,704,472	-
	244,860,122	212,697,321	32,162,801	-
	Total Contractual Cashflows	Less than 1 year	1 years to 5 years	More than 5 years
31 December 2022				
Trade and other payables	93,855,936	93,855,936	-	-
Bank borrowing	29,930,436	27,180,436	2,750,000	-
Lease liability	8,426,759	2,954,810	5,471,949	-
	132,213,131	123,991,182	8,221,949	-

iii. Market risk:

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market profit rates or the market prices of securities due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of three types of risk: currency risk, commission rate risk and other price risk.

a. Interest rate risk

Interest rate risk is the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows. The Company's interest rate risks arise mainly from long term borrowings, which are at floating rates of interest and is subject to re-pricing on a regular basis. As a result, the Company's exposure to interest rates has increased during the year as a result of increase in interest-bearing borrowings.

b. Currency risk

It is a risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's principal transactions are carried in Saudi Riyal and UAE Dirham. The Company's management believes that currency risk is not significant since the exchange rate of Saudi Riyal is pegged against those currencies. Further, the Company is also not exposed to any significant commission rate risk.

**EFS IM FACILITIES MANAGEMENT COMPANY
(FORMERLY SAUDI EMCOR COMPANY LIMITED)
(SAUDI UNLISTED JOINT STOCK COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)
(All amounts are in Saudi Arabian Riyal unless otherwise stated)**

25. CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes assigned capital and all equity reserves attributable to Company's shareholders. The primary objective of the Company's capital management is to maximise value to the shareholder equity. Other objectives include maintaining a positive capital base so as to maintain market and government confidence and to enable development of the Company's business in Saudi Arabia.

Management achieves these objectives through operating the Company as optimally as possible and through maintaining adequate positive cash flows. Management ensure that it meets its financial commitments, its statutory and legal obligations and evaluates whether any additional support may be required in the form of capital contributions.

Company's net debt to adjusted equity ratio as at year end was as follows.

	<u>2023</u>	<u>2022</u>
Total current liabilities	227,491,541	127,004,015
Less: cash and cash equivalents	(21,867,922)	(24,930,085)
Net debt	205,623,619	102,073,930
Total equity	84,277,270	55,825,013
Net debt to equity ratio	244%	183%

26. DIVIDEND'S DECLARATION

No dividend was declared during the year. (2022: On December 12, 2022, the shareholders approved cash dividend amounting to SR 3 million for 2021 and SR 5 million as interim dividend for 2022).

27. RETIREMENT BENEFIT INFORMATION

The Company makes contributions for a defined contribution retirement benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. The total amount expensed during the year in respect of this plan was SR 9 million (2022: SR 1.82 million).

28. EVENTS AFTER THE REPORTING PERIOD

No events have occurred subsequent to the reporting date and before the issuance of these financial statements which requires adjustment to, or disclosure, in these financial statements.

29. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on June 06, 2024.

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**EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024**

**EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)****FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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Deloitte and Touche & Co.
Chartered Accountants
(Professional Simplified Joint Stock
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Paid-up capital SR 5,000,000
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
EFSIM Facilities Management Company
Saudi Unlisted Joint Stock Company
Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **EFSIM Facilities Management Company** (the “Company”), which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as endorsed in the Kingdom of Saudi Arabia (“the Code”), that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 32 of the financial statements, which describes the reasons for the withdrawal of the financial statements issued on March 15, 2025. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, Company’s Bylaws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company’s financial reporting process.

Report on the Audit of the Financial Statements of EFSIM Facilities Management Company for the year ended December 31, 2024 (Continued)**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the investment of the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte and Touche & Co.
Chartered Accountants



Tariq Bin Mohammed Al-Fattani

License No. 446

7th Dhul Hijjah 1446 H

June 3, 2025



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EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

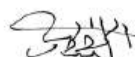
(All amounts are in Saudi Arabian Riyals unless otherwise stated)

	Notes	2024	2023
ASSETS			
Non-current assets			
Property and equipment	5	51,741,114	32,077,777
Right-of-use assets	6	25,340,420	14,895,418
Deferred tax asset	17.3	2,090,814	1,738,314
Investment in associate	9	889,092	-
Total non-current assets		80,061,440	48,711,509
Current assets			
Contract assets	18.2	115,948,530	83,275,632
Trade receivables	7	230,684,315	174,990,888
Prepayments and other current assets	8	33,401,578	27,299,068
Due from related parties	11	6,347,369	-
Cash and cash equivalents	10	64,933,717	21,867,922
Total current assets		451,315,509	307,433,510
Total Assets		531,376,949	356,145,019
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	10,000,000	10,000,000
Statutory reserve	13	-	5,000,000
Retained earnings		128,360,358	69,277,270
Total equity		138,360,358	84,277,270
LIABILITIES			
Non-current liabilities			
Employee's defined benefit liabilities	14	15,430,704	12,213,407
Lease liabilities - noncurrent portion	6	13,178,976	8,704,472
Bank Borrowing - long term	16	19,927,507	23,458,329
Total non-current liabilities		48,537,187	44,376,208
Current liabilities			
Bank borrowings - short term	16	101,060,677	77,114,934
Lease liabilities - current portion	6	9,762,600	5,191,925
Loan from shareholders	11.1	20,000,000	11,580,000
Trade and other payables	15	199,600,724	130,390,462
Due to related parties	11	8,756,374	303,066
Accrued zakat and income tax	17.1	5,299,029	2,911,154
Total current liabilities		344,479,404	227,491,541
Total liabilities		393,016,591	271,867,749
Total Equity and Liabilities		531,376,949	356,145,019

The accompanying notes form an integral part of these financial statements.


Maher Jhanjhyra
Chief Financial Officer


Tariq Chauhan
Chief Executive Officer


Abdul Raouf Al Dhat
Chairman of the Board of Directors

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EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

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

	Notes	2024	2023
Revenue	18	802,912,412	520,413,277
Cost of revenue	19	(692,207,007)	(462,758,009)
Gross profit		110,705,405	57,655,268
General and administrative expenses	20	(37,993,659)	(19,506,572)
Operating profit		72,711,746	38,148,696
Finance costs	21	(13,986,346)	(6,299,930)
Share of result of associate	9	724,092	-
Profit before zakat and tax		59,449,492	31,848,766
Zakat and income tax expense	17	(7,816,509)	(4,002,180)
Net profit for the year		51,632,983	27,846,586
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement loss on employee defined benefit liability	14.1	(3,331,034)	(3,701,605)
Deferred tax credit recognized in statement of other comprehensive income	17.3	366,413	365,061
Total comprehensive income for the year		48,668,362	24,510,042

The accompanying notes form an integral part of these financial statements.



Taher Jhanjharya
Chief Financial Officer



Tariq Chauhan
Chief Executive Officer



Abdul Raouf Al Bitar
Chairman of the Board of Directors

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

(All amounts are in Saudi Arabian Riyal unless otherwise stated)

Note	Share capital	Statutory reserve	Retained earnings	Total
	10,000,000	5,000,000	40,825,013	55,825,013
Balance at January 1, 2023				
Net profit for the year	-	-	27,846,586	27,846,586
Other comprehensive loss	-	-	(3,336,544)	(3,336,544)
Total comprehensive income for the year	-	-	24,510,042	24,510,042
Zakat and income tax reimbursement from shareholders	-	-	3,942,215	3,942,215
Balance at December 31, 2023	10,000,000	5,000,000	69,277,270	84,277,270
Net profit for the year	-	-	51,632,983	51,632,983
Other comprehensive loss	-	-	(2,964,621)	(2,964,621)
Total comprehensive income for the year	-	-	48,668,362	48,668,362
Statutory reserves transferred to retained earnings	-	(5,000,000)	5,000,000	-
Zakat and Income tax reimbursement from shareholders	-	-	5,414,726	5,414,726
Balance at December 31, 2024	10,000,000	-	128,360,358	138,360,358

The accompanying notes form an integral part of these financial statements.



Taher Jhanjhyria
Chief Financial Officer



Tariq Chauhan
Chief Executive Officer



Abdul Raouf Al Bitar
Chairman of the Board of Directors

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

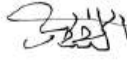
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

	Notes	2024	2023
Cash flows from operating activities			
Profit before zakat and tax		59,449,492	31,848,766
Adjustments for:			
Depreciation expenses	5	11,384,890	6,735,508
Depreciation on right of use assets	6	9,191,149	3,743,968
Impairment of trade receivables	7	1,526,070	995,596
Finance costs	21	13,986,346	6,299,930
Provision for employee benefits	14	6,062,354	2,346,231
Share of profit from Associate	9	(724,092)	--
		100,876,209	51,969,999
Changes in:			
Trade receivables and contract assets		(89,892,395)	(145,539,187)
Prepayments and other current assets		(6,097,380)	8,552,498
Trade and other payables		69,210,262	48,326,993
Due from related parties		(932,643)	
Due to related parties		8,453,308	(7,581,857)
Cash generated from / (used in) operating activities		81,617,361	(44,271,554)
Interest costs on borrowings - paid		(12,323,440)	(5,440,885)
Employees benefits paid	14	(6,720,728)	(3,821,160)
Zakat and income tax paid	17	(5,414,726)	(3,942,215)
Net cash generated from / (used in) operating activities		57,158,467	(57,475,814)
Cash flows from investing activities			
Investment in associate	9	(165,000)	-
Purchase of property and equipment	5	(31,053,353)	(22,893,137)
Net cash used in investing activities		(31,218,353)	(22,893,137)
Cash flows from financing activities			
Proceeds from banks against borrowings	16	366,375,800	282,613,262
Repayments to banks against borrowings	16	(345,960,877)	(211,970,435)
Loan from shareholders	11	8,420,000	11,580,000
Lease rentals paid	6	(11,709,242)	(4,916,039)
Net cash generated from financing activities		17,125,681	77,306,788
Net increase / (decrease) in cash and cash equivalents		43,065,795	(3,062,163)
Cash and cash equivalents at beginning of the year		21,867,922	24,930,085
Cash and cash equivalents at end of the year	10	64,933,717	21,867,922
Non-cash transactions			
Re-measurement loss on employee defined benefit liability	13.1	(3,331,034)	(3,701,605)

The accompanying notes form an integral part of these financial statements.


Taher Jhanjharya
Chief Financial Officer


Tariq Chauhan
Chief Executive Officer


Abdul Raouf Al Bitar
Chairman of the Board of Directors

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

1. ESTABLISHMENT AND OPERATIONS

EFSIM Facilities Management Company (formerly Saudi EMCOR Company Limited) (“the Company”) is a Saudi Unlisted Joint Stock Company registered in the Kingdom of Saudi Arabia under National Unified Number 7001574883 dated 27 Dhul- Hijjah 1429H (corresponding to 25 December 2008). The Company is a subsidiary of EFS Facilities Services Group Limited (the “Parent Company”) which owns 55% of the share capital (refer note 11).

On 13 Jammad-ul-Awwal 1445H (corresponding to 27 November 2023), the Company changed its legal name from Saudi EMCOR Company Limited to EFSIM Facilities Management Company and re-registered from limited liability company to a Saudi Unlisted Joint Stock Company and changed its articles of association to bylaws dated 20th Rajab, 1445H (corresponding to 1 February 2024).

The Company is engaged in executing operation, maintenance and cleaning contracts for commercial, residential and industrial facilities and its related maintenance, repair of equipment, electrical and mechanical appliances, restoration and maintenance of buildings and infrastructure facilities, storage and catering facilities, renting leisure and fishing boats, firefighting rescue teams and equipment, in accordance with Ministry of Investment of Saudi Arabia (MISA) License No. 10202911835 dated 21 Dhul-Qadah 1429H (corresponding to 20 November 2008).

The Company has the following branches:

Branch name	Commercial registration
Khobar	2051221373
Riyadh	1010884208
Al-Ula	4651103441
Tabuk	3550151803
Jeddah	4030193432

The results, assets and liabilities of these branches are included in these financial statements.

The Company’s registered office is located at 6756 Prince Faisal Ibn Bandar Ibn Abdulaziz 3604 Al Narjis Dist. 13328, Riyadh, KSA.

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

New and amended IFRS applied with no material effect on the financial statements

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS (Continued)

New and amended IFRS applied with no material effect on the financial statements (Continued)

Standard, interpretation, amendments	Description	Effective for annual periods beginning on or after
Amendment to IFRS 16 – Lease Liability in sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
Amendments to IAS 7 and IFRS 7 - Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendments to IAS 1 - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024

New and revised IFRS in issue but not yet effective and not early adopted

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Standard, interpretation, amendments	Description	Effective for annual periods beginning on or after
Amendment to IFRS 21 – Lack of exchangeability:	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025



EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS (Continued)

New and revised IFRS in issue but not yet effective and not early adopted (Continued)

Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB amended IFRS 9 to clarify when a financial asset or financial liability is recognized and derecognized, and provide an exception relating to the derecognition of financial liabilities that are settled using an electronic payment system.	1 January 2026
IFRS -18 Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as management-defined performance measures (MPMs). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Note	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
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3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), collectively hereafter referred to as ("IFRS").

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue its operations and will discharge its liabilities, in the normal course of business. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

These financial statements have been prepared on the historical cost basis except for the employees' defined benefit obligations, which has been actuarially valued and for right of use of assets and lease liabilities that have been recorded at the present value of future lease rent payable, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

These financial statements are presented in Saudi Riyals (SR), which is the Company's functional currency.

Property and equipment

Property and equipment, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land is stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes accounted for on a prospective basis.

The Company applies the following estimated useful lives:

Asset	Years
Leasehold improvements	5 (or lease term if less)
Furniture and fixtures	5
Office and machinery equipment	5
Vehicles	5
Computers	3

Leasehold improvements are depreciated over the shorter of their useful lives or the lease term.



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3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain and loss on derecognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the statement of profit or loss.

Maintenance and normal repairs which do not materially extend the estimated useful life of an asset are charged to the statement of profit or loss, as and when incurred. Major renewals and improvements, if any, are recognized in the carrying amount of the property and equipment.

Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

The Company recognizes financial assets on a trade date basis at which point the Company becomes a party to the contracted provisions of the instruments.



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Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any financial asset that meets the criteria to be classified as subsequently measured at 'fair value through profit or loss' or at 'fair value through other comprehensive income' nor it has elected to irrevocably designate its financial assets to be subsequently measured at 'fair value through profit or loss' or at 'fair value through other comprehensive income'.

All recognized financial assets are subsequently measured in their entirety at amortized cost using the effective interest rate ("EIR") method. Interest income from these financial assets is included in finance income. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / expenses.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the EIR method for debt instruments measured subsequently at amortized cost. Interest income is calculated by applying the EIR to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the EIR to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the EIR to the gross carrying amount of the financial asset.

Impairment of financial assets

The Company recognizes loss allowances for ECL on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.



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3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (continued)

Loss allowances for trade receivables and due from related parties are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 360 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Impairment of financial assets (continued)

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement and recognition of expected credit losses

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the customer;
- a breach of contract such as a default or being more than 450 days past due;
- it is probable that the customer will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.



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Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off policy

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.



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3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Trade receivables

Trade receivables are initially measured at their transaction price, and are subsequently measured at amortized cost using the effective interest method, less loss allowance. At the end of each reporting period, the carrying amounts of trade receivable are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, a loss allowance is recognized immediately in statement of profit and loss.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and current accounts held with banks, all of which are available for use by the Company unless otherwise stated and have maturities of 90 days or less from the date of acquisition, which are subject to insignificant risk of changes in values.

Investments in associates

Investments in associates are accounted for using the equity method. The carrying amount of the investment in an associate is calculated at cost plus the entity's subsequent share of the associate's comprehensive income. If at the end of a reporting period indications show that an investment in an associate may be impaired, the entire carrying amount of the investment is tested for impairment. If the carrying amount of the investment is found to be higher than its recoverable amount, the carrying amount is reduced to its recoverable amount and an impairment loss is immediately recognized in profit or loss.

Employee benefits

Employee defined benefit liabilities

The unfunded employee defined benefit liability is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- remeasurements

The Company presents the first two components of defined benefit costs in profit or loss in relevant line items.

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and air tickets that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service.



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Retirement benefits made to defined contribution plans are expensed when incurred.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Zakat and income tax**Zakat**

The Company is subject to the Regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is provided on an accruals basis. The zakat charge is computed on the zakat base. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

Income Tax

Income tax is applied at specified rate on adjusted share of income of foreign shareholders determined as per Saudi regulations applicable in the Kingdom of Saudi Arabia.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Value added tax (VAT)

Sales, expenses and assets are recognized net of the amount of Value added tax, except when the value added tax on purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. The net amount of value added tax receivable from, or payable to, the taxation authority is included as part of receivable or payables in the statement of financial position.



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3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.



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Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers the ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Revenue

The Company's revenue mainly consists of revenue from facility management services, which includes, among others, hard services, soft services, Mechanical, Electrical and Plumbing (MEP), civil works, Health, Safety and Environment (HSE) maintenance and accounts management services, and variations and out of scope works (e.g. procurement of equipment, spares and consumables, non-routine and other additional services).

Under IFRS 15, the Company recognizes revenue at the amount which corresponds directly to the value to the customer of the Company's performance completed to date. Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over the service to a customer.

Facilities Management Revenue

Facility management services are structured as fixed price contracts and re-measurable contracts, which normally include a minimum value. Contracts are typically for a period of time, ranging from 2 to 5 years. Control has been assessed to transfer over time for facilities management services, as the customer simultaneously receives and consumes the benefits provided by the Company.



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3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue (continued)

Revenue for facility management services is recognised based on the actual services provided in the reporting period as a proportion of the total services to be provided.

For key accounts where the Company provides a variety of direct benefits to the customer, this is determined based on the actual costs incurred relative to the total expected costs to complete the service. Estimates of labour hours and costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. Management consider that this approach provides an appropriate measure of the progress towards complete satisfaction of the performance obligations under IFRS 15 for these key accounts.

For all other facility management services contracts (generally small to medium sized contracts), revenue is recognized on a straight line basis over the term of the project.

When the Company satisfies a performance obligation over time by delivering the promised services, it creates a contract asset based on the amount of consideration earned by the performance. The amount previously recognized as a contract asset is reclassified to trade receivables upon invoicing the balance to the customer.

Customers are invoiced on a monthly basis in accordance with contractual terms, and payment terms are agreed on an individual basis.

Variations and Out-of-Scope Works

Variations and out-of-scope works include procurement of equipment, spares and consumables, non-routine and other additional services requested by the customers. Typically these services do not meet the requirements for revenue recognized over time, and are therefore recognized at a point in time.

For goods, customers obtain control of the products when the goods are delivered to the customers' location. For services, customers obtain control upon the completion of work order and the entity has the right to invoice the customer for an amount that corresponds directly with performance as per the agreement.

Expenses

Costs incurred in relation to contracts and employees directly related to projects is classified as cost of revenue.

All other expenses, excluding cost of revenue and financial charges, are classified as general and administrative expenses. Allocations of common expenses between cost of revenue and general and administrative expenses, when required, are made on a consistent basis.

Foreign currency translation

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Saudi Riyals at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in profit or loss.

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

i. Allowance for expected credit losses of trade receivables

The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information.

For instance, if forecast economic conditions are expected to change, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses ("ECLs") is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 24.

ii. Useful lives and residual values of property and equipment

Estimated useful lives of property and equipment are determined for calculating depreciation, taking into account the expected usage of assets and physical wear and tear. Residual values and estimated useful lives are reviewed annually.

iii. Employee defined benefit liabilities

Employee defined benefit liabilities are determined using an actuarial valuation which requires estimates to be made of the various inputs. These estimates have been disclosed in note 14.

iv. Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of the lease, which ranges from 4.4% to 6%

v. Percentage of completion and costs to complete

The Company uses the input method to recognise revenue on the basis of entity's efforts or inputs to the satisfaction of a performance obligation in accounting for its revenue on key accounts. This is done by measuring the costs incurred to date relative to the total expected costs to be incurred (forecast final costs). At each reporting date, the Company is required to estimate stage of completion and costs to complete on its facility management service contracts for key accounts.

These estimates require the Company to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. These estimates also include the cost of meeting all contractual obligations to the customers. The effects of any revision to these estimates are reflected in the year in which the estimates are revised. The Company uses its commercial teams together with project managers to estimate the costs to complete key its key projects. Factors such as changes in the scope of work, changes in material prices, increase in labour and other costs are included in the total cost estimates based on best estimates updated on a regular basis.



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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

vi. Project Costs

The customer base includes a number of large and complex facility management services contracts.

Management makes detailed assessments of the contractual terms and generally concludes that the contracts include one performance obligation. Management estimates the amount of revenue expected to be received based on services delivered, including an assessment of the probability of such amount being reversed subsequently.

Significant management judgement is required to determine the extent that the cost of upfront mobilisation activities represent activities that transfer a benefit to the customer, which can be controlled by the customer. Where this criteria is met, such costs will be considered in measuring progress of the performance obligation, and revenue will be recognized against those costs.

For key account contracts, the outcome may vary significantly, should the judgements and assumptions applied by management in their assessments not be realized as expected.



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5. PROPERTY AND EQUIPMENT

	Leasehold improvement	Furniture and fixtures	Office & machinery equipment	Vehicles	Computers	Total
Cost						
At 1 January 2024	1,081,595	5,833,363	41,531,762	104,251	2,247,871	50,798,842
Additions	473,129	3,335,313	19,190,952	7,034,396	1,019,563	31,053,353
Transfers*	-	-	-	-	(6,119)	(6,119)
At 31 December 2024	1,554,724	9,168,676	60,722,714	7,138,647	3,261,315	81,846,076
Accumulated depreciation						
At 1 January 2024	432,408	3,460,759	13,040,753	33,624	1,753,521	18,721,065
Charge for the year	210,012	1,043,823	9,319,870	365,837	445,348	11,384,890
Transfers	-	-	-	-	(993)	(993)
At 31 December 2024	642,420	4,504,582	22,360,623	399,461	2,197,876	30,104,962
Carrying amount						
At 31 December 2024	912,304	4,664,094	38,362,091	6,739,186	1,063,439	51,741,114

* Transfers pertain to Software subscriptions reclassified to prepayments.

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5. PROPERTY AND EQUIPMENT (Continued)

	Leasehold improvement	Furniture and fixtures	Office & machinery equipment	Vehicles	Computers	Total
Cost						
At 1 January 2023	687,840	4,774,356	20,424,347	69,500	1,949,662	27,905,705
Additions	393,755	1,059,007	21,107,415	34,751	298,209	22,893,137
At 31 December 2023	1,081,595	5,833,363	41,531,762	104,251	2,247,871	50,798,842
Accumulated depreciation						
At 1 January 2023	319,215	2,828,981	7,379,262	12,773	1,445,326	11,985,557
Charge for the year	113,193	631,778	5,661,491	20,851	308,195	6,735,508
At 31 December 2023	432,408	3,460,759	13,040,753	33,624	1,753,521	18,721,065
Carrying amount						
At 31 December 2023	649,187	2,372,604	28,491,009	70,627	494,350	32,077,777

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5. PROPERTY AND EQUIPMENT (Continued)

Depreciation is charged to the statement of profit or loss as follows:

	2024	2023
Cost of revenue (note 19)	10,212,259	5,546,566
General and administrative expenses (note 20)	1,172,631	1,188,942
	11,384,890	6,735,508

6. RIGHT-OF-USE ASSETS / LEASE LIABILITIES

Right-of-use assets

The Company leases several assets including vehicles, offices, and warehouses. The average lease term is 3 years.

	Vehicles	Properties	Total
Cost			
Balance at 01 January 2023	3,958,719	8,609,498	12,568,217
Additions for the year	-	9,916,341	9,916,341
Balance at 31 December 2023	3,958,719	18,525,839	22,484,558
Additions for the year	3,265,362	16,370,789	19,636,151
Balance at 31 December 2024	7,224,081	34,896,628	42,120,709
Accumulated depreciation			
Balance at 1 January 2023	1,745,215	2,099,957	3,845,172
Depreciation for the year	817,519	2,926,449	3,743,968
Balance at 31 December 2023	2,562,734	5,026,406	7,589,140
Depreciation for the year	1,204,461	7,986,688	9,191,149
Balance at 31 December 2024	3,767,195	13,013,094	16,780,289
Carrying amount			
As at 31 December 2024	3,456,886	21,883,534	25,340,420
As at 31 December 2023	1,395,985	13,499,433	14,895,418



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6. RIGHT-OF-USE ASSETS (Continued)

Depreciation expense is charged to the statement of profit or loss are as follows:

	2024	2023
Cost of revenue (Note 19)	5,233,035	2,629,034
General and administrative expenses (Note 20)	3,958,114	1,114,934
	<u>9,191,149</u>	<u>3,743,968</u>

Lease liabilities

	2024	2023
At 1 January	13,896,397	8,426,759
Recognition of lease liabilities during the year	19,636,151	9,916,341
Interest charged during the year (note 21)	1,118,269	469,336
Payments made during the years	<u>(11,709,241)</u>	<u>(4,916,039)</u>
Lease liabilities at 31 December	22,941,576	13,896,397
Less: Non-current portion	<u>(13,178,976)</u>	<u>(8,704,472)</u>
Lease liabilities (current)	<u>9,762,600</u>	<u>5,191,925</u>

Maturity analysis of minimum lease payments:

	2024	2023
Minimum lease payments		
Less than one year	11,709,242	5,843,092
Later than one year but not later than 5 years	15,246,559	9,451,667
Total	<u>26,955,801</u>	<u>15,294,759</u>

Finance costs

Less than one year	(1,118,269)	(651,167)
Later than one year but not later than 5 years	<u>(2,895,957)</u>	<u>(747,195)</u>
Total	<u>(4,014,226)</u>	<u>(1,398,362)</u>

Present value of minimum lease payments

Less than one year	9,762,600	5,191,925
Later than one year but not later than 5 years	13,178,975	8,704,472
Total	<u>22,941,575</u>	<u>13,896,397</u>



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7. TRADE RECEIVABLES

	<u>2024</u>	<u>2023</u>
Trade receivables	234,010,473	176,790,976
Less: allowance for impairment (Note 7.1)	<u>(3,326,158)</u>	<u>(1,800,088)</u>
	<u>230,684,315</u>	<u>174,990,888</u>

7.1. Movement in allowance for impairment on trade receivables:

	<u>2024</u>	<u>2023</u>
Balance at 1 January	1,800,088	1,122,188
Charge for the year (Note 20)	1,526,070	995,596
Write-off	-	(317,696)
Balance at 31 December	<u>3,326,158</u>	<u>1,800,088</u>

The credit period on sales of goods ranges from 60 to 120 days (2023: 60 to 120 days). No interest is charged on outstanding trade receivables. At the reporting date, 5 customers (2023: 5 customers) represents more than 50% of the total balance of trade receivables.

The Company measures the loss allowance against trade receivables at an amount equal to lifetime expected credit losses (ECL) using the simplified approach. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The customers that were determined to be credit impaired, are individually assessed for ECL. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

8. PREPAYMENTS AND OTHER CURRENT ASSETS

	<u>2024</u>	<u>2023</u>
Advances to suppliers	10,683,940	12,056,980
Refundable deposits	8,562,614	8,936,266
Prepaid expenses	6,210,089	3,028,728
Supplies	4,894,936	2,065,286
Advances to employees	1,831,136	849,345
Others	1,218,863	362,463
	<u>33,401,578</u>	<u>27,299,068</u>



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9. INVESTMENT IN ASSOCIATE

The investment comprises of the following:

Investment in Associate	Shareholding %	2024 SAR
The Agency Limited for Entertainment Events	33.0%	165,000

Movement in the investment in associate is as follows:

	2024
Opening Balance	-
Shares owned by EFSIM Facilities management company	165,000
Share of the results for the year	724,092
Closing Balance	889,092

The Agency Limited for Entertainment Events provides temporary staffing solutions for events, luxury retail establishments, and hospitality venues. The entity offers a comprehensive range of services, including guest-facing roles at events and luxury boutiques and offering expertise to curate exceptional shows.

Summarized financial information in respect of the associate is set out below:

	2024
Current assets	18,949,695
Non-current assets	20,467
Current liabilities	15,137,918
Non-current liabilities	40,917
Net assets of associate	2,694,218
Share of EFSIM ownership	33%
Carrying value of investment	889,002

The Agency Limited for Entertainment Events has share capital totalling SAR 500,000 and was formed of 5,000 shares of 100 Saudi riyal (SAR) allocated as follows:

- a. 3,350 shares owned by THA Agency Limited Company for Entertainment Activities representing a shareholding of 67%
- b. and 1,650 shares owned by EFSIM Facilities management company, representing a shareholding of 33%

10. CASH AND CASH EQUIVALENTS

	2024	2023
Cash at banks – current account	64,871,508	21,780,410
Cash in hand	62,209	87,512
	64,933,717	21,867,922



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10. CASH AND CASH EQUIVALENTS (continued)

The balance with the banks is assessed to have a low credit risk of default since the banks are highly regulated by the Saudi Central Bank. Accordingly, management has estimated the loss allowance on balances with the banks at the end of the reporting period at an amount equal to 12 months ECL. None of the balances with the banks at the end of the reporting period are past due. Taking into account the historical default experience and the current credit ratings of the banks, management have assessed ECL on the bank balances and any loss given default is considered negligible, and hence management have not recorded any loss allowances in these financial statements.

11. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the shareholders, directors, key management personnel and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions.

The Company maintains balances with these related parties which arise in the normal course of business from the commercial transactions, the Company transacts with its related parties, on agreed prices and contract terms as approved by the Company's management. The prices are not fixed by any agreement and are mutually agreed at the time of the transaction.

The significant transactions entered into by the Company with related parties during the year, other than those disclosed elsewhere in these financial statements, are as follows:

	<u>2024</u>	<u>2023</u>
<u>Parent Company</u>		
Marketing and support services fee	(8,060,028)	(5,491,254)
Income /WH tax charged/reimbursement	1,906,343	920,150
IT support	(6,390,365)	(3,888,753)
Services rendered / (received) net of reimbursement	1,646,064	14,382,556
Additional shareholder's loan	4,400,000	6,600,000
Secondee salaries	(1,955,322)	(3,838,711)
<u>Other shareholders</u>		
Additional shareholders' loan	4,020,000	4,980,000

The Company has an arrangement with its shareholders whereby taxes and zakat paid during the year are reimbursed by the shareholders in the proportion of their respective shareholding.

The above transactions resulted in following balances and loans from and due to related party's:

	<u>2024</u>	<u>2023</u>
<u>Due from a related party</u>		
Zakat and Income tax receivable from shareholders	5,414,726	-
The Agency Limited for Entertainment Events	932,643	-
	6,347,369	-
<u>Due to a related party</u>		
EFS Facilities Services Group Limited	8,756,374	303,066

The following table illustrates details of remuneration and compensation paid to Directors and Key Management Personnel:

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11. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Key Management Personnel	2024	2023
Short-term employee benefits	5,518,748	4,727,391
Post employment benefits	590,192	563,851
Total	6,108,940	5,291,242

11.1 Shareholders' loan

	2024	2023
Shareholders' loan	20,000,000	11,580,000

Shareholders' loans represent short-term, interest-free loans from the shareholders, provided to support the Company's operations / cashflow requirements, in proportion to their shareholding. Subsequent to year end, the loan has been converted into equity following the decision of the shareholders and subject to the completion of all necessary legal formalities (refer note 28).

12. SHARE CAPITAL

The share capital of the Company as at 31 December 2023 and 2024 was SR 10,000,000 divided into 100,000 shares of SR 100 each, which are fully paid and owned as follows:

<u>Name of shareholders</u>	<u>No. of shares</u>	<u>%</u>	<u>Total value</u>
EFS Facilities Services Group Limited	55,000	55%	5,500,000
Al-Khafrah Holding Company	15,000	15%	1,500,000
Lama Holding Company	13,000	13%	1,300,000
Career First Company	10,000	10%	1,000,000
Khalid Abdulrahman Al- Gwaiz	7,000	7%	700,000
	100,000	100%	10,000,000

13. STATUTORY RESERVE

In accordance with the Company's bylaws, up to the year ended December 31, 2023, the Company has established the statutory reserve until it equaled 50% of the capital. In accordance with the Company's bylaws and the new Companies Law, effective from February 2024, the Company is not required to appropriate a statutory reserve from its profit for the year.

The Company's Board of Director's resolved to transfer the full statutory reserve of SR 5,000,000 to the retained earnings to close this reserve account.



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14. EMPLOYEES DEFINED BENEFITS LIABILITY

The most recent actuarial valuation was performed by an independent, qualified actuary using the projected unit credit method.

14.1 Movement in liability recognized in the statement of financial position and its components are as follows:

	2024	2023
Balance at 1 January	12,213,407	9,597,022
Included in statement of profit and loss:		
- Current service cost	6,062,354	2,346,231
- Interest cost – Note 21	544,637	389,709
	6,606,991	2,735,940
Included in statement of other comprehensive income:		
- Actuarial loss recognized	3,331,034	3,701,605
Benefits paid	(6,720,728)	(3,821,160)
Balance at 31 December	15,430,704	12,213,407

14.2 The significant assumptions used in determining end of service benefit obligations for the Company's plans are shown below:

	2024	2023
Discount rate	5.25%	4.45%
Salary increases rate	2.50%	2.50%

14.3 A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation are shown below:

	31 December 2024		31 December 2023	
	+1%	- 1%	-1%	- 1%
	Increase	Decrease	Increase	Decrease
Discount rate	14,525,410	16,440,989	11,571,477	12,931,673
Future salary growth	16,459,069	14,493,780	12,938,658	11,553,849

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.



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15. TRADE AND OTHER PAYABLES

	<u>2024</u>	<u>2023</u>
Trade payables	131,754,451	81,371,660
Accrued expenses:		
- Suppliers	25,164,101	10,734,032
- Salaries payable	18,426,295	11,461,570
- Leave payable	11,563,372	13,610,888
- VAT	8,377,787	10,951,696
- Other	4,314,718	2,260,616
	<u>199,600,724</u>	<u>130,390,462</u>

16. BANK BORROWINGS

<u>2024</u>	<u>Opening</u>	<u>Additions</u>	<u>Payments</u>	<u>Closing</u>
Progress payment finance (PPF) – Fransi	11,552,099	179,266,367	(143,525,824)	47,292,642
Progress payment finance (PPF) – ENBD	39,303,841	174,509,433	(166,545,243)	47,268,031
Mobilization Finance – Fransi	18,358,991	12,600,000	(22,948,203)	8,010,788
Mobilization Finance – ENBD	31,358,332	-	(12,941,609)	18,416,723
	<u>100,573,263</u>	<u>366,375,800</u>	<u>(345,960,879)</u>	<u>120,988,184</u>

<u>2023</u>	<u>Opening</u>	<u>Additions</u>	<u>Payments</u>	<u>Closing</u>
Progress payment finance (PPF) – Fransi	4,879,156	34,788,635	(28,115,692)	11,552,099
Progress payment finance (PPF) – ENBD	11,301,280	203,465,636	(175,463,075)	39,303,841
Mobilization Finance – Fransi	-	18,358,991	-	18,358,991
Mobilization Finance – ENBD	13,750,000	26,000,000	(8,391,668)	31,358,332
	<u>29,930,436</u>	<u>282,613,262</u>	<u>(211,970,435)</u>	<u>100,573,263</u>

	<u>2024</u>	<u>2023</u>
Balance closing as on 31 Dec	120,988,184	100,573,263
Less: Long-term	(19,927,507)	(23,458,329)
Current portion	<u>101,060,677</u>	<u>77,114,934</u>

- (a) The Company has obtained secured credit facilities with Banque Saudi Fransi (BSF) and Emirates NBD KSA in order to provide liquidity for the daily operations under PPF and Mobilization finance arrangement. The bank is charging SAIBOR plus bank profit percentages for the above facilities ranging from 1.75% to 3% respectively.
- (b) The facilities are secured by personal and corporate guarantees of shareholders, and are subject to certain covenant requirements.
- (c) The facilities have different maturity terms ranging between 3 months to 3 years.

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17. ACCRUED ZAKAT AND INCOME TAX

	<u>2024</u>	<u>2023</u>
Current tax and zakat expense		
- Current year tax (Note 17.2)	6,525,532	3,063,559
- Current year zakat	1,277,064	949,726
	<u>7,802,596</u>	<u>4,013,285</u>
Deferred tax charge / (reversal) (Note 17.4)	13,913	126,973
Net of the re-assessment of prior years	-	(138,078)
	<u>7,816,509</u>	<u>4,002,180</u>

17.1 Zakat and tax liability

Zakat is charged at the higher of adjusted income or Zakat base as required by the Zakat, Tax and Customs Authority ("ZATCA") and tax is charged on the non-Saudi share of net adjusted income at 20%.

	<u>2024</u>	<u>2023</u>
Balance at 1 January	2,911,154	2,978,162
Charge for the year	7,802,596	4,013,285
Net of assessment of prior years	-	(138,078)
Payment during the year	(2,811,669)	(3,942,215)
Advance payment to ZATCA	(2,603,052)	-
Balance at 31 December	<u>5,299,029</u>	<u>2,911,154</u>

17.2 Income tax

	<u>2024</u>	<u>2023</u>
Net income for the year	59,449,492	31,848,766
Adjustment to net income	(126,475)	(3,998,229)
Adjusted net income	<u>59,323,017</u>	<u>27,850,537</u>
Total non-Saudi share of adjusted net income 55%	32,627,659	15,317,795
Income tax at 20%	<u>6,525,532</u>	<u>3,063,559</u>

17.3 Movement in Deferred tax assets:

	<u>2024</u>	<u>2023</u>
Balance at 1 January	1,738,314	1,500,226
(Reversal) / charge for the year	(13,913)	(126,973)
Deferred tax credit recognized in statement of other comprehensive income	366,413	365,061
	<u>2,090,814</u>	<u>1,738,314</u>



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17. ACCRUED ZAKAT AND INCOME TAX (Continued)

17.4 Status of income tax assessments

The Company has submitted its zakat and tax returns to the Zakat, Tax and Customs Authority ("ZATCA") up to the years ended 31 December 2023. The zakat and tax assessments have been finalized by ZATCA up to the year ended 31 December 2018. The ZATCA has not yet issued the final assessments for the year ended 31 December 2019 to 2023.

18. REVENUE

Revenue from contracts with customers is disaggregated by timing of revenue recognition.

	<u>2024</u>	<u>2023</u>
18.1 Revenue from contracts with customers		
Services transferred over time	651,103,569	445,215,560
Services transferred at a point in time	151,808,843	75,197,717
	802,912,412	520,413,277

18.2 Contract balances

The following table provides information about contract assets arising from contracts with customers:

	<u>2024</u>	<u>2023</u>
Contract assets	115,948,530	83,275,631

The transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period is SR 1,824,489,681. This revenue is expected to be recognized over the following 1 to 3 years.

19. COSTS OF REVENUE

	<u>2024</u>	<u>2023</u>
Sub-contractor cost	348,890,275	213,349,711
Employee costs	254,763,583	195,081,904
Supplies and consumables	40,975,658	24,499,905
Depreciation of property and equipment (Note 5)	10,212,259	5,546,566
Marketing and license fees	8,060,029	5,524,528
Vehicle running expenses	5,730,002	3,365,775
Depreciation of right-of-use assets (Note 6)	5,233,035	2,629,034
I.T support charges	3,661,330	2,052,561
Communication expenses	1,581,924	948,657
Other	13,098,912	9,759,368
	692,207,007	462,758,009

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(All amounts are in Saudi Arabian Riyal unless otherwise stated)

20. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>2024</u>	<u>2023</u>
Employee costs	26,618,195	12,567,893
Depreciation of right-of-use assets (Note 6)	3,958,114	1,114,934
I.T. support charges	2,729,026	1,710,672
Impairment of trade receivables (Note 7)	1,526,070	995,596
Depreciation of property and equipment (Note 5)	1,172,631	1,188,942
Other	1,989,623	1,928,535
	<u>37,993,659</u>	<u>19,506,572</u>

21. FINANCE COST

	<u>2024</u>	<u>2023</u>
Interest on borrowings	12,323,440	5,440,885
Interest on lease liabilities (Note 6)	1,118,269	469,336
Interest on defined benefits obligations (Note 14.1)	544,637	389,709
	<u>13,986,346</u>	<u>6,299,930</u>

22. CONTINGENCIES AND COMMITMENTS

As at December 31, 2024, the Company has following outstanding contingencies and commitments;

	<u>2024</u>	<u>2023</u>
Performance bond	74,414,348	51,679,510
Bid bond	266,512	3,621,340
Bank guarantee	50,000	50,000
	<u>74,730,860</u>	<u>55,350,850</u>



EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

23. FINANCIAL INSTRUMENTS

(a) Material accounting policy information

Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

(b) Categories of financial instruments

	2024	2023
Financial assets - at amortized cost		
Trade and other receivables	230,684,315	174,990,888
Cash and cash equivalents	64,933,717	21,867,922
Due from related parties	6,347,369	-
Refundable deposits	8,562,614	8,936,266
Financial liabilities - at amortized cost		
Bank borrowings	120,988,184	100,573,263
Trade and other payables	175,344,847	103,567,262
Lease liabilities	22,941,576	13,896,397
Due to related parties	8,756,374	303,066
Loans from shareholders	20,000,000	11,580,000

(c) Fair value of financial instruments

The fair values of financial assets and financial liabilities at the end of the reporting period approximate the amounts as shown in the statement of financial position.

24. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's board of directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.



EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

24. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Continued)

B. Accounting classification and fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Management assessed that the fair values of cash and cash equivalents, trade receivables, related party receivables and payables, trade and other payables, shareholder loans, and bank borrowings - short-term approximate their carrying values largely due to the short-term maturities of these financial instruments.

Financial risk management

The Company has exposure to the following risk arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's trade receivables from customers, contract assets, cash and cash equivalents and related party receivables. The carrying amount of these assets represents the maximum credit exposure at the reporting date. Details of impairment losses on financial assets recognized is explained below.



EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

24. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Continued)

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, trading history with the Company and existence of previous financial difficulties.

Expected credit loss assessment for customers:

The Company uses an allowance matrix to measure the ECLs of trade receivables from customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region, age of customer relationship and type of product purchased.

Loss rates are based on actual credit loss experience. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast gross domestic product growth.

Impairment losses on financial assets and contract assets recognized in the statement of profit or loss relating to trade receivables and contract assets during the year were 1,526,068 (2023: SR 995,596) and write off of SR: Nil (2023: 317,696).

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2024.

	Weighted average loss rate	Gross carrying amount	Impairment allowance	Total trade receivable
Past due 1-90 days	0.06%	201,459,784	114,574	201,345,210
Past due 91-180 days	0.66%	15,295,603	100,517	15,195,086
Past Due 181 -360 days	14.6%	8,192,826	1,193,990	6,998,836
Past Due 360 and above	21.5%	9,062,260	1,917,077	7,145,183
		234,010,473	3,326,158	230,684,315

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2023.

	Weighted average loss rate	Gross carrying amount	Impairment allowance	Total trade receivable
Past due 1-90 days	0.11%	101,981,353	114,574	101,866,779
Past due 91-180 days	0.67%	14,937,313	100,517	14,836,796
Past Due 181 -360 days	2.27%	52,609,806	1,193,990	51,415,816
Past Due 360 and above	5.38%	7,262,504	391,007	6,871,497
		176,790,976	1,800,088	174,990,888

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EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

24. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Continued)

Cash and cash equivalents

The Company holds cash and cash equivalent of SR: 64,933,717 (31 December 2023: SR 21,867,922). The cash and cash equivalent are held with a bank with sound credit rating, and therefore credit risk has been assessed as low as disclosed in Note 10.

Contract Assets

Contract assets are unsecured and interest free. Management estimates the allowance on contract assets at the reporting date at an amount equal to lifetime ECL. Taking into account the historical default experience and the future prospects, management considers that the contract assets are not impaired. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowances for these balances.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

The following are the remaining contractual maturities of financial liabilities at the reporting date.

	Total Contractual Cashflows	Less than 1 year	1 years to 5 years	More than 5 years
31 December 2024				
Trade and other payables	175,344,847	175,344,847	-	-
Due to related parties	8,756,374	8,756,374	-	-
Shareholder loans	20,000,000	20,000,000	-	-
Bank borrowing	120,988,184	101,060,677	19,927,507	-
Lease liability	22,941,576	9,762,600	13,178,976	-
	348,030,981	314,924,498	33,106,483	-
	Total Contractual Cashflows	Less than 1 year	1 years to 5 years	More than 5 years
31 December 2023				
Trade and other payables	103,567,262	103,567,262	-	-
Due to related parties	303,066	303,066	-	-
Shareholder loans	11,580,000	11,580,000	-	-
Bank borrowing	100,573,263	77,114,934	23,458,329	-
Lease liability	13,896,397	5,191,925	8,704,472	-
	229,919,988	197,757,187	32,162,801	-

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

24. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Continued)

iii. Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risk for the Company: currency risk and, commission rate risk.

a. Interest rate risk

Interest rate risk is the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows. The Company's interest rate risks arises mainly from its bank borrowings, which are at floating rates of interest and is subject to re-pricing on a regular basis. As a result, the Company's exposure to interest rates has increased during the year as a result of the increase in interest-bearing borrowings.

Interest rate sensitivity

A reasonably possible change of 100 basis points (1%) in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amount shown below. The analysis assumes that all other variables remain constant.

	1% increase	2024 1% decrease	1% increase	2023 1% decrease
Interest on borrowings	(1,209,882)	1,209,882	(1,005,733)	1,005,733
Cash flow sensitivity	(1,209,882)	1,209,882	(1,005,733)	1,005,733

b. Currency risk

Currency risk is a risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's principal transactions are carried in Saudi Riyal and UAE Dirham. The Company's management believes that currency risk is not significant since the Saudi Riyal and the UAE Dirham are both pegged against a common currency.

25. CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes assigned capital and all equity reserves attributable to Company's shareholders. The primary objective of the Company's capital management is to maximize value to the shareholder equity. Other objectives include maintaining a positive capital base so as to maintain market and government confidence and to enable development of the Company's business in Saudi Arabia.

Management achieves these objectives through operating the Company as optimally as possible and through maintaining adequate positive cash flows. Management ensures that it meets its financial commitments, its statutory and legal obligations and evaluates whether any additional support may be required in the form of capital contributions.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

25. CAPITAL MANAGEMENT (Continued)

Company's net debt to adjusted equity ratio as at year end was as follows.

	2024	2023
Total current liabilities	344,479,404	227,491,541
Less: cash and cash equivalents	(64,933,717)	(21,867,922)
Net debt	279,545,687	205,623,619
Total equity	138,360,358	84,277,270
Net debt to equity ratio	202%	244%

26. SEGMENT REPORTING

The Company operates principally in a single business segment of Integrated Facilities Management services, which comprises of executing, operations, maintenance and cleaning contracts for commercial, residential and industrial facilities and its related maintenance, repair of equipment, electrical and mechanical appliances, restoration and maintenance of buildings and infrastructure facilities. This is in line with the operating segment that is regularly reported to the Chief Operating Decision Maker. This is also the measure reported to the Company's Board of Directors for the purpose of resource allocation and assessment of segment performance.

	Revenue		Gross Profit	
	2024	2023	2024	2023
Facilities Management Services	802,912,412	520,413,276	110,705,405	57,655,268

Segment revenue reported above represents revenue generated from external customers.

The Company serves a diverse client base, including government entities, state-owned enterprises and private enterprises. The Company's client segmentation strategy is designed to optimize service delivery, mitigate market risks, and ensure sustainable growth.

The Company's revenue contribution by client type is as follows:

	FY 2024		FY 2023	
	Revenue (SAR million)	Percentage of total revenue (%)	Revenue (SAR million)	Percentage of total revenue (%)
Government	19.1	2.38%	22.7	4.36%
Government Owned Enterprises	594.6	74.06%	363.8	69.91%
Private Companies	189.2	23.56%	133.9	25.73%
Total	802.9	100.00%	520.4	100.00%

The Company's largest individual customer accounts for 20% of total revenue in 2024 and 45% in 2023.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

27. DIVIDEND'S DECLARATION

Subsequent to year end, the Company's Board of Director's resolved, for the approval of the Shareholders, a distribution of interim cash dividends totaling SR 5,000,000 to be paid during the first quarter of the financial year 2025, net of any receivables from the shareholders to the Company. (2023: No dividend was declared during the year).

28. RETIREMENT BENEFIT INFORMATION

The Company makes contributions for a defined contribution retirement benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. The total amount expensed during the year in respect of this plan was SR 13 million (2023: SR 9 million).

29. EVENTS AFTER THE REPORTING PERIOD

On 23 January 2025, the board resolved to the increase of the Company's share capital from SR 10,000,000 to SR 90,000,000, through the conversion of the shareholders' loans amounting to SR 20,000,000 into share capital, and through the capitalization of SR 60,000,000 of existing retained earnings of the Company into share capital, after the shareholder's resolution to approve such transaction.

Further, the Board recommended a share split at the ratio of 50:1, such that each existing share shall be split into fifty new shares.

The shareholders approved these changes on 27 January 2025 and subsequently the Company's share capital became as follows:

<u>Name of shareholders</u>	<u>No. of shares</u>	<u>%</u>	<u>Total value</u>
EFS Facilities Services Group Limited	24,750,000	55%	49,500,000
Al-Khafrah Holding Company	6,750,000	15%	13,500,000
Lama Holding Company	5,850,000	13%	11,700,000
Career First Company	4,500,000	10%	9,000,000
Khalid Abdulrahman Al- Gwaiz	3,150,000	7%	6,300,000
	45,000,000	100%	90,000,000

30. PRIOR PERIOD RECLASSIFICATIONS

In its 2024 financial statements management made a reclassification of certain balances included within prepaid expenses and classified them as part of contract assets in the comparative information in the statement of financial position as at 31 December 2023 to conform to the current year classification and presentation. This reclassification has had no impact of total assets, and has no impact on cash generated from operating activities in the statement of cash flows.

The impact of the reclassification on the statement of financial position as at 31 December 2023 is shown as follows:

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

Statement of financial position:

	Previously reported SR	Effect of reclassification SR	As reclassified SR
As at 31 December 2023			
Current assets:			
Contract assets	59,930,834	23,344,798	83,275,632
Prepaid expenses and other assets	43,181,218	(15,882,150)	27,299,068
Non-current assets:			
Long-term prepaid expenses	7,462,648	(7,462,648)	-

31. EARNINGS PER SHARE

Earnings per share have been calculated by dividing the net profit attributable to the owners of the Company by the weighted average number of shares outstanding during the year. As the Company does not have any dilutive potential shares, the diluted earnings per share is the same as the basic earnings per share.

	2024 SR	2023 SR
From continuing operations		
Net profit attributable to the owners of the Company	51,632,983	27,846,586
Weighted average number of ordinary shares outstanding during the year	100,000	100,000
Basic and diluted earnings per share (SR per share)	516.33	278.47

32. REISSUANCE OF FINANCIAL STATEMENTS

The financial statements of the Company for the year ended 31 December 2024 are reissued solely to correct the following minor edits:

- Note 11 – the services rendered / (received) net of reimbursement was amended from SR 1,981,808 to SR 1,646,064 (2023: from SR 14,341,726 to SR 14,382,556)
- Note 18 – the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period was amended from SR 1,835,949,681 to SR 1,824,489,681
- Note 26 – the Company's revenue contribution by client type has been corrected to reflect the appropriate split between private companies and government owned enterprises, and to reflect the correct rounding of numbers and percentages.
- Note 29 – the date of approval by the shareholders has been amended to 27 January 2025.
- Note 30 – the effect of the reclassification entry on contract assets has been amended to SR 23,344,798 and the effect on prepaid expenses and other assets was amended to SR (15,882,150), resulting in the 'as reclassified balance' for prepaid expenses and other assets of SR 27,299,068.

33. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on June 2, 2025.

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EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) AND
INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE THREE MONTHS
PERIOD ENDED MARCH 31, 2025**

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL INFORMATION AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

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Deloitte and Touche & Co.
Chartered Accountants
(Professional Simplified Joint Stock
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**INDEPENDENT AUDITOR'S REVIEW REPORT
ON INTERIM FINANCIAL INFORMATION**

To the Shareholders of
EFSIM Facilities Management Company
Saudi Unlisted Joint Stock Company
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of EFSIM Facilities Management Company, (the "Company") as at March 31, 2025, and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-months period then ended, and material accounting policy information and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Deloitte and Touche & Co.
Chartered Accountants

Tariq Bin Mohammed Al-Fattani
License No. 446
July 8, 2025
Muharram 13, 1447 AH

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EFM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

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

	Notes	2025	2024
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property and equipment	6	49,968,775	51,741,114
Right-of-use assets		27,390,359	25,340,420
Deferred tax asset		2,090,814	2,090,814
Investment in associate		765,187	889,092
Total non-current assets		80,215,135	80,061,440
Current assets			
Contract assets		144,179,340	115,948,530
Trade receivables	7	252,770,062	230,684,315
Prepayments and other current assets		45,654,905	33,401,578
Due from related parties	8	6,078,662	6,347,369
Cash and cash equivalents		15,575,315	64,933,717
Total current assets		464,258,284	451,315,509
Total Assets		544,473,419	531,376,949
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	90,000,000	10,000,000
Retained earnings		76,582,415	128,360,358
Total equity		166,582,415	138,360,358
LIABILITIES			
Non-current liabilities			
Employee's defined benefit liabilities		17,766,939	15,430,704
Lease liabilities - noncurrent portion		14,721,588	13,178,976
Bank Borrowing - long term	10	17,598,192	19,927,507
Total non-current liabilities		50,086,719	48,537,187
Current liabilities			
Bank borrowings - short term	10	114,290,253	101,060,677
Lease liabilities - current portion		10,398,848	9,762,600
Loan from shareholders	8	-	20,000,000
Trade and other payables		181,275,754	199,600,724
Due to a related party	8	9,518,402	8,756,374
Dividend payable		5,000,000	-
Accrued zakat and income tax		7,321,028	5,299,029
Total current liabilities		327,804,285	344,479,404
Total liabilities		377,891,004	393,016,591
Total Equity and Liabilities		544,473,419	531,376,949


Tamer Marmaraya
Chief Financial Officer


Tariq Chauhan
Chief Executive Officer


Abdulrahman Al-Sherki
Chairman of the Board of
Directors

The accompanying notes form an integral part of this interim condensed financial information.

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EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

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

	Notes	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Revenue	11	219,125,187	169,124,907
Cost of revenue		(187,968,858)	(152,595,662)
Gross profit		31,156,329	16,529,245
General and administrative expenses		(13,180,818)	(8,674,803)
Operating profit		17,975,511	7,854,442
Finance costs		(2,607,556)	(2,747,974)
Share of result of associate		(123,905)	-
Profit before zakat and tax		15,244,050	5,106,468
Zakat and income tax expense		(2,021,993)	(783,497)
Net profit for the year		13,222,057	4,322,971
Other comprehensive income		-	-
Total comprehensive income for the year		13,222,057	4,322,971



Taher Jhanjharya
Chief Financial Officer



Tariq Chauhan
Chief Executive Officer



Abdul Raouf Al Bitar
Chairman of the Board of
Directors

The accompanying notes form an integral part of this interim condensed financial information.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

(All amounts are in Saudi Arabian Riyal unless otherwise stated)

Note	Share capital	Statutory reserve	Retained earnings	Total
Balance at January 1, 2024 - audited	10,000,000	5,000,000	69,277,270	84,277,270
Total comprehensive income for the period	-	-	4,322,971	4,322,971
Balance at March 31, 2024 - unaudited	10,000,000	5,000,000	73,600,241	88,600,241
Balance at January 1, 2025 - audited	10,000,000	-	128,360,358	138,360,358
Share capital issued from retained earnings	9	-	(60,000,000)	-
Shareholders loan conversion to share capital	8	-	-	20,000,000
Total comprehensive income for the period	-	-	13,222,057	13,222,057
Dividend payable	14	-	(5,000,000)	(5,000,000)
Balance at March 31, 2025 - unaudited	90,000,000	-	76,582,415	166,582,415



Taher Jhanjhyra
Chief Financial Officer



Tariq Chauhan
Chief Executive Officer



Abdul Raouf Al Bitar
Chairman of the Board of Directors

The accompanying notes form an integral part of this interim condensed financial information.

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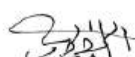
EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

Interim condensed statement of cash flows
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025
(All amounts are in Saudi Arabian Riyals unless otherwise stated)

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Cash flows from operating activities		
Profit before zakat and tax	15,244,050	5,106,468
Adjustments for:		
Depreciation expense on property and equipment	3,643,351	2,437,690
Depreciation on right of use assets	3,288,309	2,132,708
Finance costs	2,607,556	2,747,974
Provision for employee benefits	2,628,037	1,801,338
Share of loss of associate	123,905	-
	27,535,208	14,226,178
Changes in:		
Trade receivables and contract assets	(50,316,557)	(25,225,105)
Prepayments and other current assets	(12,253,327)	(10,124,540)
Trade and other payables	(15,466,566)	21,320,393
Due from related parties	268,707	(5,640)
Due to a related party	762,028	4,428,226
Cash generated from (used in) / from operating activities	(49,470,507)	4,619,512
Interest costs on borrowings - paid	(2,229,410)	(2,538,164)
Employees benefits paid	(291,802)	(3,756,691)
Net cash used in operating activities	(51,991,719)	(1,675,343)
Cash flows from investing activities		
Purchase of property and equipment	(4,729,412)	(4,699,078)
Net cash used in investing activities	(4,729,412)	(4,699,078)
Cash flows from financing activities		
Proceeds from banks against borrowings	162,332,869	104,277,572
Repayments to banks against borrowings	(151,432,608)	(100,926,003)
Loan from shareholders	-	3,460,000
Lease rentals paid	(3,537,532)	(2,226,240)
Net cash generated from financing activities	7,362,729	4,585,329
Net decrease in cash and cash equivalents	(49,358,402)	(1,789,092)
Cash and cash equivalents at beginning of the period	64,933,717	21,867,922
Cash and cash equivalents at end of the period	15,575,315	20,078,830


Taher Jhanjharya
Chief Financial Officer


Tariq Chauhan
Chief Executive Officer


Abdul Raout Al Bitar
Chairman of the Board of
Directors

The accompanying notes form an integral part of this interim condensed financial information.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

(All amounts are in Saudi Arabian Riyal unless otherwise stated)

1. ESTABLISHMENT AND OPERATIONS

EFSIM Facilities Management Company (“the Company”) is a Saudi Unlisted Joint Stock Company registered in the Kingdom of Saudi Arabia under National Unified Number 7001574883 dated 27 Dhul- Hijjah 1429H (corresponding to 25 December 2008). The Company is a subsidiary of EFS Facilities Services Group Limited (the “Parent Company”) which owns 55% of the share capital (refer note 9).

On 13 Jammad-ul-Awwal 1445H (corresponding to 27 November 2023), the Company changed its legal name from Saudi EMCOR Company Limited to EFSIM Facilities Management Company and re-registered from limited liability company to a Saudi Unlisted Joint Stock Company and changed its articles of association to by laws dated 20 Rajab, 1445H (corresponding to February 1, 2024).

The Company is engaged in executing operation, maintenance and cleaning contracts for commercial, residential and industrial facilities and its related maintenance, repair of equipment, electrical and mechanical appliances, restoration and maintenance of buildings and infrastructure facilities, storage and catering facilities, renting leisure and fishing boats, firefighting rescue teams and equipment, in accordance with Ministry of Investment of Saudi Arabia (MISA) License No. 10202911835 dated 21 Dhul-Qadah 1429H (corresponding to November 20, 2008).

The Company has an investment in its associate The Agency Limited for Entertainment Events, owning 33% of the share capital. The associate provides temporary staffing solutions for events, luxury retail establishments, and hospitality venues.

The Company also has the following branches:

Branch name	National Unified Number
Dammam	7004023789
Riyadh	7035395560
Al-Ula	7028426356
Tabuk	7035373153
Jeddah	7012342783

The results, assets and liabilities of these branches are included in these financial statements.

The Company’s registered office is located at 6756 Prince Faisal Ibn Bandar Ibn Abdulaziz 3604 Al Narjis Dist. 13328, Riyadh, KSA.

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS**2.1 New Standards, Amendment to Standards and Interpretations:**

There are a number of new standards and amendments to standards which are effective from January 1, 2025, as has been explained in the Company’s annual financial statements for the year ended 31 December 2024. Management have assessed that these do not have a material effect on the Company’s interim condensed financial information for the period ended March 1, 2025.

2.2 Standards issued but not yet effective

There are a number of new standards and amendments that are not yet effective, which have been explained in the Company’s annual financial statements for the year ended 31 December 2024. These new and amended standards and interpretations are not expected to have a material impact on the financial statements of the Company. The Company has not early adopted any new or amended standards in preparing this interim condensed financial information.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

3. BASIS OF PREPARATION

Statement of compliance

This interim condensed financial information has been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Preparation of condensed interim financial information

This condensed interim financial information does not include all of the information and disclosures required in a full set of annual financial statements and should therefore be read in conjunction with the last annual financial statements for the year ended December 31, 2024. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual financial statements.

Basis of preparation

These interim condensed financial statements have been prepared under the historical cost basis using the accrual basis of accounting and the going concern concept.

The interim condensed financial information is presented in Saudi Riyals (SR) being the functional currency of the Company.

The results for the interim period for the three months ended March 31, 2025 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2025.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of this interim condensed financial information of the Company is consistent with those of the Company's annual financial statements for the year ended December 31, 2024.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the Company's interim condensed financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period were the same as those described in the latest annual financial statements.

The Company based its assumptions and estimates on parameters available when the condensed interim financial information was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

6. PROPERTY AND EQUIPMENT

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Net book value at the beginning of the period / year	51,741,114	32,077,777
Additions	4,729,412	31,053,353
Transfers	(2,858,400)	(5,126)
Depreciation for the period / year	(3,643,351)	(11,384,890)
Carrying value at the end of the period/ year	49,968,775	51,741,114

7. TRADE RECEIVABLES

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade receivables	256,096,220	234,010,473
Less: allowance for impairment	(3,326,158)	(3,326,158)
	252,770,062	230,684,315

Movement in allowance for impairment on trade receivables:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Opening balance	3,326,158	1,800,088
Charge for the period / year	-	1,526,070
Closing balance	3,326,158	3,326,158

8. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the shareholders, directors, key management personnel and business entities in which they have the ability to control or exercise significant influence in the financial and operating decisions.

The Company maintains balances with these related parties which arise in the normal course of business from commercial transactions. The Company transacts with its related parties, on agreed prices and contract terms as approved by the Company's management. The prices are not fixed by any agreement and are mutually agreed at the time of the transaction.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

8. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The significant transactions entered into by the Company with related parties during the period, other than those disclosed elsewhere in these financial statements, are as follows:

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
<u>Parent Company</u>		
Marketing and support services fee	2,110,970	2,109,560
IT support	1,777,336	1,593,474
Services rendered / (received) net of reimbursement	(3,140,900)	(127,885)
Additional shareholder's loan	-	3,460,000
Dividend declared	2,750,000	-
Secondee salaries	14,625	847,437
<u>Other Shareholders</u>		
Dividend declared	2,250,000	-

The above transactions resulted in following balances and loans from and due to related party's:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>Due from related parties</u>		
Zakat and Income tax receivable from shareholders	5,414,726	5,414,726
The Agency Limited for Entertainment Events	663,936	932,643
	6,078,662	6,347,369
<u>Due to a related party</u>		
EFS Facilities Services Group Limited	9,518,402	8,756,374
<u>Shareholders' loan</u>		
	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Shareholders' loan	-	20,000,000

Shareholders' loans represent short-term, interest-free loans from the shareholders, provided to support the Company's operations / cashflow requirements, in proportion to their shareholding. During the current period, the loan has been converted into equity following a resolution by the shareholders and completion of all necessary legal formalities.

The following table illustrates details of remuneration and compensation paid to Directors and Key Management Personnel:

Key Management Personnel	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Short-term employee benefits	2,531,956	1,078,232
Post employment benefits	657,225	136,748
Total	3,189,181	1,214,980

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

9. SHARE CAPITAL

The share capital of the Company as at December 31, 2024 was SR 10,000,000 divided into 100,000 shares of SR 100 each, which are fully paid and owned as follows:

<u>Name of shareholders</u>	<u>No. of shares</u>	<u>%</u>	<u>Total value</u>
EFS Facilities Services Group Limited	55,000	55%	5,500,000
Al-Khafrah Holding Company	15,000	15%	1,500,000
Lama Holding Company	13,000	13%	1,300,000
Career First Company	10,000	10%	1,000,000
Khalid Abdulrahman Al- Gwaiz	7,000	7%	700,000
	100,000	100%	10,000,000

On January 27, 2025 the shareholders approved the increase of the Company's share capital from SR 10,000,000 to SR 90,000,000, through the conversion of the shareholders' loans amounting to SR 20,000,000 into share capital, and through the capitalization of SR 60,000,000 of existing retained earnings of the Company into share capital.

Further, the shareholders approved a share split at the ratio of 50:1, such that each existing share shall be split into fifty new shares.

The share capital of the Company as at March 31, 2025 amounts to SR 90,000,000 divided into 45,000,000 shares of SR 2 each, which are fully paid and owned as follows:

<u>Name of shareholders</u>	<u>No. of shares</u>	<u>%</u>	<u>Total value</u>
EFS Facilities Services Group Limited	24,750,000	55%	49,500,000
Al-Khafrah Holding Company	6,750,000	15%	13,500,000
Lama Holding Company	5,850,000	13%	11,700,000
Career First Company	4,500,000	10%	9,000,000
Khalid Abdulrahman Al- Gwaiz	3,150,000	7%	6,300,000
	45,000,000	100%	90,000,000

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

10. BANK BORROWINGS

<u>March 31, 2025 (Unaudited)</u>	<u>Opening</u>	<u>Additions</u>	<u>Payments</u>	<u>Closing</u>
Progress payment finance (PPF) – BSF	47,292,642	93,668,291	(77,312,661)	63,648,272
Progress payment finance (PPF) – ENBD	47,268,031	63,336,477	(66,462,526)	44,141,982
Mobilization Finance – BSF	8,010,788	5,328,101	(6,032,421)	7,306,468
Mobilization Finance – ENBD	18,416,723	-	(1,625,000)	16,791,723
	120,988,184	162,332,869	(151,432,608)	131,888,445

<u>December 31, 2024 (Audited)</u>	<u>Opening</u>	<u>Additions</u>	<u>Payments</u>	<u>Closing</u>
Progress payment finance (PPF) – BSF	11,552,099	179,266,367	(143,525,824)	47,292,642
Progress payment finance (PPF) – ENBD	39,303,841	174,509,433	(166,545,243)	47,268,031
Mobilization Finance – BSF	18,358,991	12,600,000	(22,948,203)	8,010,788
Mobilization Finance – ENBD	31,358,332	-	(12,941,609)	18,416,723
	100,573,263	366,375,800	(345,960,879)	120,988,184

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Total bank borrowings	131,888,445	120,988,184
Less: Long-term portion	(17,598,192)	(19,927,507)
Current portion	114,290,253	101,060,677

- (a) The Company has obtained secured credit facilities with Banque Saudi Fransi (BSF) and Emirates NBD (ENBD) KSA in order to provide liquidity for the daily operations under PPF and Mobilization finance arrangements. The bank is charging SAIBOR plus bank profit percentages for the above facilities ranging from 1.75% to 3% respectively.
- (b) The facilities are secured by personal and corporate guarantees of shareholders, and are subject to certain covenant requirements.
- (c) The facilities have different maturity terms ranging between 3 months to 3 years.

11. REVENUE

Revenue from contracts with customers is disaggregated by timing of revenue recognition.

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Service transferred over time	181,216,530	142,383,369
Service transferred at a point in time	37,908,657	26,741,538
	219,125,187	169,124,907

The transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period is SR 1,844 million . This revenue is expected to be recognized over a period of 5 years.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

12. CONTINGENCIES AND COMMITMENTS

The Company has following outstanding contingencies and commitments;

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Performance bond	75,043,505	74,414,348
Bid bond	5,098,304	266,512
Bank guarantee	50,000	50,000
	80,191,809	74,730,860

13. SEGMENT REPORTING

The Company operates principally in a single business segment of Integrated Facilities Management services, which comprises of executing, operations, maintenance and cleaning contracts for commercial, residential and industrial facilities and its related maintenance, repair of equipment, electrical and mechanical appliances, restoration and maintenance of buildings and infrastructure facilities. This is in line with the operating segment that is regularly reported to the Chief Operating Decision Maker. This is also the measure reported to the Company's Board of Directors for the purpose of resource allocation and assessment of segment performance.

	Revenue		Gross Profit	
	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Facilities Management Services	219,125,187	169,124,907	31,156,329	16,529,245

Segment revenue reported above represents revenue generated from external customers.

The Company serves a diverse client base, including government entities, state-owned enterprises and private enterprises. The Company's client segmentation strategy is designed to optimize service delivery, mitigate market risks, and ensure sustainable growth.

The Company's revenue contribution by client type is as follows:

	March 31, 2025 (Unaudited)		March 31, 2024 (Unaudited)	
	Revenue	Percentage of total revenue (%)	Revenue	Percentage of total revenue (%)
Government	898,047	0.4%	7,819,248	4.6%
Government Owned Enterprises	163,726,100	74.7%	118,417,146	70.0%
Private Companies	54,501,040	24.9%	42,888,513	25.4%
Total	219,125,187	100.0%	169,124,907	100.0%

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

14. DIVIDEND DECLARATION

The Shareholders resolved to approve a distribution of interim cash dividends totaling SR 5,000,000, which will be settled during the first half of the financial year 2025, net of any receivables from the shareholders to the Company. (2024: No dividend was declared during the period).

15. EVENTS AFTER THE REPORTING PERIOD

There were no events subsequent to the period ended March 31, 2025 and occurring before the date of the approval of the interim condensed financial information that are expected to have a significant impact on this interim condensed financial information.

16. EARNINGS PER SHARE

Earnings per share have been calculated by dividing the net profit attributable to the owners of the Company by the weighted average number of shares outstanding during the period. As the Company does not have any dilutive potential shares, the diluted earnings per share is the same as the basic earnings per share.

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
From continuing operations		
Net profit attributable to the owners of the Company	13,222,057	4,322,971
Weighted average number of ordinary shares outstanding during the period	30,033,333	100,000
Basic and diluted earnings per share (SR per share)	0.44	43.23

As of March 31, 2024, the number of outstanding shares was 100,000. For comparison purposes if the weighted average number of ordinary share outstanding for the March 31, 2024 period was 30,033,333, the comparative basic and diluted earnings per share would have been SR 0.14.

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on July 8, 2025.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) AND
INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE THREE MONTHS
AND SIX MONTHS PERIOD ENDED JUNE 30, 2025**

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL INFORMATION AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2025**

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Notes to the interim condensed financial statements	6 – 13



Deloitte and Touche & Co.
Chartered Accountants
 (Professional Simplified Joint Stock Company)
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INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To the Shareholders of
 EFSIM Facilities Management Company
 Saudi Unlisted Joint Stock Company
 Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of EFSIM Facilities Management Company, (the "Company") as at June 30, 2025, and the related interim condensed statement of profit or loss and other comprehensive income for the three months and six months period then ended, and the interim condensed statements of changes in equity and cash flows for the six-months period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Deloitte and Touche & Co.
Chartered Accountants



Tariq Bin Mohammed Al-Fattani
 License No. 446
 August 14, 2025
 Safar 20, 1447

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EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

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

	Notes	June 30, 2025	December 31, 2024
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property and equipment	6	46,149,916	51,741,114
Right-of-use assets		38,171,539	25,340,420
Deferred tax asset		3,315,453	2,090,814
Investment in associate		395,211	889,092
Total non-current assets		88,032,119	80,061,440
Current assets			
Contract assets		174,219,467	115,948,530
Trade receivables	7	261,842,219	230,684,315
Prepayments and other current assets		50,581,695	33,401,578
Due from related parties	8	493,887	6,347,369
Cash and cash equivalents		37,868,384	64,933,717
Total current assets		525,005,652	451,315,509
Total Assets		613,037,771	531,376,949
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	90,000,000	10,000,000
Retained earnings		90,883,333	128,360,358
Total equity		180,883,333	138,360,358
LIABILITIES			
Non-current liabilities			
Employee's defined benefit liabilities		22,613,617	15,430,704
Lease liabilities – non-current portion		20,651,132	13,178,976
Bank Borrowing - long term	10	11,558,663	19,927,507
Total non-current liabilities		54,823,412	48,537,187
Current liabilities			
Bank borrowings - short term	10	122,934,309	101,060,677
Lease liabilities - current portion		13,696,028	9,762,600
Loan from shareholders	8	-	20,000,000
Trade and other payables		230,560,304	199,600,724
Due to a related party	8	4,806,979	8,756,374
Accrued zakat and income tax		5,333,406	5,299,029
Total current liabilities		377,331,026	344,479,404
Total liabilities		432,154,438	393,016,591
Total Equity and Liabilities		613,037,771	531,376,949


Taner Jnanjnyaya
Chief Financial Officer


Tariq Chauhan
Chief Executive Officer


Abd
Chairman of the Board of
Directors

The accompanying notes form an integral part of this interim condensed financial information.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT JUNE 30, 2025

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

	Notes	Three Months Period Ended		Six Months Period Ended	
		June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Revenue	11	233,631,157	187,799,572	452,756,344	356,924,479
Cost of revenue		(200,603,727)	(164,767,179)	(388,572,585)	(317,362,841)
Gross profit		33,027,430	23,032,393	64,183,759	39,561,638
General and administrative expenses		(13,622,513)	(10,100,421)	(26,803,331)	(18,775,224)
Operating profit		19,404,917	12,931,972	37,380,428	20,786,414
Finance costs		(2,393,699)	(2,674,027)	(5,001,255)	(5,422,001)
Share of result of associate		(369,976)	-	(493,881)	-
Profit before zakat and tax		16,641,242	10,257,945	31,885,292	15,364,413
Zakat and income tax expense		(2,340,324)	(1,926,572)	(4,362,317)	(2,710,069)
Net profit for the period		14,300,918	8,331,373	27,522,975	12,654,344
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		14,300,918	8,331,373	27,522,975	12,654,344
Earnings per share:					
Basic and diluted earnings per share	15	0.32	83.31	0.73	126.54

Taher Jnanjary
Chief Financial Officer

Tariq Unanun
Chief Executive Officer

Abdul Raouf Al Bitar
Chairman of the Board of Directors

The accompanying notes form an integral part of this interim condensed financial information.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025**

(All amounts are in Saudi Arabian Riyal unless otherwise stated)

Note	Share capital	Statutory reserve	Retained earnings	Total
Balance at January 1, 2024 - audited	10,000,000	5,000,000	69,277,270	84,277,270
Net profit for the period	-	-	12,654,344	12,654,344
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	12,654,344	12,654,344
Balance at June 30, 2024 - unaudited	10,000,000	5,000,000	81,931,614	96,931,614
Balance at January 1, 2025 - audited	10,000,000	-	128,360,358	138,360,358
Share capital issued from retained earnings	9 60,000,000	-	(60,000,000)	-
Shareholders loan conversion to share capital	8 20,000,000	-	-	20,000,000
Net profit for the period	-	-	27,522,975	27,522,975
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	27,522,975	27,522,975
Dividend payable	14 -	-	(5,000,000)	(5,000,000)
Balance at June 30, 2025 - unaudited	90,000,000	-	90,883,333	180,883,333

Taher Jhanjary
Chief Financial Officer

Tariq Chauhan
Chief Executive Officer

Abdul Raouf Al Bitar
Chairman of the Board of Directors

The accompanying notes form an integral part of this interim condensed financial information.

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EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

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

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Cash flows from operating activities		
Profit before zakat and tax	31,885,292	15,364,413
Adjustments for:		
Depreciation expense on property and equipment	7,370,618	4,939,266
Depreciation on right of use assets	7,088,456	3,127,684
Finance costs	5,001,255	5,422,001
Provision for employee benefits	7,671,560	1,801,338
Provision for bad debts	452,771	-
Share of Loss from Associate	493,881	-
	<u>59,963,833</u>	<u>30,654,702</u>
Changes in:		
Trade receivables and contract assets	(89,881,612)	(101,111,145)
Prepayments and other current assets	(15,835,451)	(14,009,996)
Trade and other payables	34,529,462	64,644,884
Due to related parties	(3,949,395)	5,992,089
Due from related party	853,482	(731,431)
Cash used in operating activities	<u>(14,319,681)</u>	<u>(14,560,897)</u>
Interest costs on borrowings - paid	(4,126,284)	(4,912,391)
Employees benefits paid	(488,647)	(2,105,949)
Zakat and income tax paid	(5,552,580)	-
Net cash used in operating activities	<u>(24,487,192)</u>	<u>(21,579,237)</u>
Cash flows from investing activities		
Purchase of property and equipment	(6,693,967)	(10,823,249)
Net cash used in investing activities	<u>(6,693,967)</u>	<u>(10,823,249)</u>
Cash flows from financing activities		
Proceeds from banks against borrowings	348,783,680	109,704,891
Repayments to banks against borrowings	(335,278,892)	(97,939,040)
Loan from shareholders	-	8,420,000
Lease rentals paid	(9,388,962)	(5,113,892)
Net cash generated from financing activities	<u>4,115,826</u>	<u>15,071,959</u>
Net decrease in cash and cash equivalents	<u>(27,065,333)</u>	<u>(17,330,527)</u>
Cash and cash equivalents at beginning of the period	64,933,717	21,867,922
Cash and cash equivalents at end of the period	<u>37,868,384</u>	<u>4,537,395</u>
Non-cash transactions:		
Dividend adjustment with receivable from shareholder	5,000,000	-


Taher Jhanjharya
Chief Financial Officer


Tariq Chauhan
Chief Executive Officer


Abdul Raouf Al Bitar
Chairman of the Board of Directors

The accompanying notes form an integral part of this interim condensed financial information.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2025
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

1. ESTABLISHMENT AND OPERATIONS

EFSIM Facilities Management Company ("the Company") is a Saudi Unlisted Joint Stock Company registered in the Kingdom of Saudi Arabia under National Unified Number 7001574883 dated 27 Dhul- Hijjah 1429H (corresponding to 25 December 2008). The Company is a subsidiary of EFS Facilities Services Group Limited (the "Parent Company") which owns 55% of the share capital (refer note 9).

On 13 Jammad-ul-Awwal 1445H (corresponding to 27 November 2023), the Company changed its legal name from Saudi EMCOR Company Limited to EFSIM Facilities Management Company and re-registered from limited liability company to a Saudi Unlisted Joint Stock Company and changed its articles of association to by laws dated 20 Rajab, 1445H (corresponding to February 1, 2024).

The Company is engaged in executing operation, maintenance and cleaning contracts for commercial, residential and industrial facilities and its related maintenance, repair of equipment, electrical and mechanical appliances, restoration and maintenance of buildings and infrastructure facilities, storage and catering facilities, renting leisure and fishing boats, firefighting rescue teams and equipment, in accordance with Ministry of Investment of Saudi Arabia (MISA) License No. 10202911835 dated 21 Dhul-Qadah 1429H (corresponding to November 20, 2008).

The Company has an investment in its associate The Agency Limited for Entertainment Events, owning 33% of the share capital. The associate provides temporary staffing solutions for events, luxury retail establishments, and hospitality venues.

The Company also has the following branches:

Branch name	National Unified Number
Dammam	7004023789
Riyadh	7035395560
Al-Ula	7028426356
Tabuk	7035373153
Jeddah	7012342783

The results, assets and liabilities of these branches are included in these financial statements.

The Company's registered office is located at 6756 Prince Faisal Ibn Bandar Ibn Abdulaziz 3604 Al Narjis Dist. 13328, Riyadh, KSA.

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

2.1 New Standards, Amendment to Standards and Interpretations:

There are a number of new standards and amendments to standards which are effective from January 1, 2025, as has been explained in the Company's annual financial statements for the year ended 31 December 2024. Management have assessed that these do not have a material effect on the Company's interim condensed financial information for the period ended June 30, 2025.

2.2 Standards issued but not yet effective

There are a number of new standards and amendments that are not yet effective, which have been explained in the Company's annual financial statements for the year ended 31 December 2024. These new and amended standards and interpretations are not expected to have a material impact on the financial statements of the Company. The Company has not early adopted any new or amended standards in preparing this interim condensed financial information.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2025
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

3. BASIS OF PREPARATION

Statement of compliance

This interim condensed financial information has been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Preparation of condensed interim financial information

This condensed interim financial information does not include all of the information and disclosures required in a full set of annual financial statements and should therefore be read in conjunction with the last annual financial statements for the year ended December 31, 2024. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual financial statements.

Basis of preparation

This interim condensed financial information has been prepared under the historical cost convention using the accrual basis of accounting and the going concern concept, except for the employees' defined benefit obligations, which have been actuarially valued based on the projected unit credit method.

The interim condensed financial information is presented in Saudi Riyals (SR) being the functional currency of the Company.

The results for the interim period for the three months and six months period ended June 30, 2025 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2025.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of this interim condensed financial information of the Company is consistent with those of the Company's annual financial statements for the year ended December 31, 2024.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the Company's interim condensed financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period were the same as those described in the latest annual financial statements.

The Company based its assumptions and estimates on parameters available when the condensed interim financial information was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2025
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

6. PROPERTY AND EQUIPMENT

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Net book value at the beginning of the period / year	51,741,114	32,077,777
Additions	6,693,967	31,053,353
Transfers	(2,858,400)	(5,126)
Depreciation for the period / year	(7,370,618)	(11,384,890)
Reclassification	(2,056,147)	-
Carrying value at the end of the period/ year	46,149,916	51,741,114

7. TRADE RECEIVABLES

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade receivables	265,621,148	234,010,473
Less: allowance for impairment	(3,778,929)	(3,326,158)
	261,842,219	230,684,315

Movement in allowance for impairment on trade receivables:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Opening balance	3,326,158	1,800,088
Charge for the period / year	452,771	1,526,070
Closing balance	3,778,929	3,326,158

8. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the shareholders, directors, key management personnel and business entities in which they have the ability to control or exercise significant influence in the financial and operating decisions.

The Company maintains balances with these related parties which arise in the normal course of business from commercial transactions. The Company transacts with its related parties, on agreed prices and contract terms as approved by the Company's management.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2025
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

8. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The significant transactions entered into by the Company with related parties during the period, other than those disclosed elsewhere in these financial statements, are as follows:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
<i>Parent Company</i>		
Marketing and support services fee	4,985,916	3,820,335
IT support	3,667,507	3,155,961
Services (received)/rendered net of reimbursement	(12,617,442)	1,184,624
Additional shareholder's loan	-	(4,400,000)
Dividend declared	2,750,000	-
Secondee salaries	14,625	1,499,737
<i>Other Shareholders</i>		
Dividend declared	2,250,000	-

The above transactions resulted in following balances and loans from and due to related party's:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<i>Due from related parties</i>		
Zakat and Income tax receivable from shareholders	414,726	5,414,726
The Agency Limited for Entertainment Events	79,161	932,643
	493,887	6,347,369
<i>Due to a related party</i>		
EFS Facilities Services Group Limited	4,806,979	8,756,374
<i>Shareholders' loan</i>		
	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Shareholders' loan	-	20,000,000

Shareholders' loans represent short-term, interest-free loans from the shareholders, provided to support the Company's operations / cashflow requirements, in proportion to their shareholding. During the current period, the loan has been converted into equity following a resolution by the shareholders and completion of all necessary legal formalities.

The following table illustrates details of remuneration and compensation paid to Directors and Key Management Personnel:

Key Management Personnel	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Short-term employee benefits	5,063,912	2,358,336
Post employment benefits	1,314,510	273,497
Total	6,378,422	2,631,833

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2025
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

9. SHARE CAPITAL

The share capital of the Company as at December 31, 2024 was SR 10,000,000 divided into 100,000 shares of SR 100 each, which are fully paid and owned as follows:

<u>Name of shareholders</u>	<u>No. of shares</u>	<u>%</u>	<u>Total value</u>
EFS Facilities Services Group Limited	55,000	55%	5,500,000
Al-Khafrah Holding Company	15,000	15%	1,500,000
Lama Holding Company	13,000	13%	1,300,000
Career First Company	10,000	10%	1,000,000
Khalid Abdulrahman Al- Gwaiz	7,000	7%	700,000
	100,000	100%	10,000,000

On January 27, 2025 the shareholders approved the increase of the Company's share capital from SR 10,000,000 to SR 90,000,000, through the conversion of the shareholders' loans amounting to SR 20,000,000 into share capital, and through the capitalization of SR 60,000,000 of existing retained earnings of the Company into share capital.

Further, the shareholders approved a share split at the ratio of 50:1, such that each existing share shall be split into fifty new shares.

The share capital of the Company as at June 30, 2025 amounts to SR 90,000,000 divided into 45,000,000 shares of SR 2 each, which are fully paid and owned as follows:

<u>Name of shareholders</u>	<u>No. of shares</u>	<u>%</u>	<u>Total value</u>
EFS Facilities Services Group Limited	24,750,000	55%	49,500,000
Al-Khafrah Holding Company	6,750,000	15%	13,500,000
Lama Holding Company	5,850,000	13%	11,700,000
Career First Company	4,500,000	10%	9,000,000
Khalid Abdulrahman Al- Gwaiz	3,150,000	7%	6,300,000
	45,000,000	100%	90,000,000

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2025
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

10. BANK BORROWINGS

<u>June 30, 2025 (Unaudited)</u>	<u>Opening</u>	<u>Additions</u>	<u>Payments</u>	<u>Closing</u>
Progress payment finance (PPF) – BSF	47,292,642	215,170,533	(192,212,978)	70,250,197
Progress payment finance (PPF) – ENBD	47,268,031	122,589,309	(127,018,692)	42,838,648
Mobilization Finance – BSF	8,010,788	11,023,838	(13,338,889)	5,695,737
Mobilization Finance – ENBD	18,416,723	-	(2,708,333)	15,708,390
	120,988,184	348,783,680	(335,278,892)	134,492,972

<u>December 31, 2024 (Audited)</u>	<u>Opening</u>	<u>Additions</u>	<u>Payments</u>	<u>Closing</u>
Progress payment finance (PPF) – BSF	11,552,099	179,266,367	(143,525,824)	47,292,642
Progress payment finance (PPF) – ENBD	39,303,841	174,509,433	(166,545,243)	47,268,031
Mobilization Finance – BSF	18,358,991	12,600,000	(22,948,203)	8,010,788
Mobilization Finance – ENBD	31,358,332	-	(12,941,609)	18,416,723
	100,573,263	366,375,800	(345,960,879)	120,988,184

	<u>June 30, 2025 (Unaudited)</u>	<u>December 31, 2024 (Audited)</u>
Total bank borrowings	134,492,972	120,988,184
Less: Long-term portion	(11,558,663)	(19,927,507)
Current portion	122,934,309	101,060,677

- (a) The Company has obtained secured credit facilities with Banque Saudi Fransi (BSF) and Emirates NBD (ENBD) KSA in order to provide liquidity for the daily operations under PPF and Mobilization finance arrangements. The bank is charging SAIBOR plus a bank profit margin for the above facilities ranging from 1.75% to 3% respectively.
- (b) The facilities are secured by personal and corporate guarantees of shareholders, and are subject to certain covenant requirements.
- (c) The facilities have different maturity terms ranging between 3 months to 3 years.

11. REVENUE

Revenue from contracts with customers is disaggregated by timing of revenue recognition.

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>June 30, 2025 (Unaudited)</u>	<u>June 30, 2024 (Unaudited)</u>	<u>June 30, 2025 (Unaudited)</u>	<u>June 30, 2024 (Unaudited)</u>
Service transferred over time	211,725,151	158,526,582	391,650,903	295,208,286
Service transferred at a point in time	21,906,006	29,272,990	61,105,441	61,716,193
	233,631,157	187,799,572	452,756,344	356,924,479

The transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period is SR 1,853 million (2024: SR 1,824 million). This revenue is expected to be recognized over a period of 1 to 3 years.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2025
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

12. CONTINGENCIES AND COMMITMENTS

The Company has following outstanding contingencies and commitments;

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Performance bond	75,043,505	74,414,348
Bid bond	4,355,000	266,512
Bank guarantee	50,000	50,000
	<u>79,448,505</u>	<u>74,730,860</u>

13. SEGMENT REPORTING

The Company operates principally in a single business segment of Integrated Facilities Management services, which comprises of executing, operations, maintenance and cleaning contracts for commercial, residential and industrial facilities and its related maintenance, repair of equipment, electrical and mechanical appliances, restoration and maintenance of buildings and infrastructure facilities. This is in line with the operating segment that is regularly reported to the Chief Operating Decision Maker. This is also the measure reported to the Company's Board of Directors for the purpose of resource allocation and assessment of segment performance.

	Revenue		Gross Profit	
	For the Six Months Ended		For the Six Months Ended	
	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Facilities Management Services	<u>452,756,344</u>	<u>356,924,479</u>	<u>64,183,759</u>	<u>39,561,638</u>
	Revenue		Gross Profit	
	For the Three Months Ended		For the Three Months Ended	
	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Facilities Management Services	<u>233,631,157</u>	<u>187,799,572</u>	<u>33,027,430</u>	<u>23,032,393</u>

Segment revenue reported above represents revenue generated from external customers.

The Company serves a diverse client base, including government entities, state-owned enterprises and private enterprises. The Company's client segmentation strategy is designed to optimize service delivery, mitigate market risks, and ensure sustainable growth.

The Company's revenue contribution by client type is as follows:

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2025
(All amounts are in Saudi Arabian Riyal unless otherwise stated)

13. SEGMENT REPORTING (CONTINUED)

	For the Six Month Period Ended June 30, 2025 (Unaudited)		For the Six Month Period Ended June 30, 2024 (Unaudited)	
	Revenue	Percentage of total revenue (%)	Revenue	Percentage of total revenue (%)
Government	1,923,202	0.4%	14,359,983	4.0%
Government Owned Enterprises	327,606,984	72.4%	257,526,665	72.2%
Private Companies	123,226,158	27.2%	85,037,831	23.8%
Total	452,756,344	100.0%	356,924,479	100.0%

14. DIVIDEND DECLARATION

The Shareholders resolved to approve an interim dividend distribution totaling SR 5,000,000, which was settled during the six month period ended June 30, 2025 against the zakat and income tax receivables due from the shareholders (Note 8). (2024: No dividend was declared during the period).

15. EARNINGS PER SHARE

Earnings per share have been calculated by dividing the net profit attributable to the owners of the Company by the weighted average number of shares outstanding during the period. As the Company does not have any dilutive potential shares, the diluted earnings per share is the same as the basic earnings per share.

	Three months period ended June 30, 2025 (Unaudited)		Six months period ended June 30, 2025 (Unaudited)	
	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
From continuing operations				
Net profit for the period	14,300,918	8,331,373	27,522,975	12,654,344
Weighted average number of ordinary shares outstanding during the period	45,000,000	100,000	37,516,667	100,000
Basic and diluted earnings per share (SR per share)	0.32	83.31	0.73	126.54

For the six month period ended June 30, 2024, the number of outstanding shares was 100,000. For comparison purposes if the weighted average number of ordinary shares outstanding for the June 30, 2024 period was 37,516,667, the comparative basic and diluted earnings per share would have been SR 0.34.

16. EVENTS AFTER THE REPORTING PERIOD

There were no events subsequent to the period ended June 30, 2025 and occurring before the date of the approval of the interim condensed financial information that are expected to have a significant impact on this interim condensed financial information.

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on August 13, 2025.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) AND
INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE THREE MONTHS
AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL INFORMATION AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

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**INDEPENDENT AUDITOR'S REVIEW REPORT
ON INTERIM FINANCIAL INFORMATION**

To the Shareholders of
EFSIM Facilities Management Company
Saudi Unlisted Joint Stock Company
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of EFSIM Facilities Management Company, (the "Company") as at September 30, 2025, and the related interim condensed statement of profit or loss and other comprehensive income for the three months and nine months period then ended, and the interim condensed statements of changes in equity and cash flows for the nine-months period then ended, material accounting policy information and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Deloitte and Touche & Co.
Chartered Accountants

Tariq Bin Mohammed Al-Fattani
License No. 446
November 3, 2025
Jumada Al-Awwal 12, 1447H



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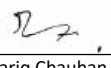
EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025

(All amounts are in \$ unless otherwise stated)

	Notes	September 30, 2025	December 31, 2024
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property and equipment	6	44,769,107	51,741,114
Right-of-use assets		58,527,824	25,340,420
Deferred tax asset		3,315,453	2,090,814
Investment in associate		-	889,092
Total non-current assets		106,612,384	80,061,440
Current assets			
Contract assets		178,484,560	115,948,530
Trade receivables	7	250,651,934	230,684,315
Prepayments and other current assets		63,037,246	33,401,578
Due from related parties	8	974,103	6,347,369
Cash and cash equivalents		54,476,774	64,933,717
Total current assets		547,624,617	451,315,509
Total Assets		654,237,001	531,376,949
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	90,000,000	10,000,000
Retained earnings		107,432,717	128,360,358
Total equity		197,432,717	138,360,358
LIABILITIES			
Non-current liabilities			
Employee's defined benefit liabilities		25,546,212	15,430,704
Lease liabilities - non-current portion		16,494,476	13,178,976
Bank Borrowing - non-current portion	10	16,265,692	19,927,507
Total non-current liabilities		58,306,380	48,537,187
Current liabilities			
Bank borrowings - current portion	10	96,757,379	101,060,677
Lease liabilities - current portion		36,165,446	9,762,600
Loan from shareholders	8	-	20,000,000
Trade and other payables		248,614,015	199,600,724
Due to a related party	8	10,353,613	8,756,374
Accrued zakat and income tax		6,607,451	5,299,029
Total current liabilities		398,497,904	344,479,404
Total liabilities		456,804,284	393,016,591
Total Equity and Liabilities		654,237,001	531,376,949


Taher Jhanjharya
Chief Financial Officer


Tariq Chauhan
Chief Executive Officer


Abdul Raouf Al Bitar
Chairman of the Board of
Directors

The accompanying notes form an integral part of this interim condensed financial information.

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EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

(All amounts are in SAR unless otherwise stated)

	Notes	Three Months Period Ended		Nine Months Period Ended	
		September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Revenue	11	272,431,161	224,598,028	725,187,505	581,522,507
Cost of revenue		(234,375,371)	(195,550,875)	(622,947,956)	(512,913,716)
Gross profit		38,055,790	29,047,153	102,239,549	68,608,791
General and administrative expenses		(15,105,917)	(10,188,034)	(41,909,248)	(28,963,258)
Operating profit		22,949,873	18,859,119	60,330,301	39,645,533
Finance costs		(3,076,553)	(3,847,470)	(8,077,808)	(9,269,471)
Share of result of associate		(395,211)	-	(889,092)	-
Profit before zakat and tax		19,478,109	15,011,649	51,363,401	30,376,062
Zakat and income tax expense		(2,928,725)	(1,610,364)	(7,291,042)	(4,320,433)
Net profit for the period		16,549,384	13,401,285	44,072,359	26,055,629
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		16,549,384	13,401,285	44,072,359	26,055,629
Earnings per share:					
Basic and diluted earnings per share	15	0.37	134.01	1.1	260.56
 Taher Jhanjharya Chief Financial Officer		 Tariq Chauhan Chief Executive Officer		 Abdul Raouf Al Bitar Chairman of the Board of Directors	

The accompanying notes form an integral part of this interim condensed financial information.

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EFSSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**
(All amounts are in \$ unless otherwise stated)

	Note	Share capital	Statutory reserve	Retained earnings	Total
Balance at January 1, 2024 - audited		10,000,000	5,000,000	69,277,270	84,277,270
Net profit for the period		-	-	26,055,629	26,055,629
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	26,055,629	26,055,629
Balance at September 30, 2024 - unaudited		10,000,000	5,000,000	95,332,899	110,332,899
Balance at January 1, 2025 - audited		10,000,000	-	128,360,358	138,360,358
Share capital issued from retained earnings	9	60,000,000	-	(60,000,000)	-
Shareholders loan conversion to share capital	8	20,000,000	-	-	20,000,000
Net profit for the period		-	-	44,072,359	44,072,359
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	44,072,359	44,072,359
Dividend declared	14	-	-	(5,000,000)	(5,000,000)
Balance at September 30, 2025 - unaudited		90,000,000	-	107,432,717	197,432,717

Taher Jhanjaryah
Chief Financial Officer

Tariq Chauhan
Chief Executive Officer

Abdul Raouf Al Bitar
Chairman of the Board of Directors

The accompanying notes form an integral part of this interim condensed financial information.

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EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025
(All amounts are in ﷲ unless otherwise stated)

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Cash flows from operating activities		
Profit before zakat and tax	51,363,401	30,376,062
Adjustments for:		
Depreciation expense on property and equipment	11,194,456	7,216,886
Depreciation on right of use assets	11,818,420	5,615,973
Finance costs	8,077,808	9,269,471
Provision for employee benefits	10,990,869	4,546,766
Provision for bad debts	704,771	-
Share of Loss from Associate	889,092	-
	<u>95,038,817</u>	<u>57,025,158</u>
Changes in:		
Trade receivables and contract assets	(83,208,420)	(65,238,693)
Prepayments and other current assets	(28,291,002)	(27,298,350)
Trade and other payables	51,871,691	85,230,360
Due to related parties	1,597,239	8,489,550
Due from related party	373,266	(2,480,071)
Cash used in operating activities	<u>37,381,591</u>	<u>55,727,954</u>
Interest costs on borrowings - paid	(6,474,213)	(8,504,127)
Employees benefits paid	(875,361)	(5,581,319)
Zakat and income tax paid	(7,207,260)	(5,414,726)
Net cash used in operating activities	<u>22,824,757</u>	<u>36,227,782</u>
Cash flows from investing activities		
Purchase of property and equipment	(8,425,515)	(9,028,273)
Net cash used in investing activities	<u>(8,425,515)</u>	<u>(9,028,273)</u>
Cash flows from financing activities		
Proceeds from banks against borrowings	536,695,868	231,546,049
Repayments to banks against borrowings	(544,660,981)	(229,415,934)
Loan from shareholders	-	8,420,000
Lease rentals paid	(16,891,072)	(8,263,322)
Net cash generated from financing activities	<u>(24,856,185)</u>	<u>2,286,793</u>
Net decrease in cash and cash equivalents	<u>(10,456,943)</u>	<u>29,486,302</u>
Cash and cash equivalents at beginning of the period	64,933,717	21,867,922
Cash and cash equivalents at end of the period	<u>54,476,774</u>	<u>51,354,224</u>
Non-cash transactions:		
Dividend declared	5,000,000	-
Addition on right of use assets and lease liabilities	45,005,824	19,636,151
		
Taher Jhanjharya Chief Financial Officer	Tariq Chauhan Chief Executive Officer	Abdul Raouf Al Bitar Chairman of the Board of Directors

The accompanying notes form an integral part of this interim condensed financial information.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025
(All amounts are in ﷲ unless otherwise stated)

1. ESTABLISHMENT AND OPERATIONS

EFSIM Facilities Management Company ("the Company") is a Saudi Unlisted Joint Stock Company registered in the Kingdom of Saudi Arabia under National Unified Number 7001574883 dated 27 Dhul- Hijjah 1429H (corresponding to 25 December 2008). The Company is a subsidiary of EFS Facilities Services Group Limited (the "Parent Company") which owns 55% of the share capital (refer note 9).

On 13 Jammad-ul-Awwal 1445H (corresponding to 27 November 2023), the Company changed its legal name from Saudi EMCOR Company Limited to EFSIM Facilities Management Company and re-registered from limited liability company to a Saudi Unlisted Joint Stock Company and changed its articles of association to by laws dated 20 Rajab, 1445H (corresponding to February 1, 2024).

The Company is engaged in executing operation, maintenance and cleaning contracts for commercial, residential and industrial facilities and its related maintenance, repair of equipment, electrical and mechanical appliances, restoration and maintenance of buildings and infrastructure facilities, storage and catering facilities, renting leisure and fishing boats, firefighting rescue teams and equipment, in accordance with Ministry of Investment of Saudi Arabia (MISA) License No. 10202911835 dated 21 Dhul-Qadah 1429H (corresponding to November 20, 2008).

The Company has an investment in its associate The Agency Limited for Entertainment Events, owning 33% of the share capital. The associate provides temporary staffing solutions for events, luxury retail establishments, and hospitality venues.

The Company also has the following branches:

Branch name	National Unified Number
Dammam	7004023789
Riyadh	7035395560
Al-Ula	7028426356
Tabuk	7035373153
Jeddah	7012342783

The results, assets and liabilities of these branches are included in these financial statements.

The Company's registered office is located at 6756 Prince Faisal Ibn Bandar Ibn Abdulaziz 3604 Al Narjis Dist. 13328, Riyadh, KSA.

The Capital Market Authority (CMA) announced its approval on 7 Rabi Al-Akhar, 1447H corresponding to 29 September 2025 for the Company's application for registration and offering of 16,800,000 shares representing 30% of the Company's share capital post offering and capital increase on the Saudi Exchange. The Management is working with its advisors, and intend, to complete the process to list the Company's shares within six months from this date. At such time, the Company will be a public joint stock company.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025
(All amounts are in ﷲ unless otherwise stated)

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

2.1 New Standards, Amendment to Standards and Interpretations:

There are a number of new standards and amendments to standards which are effective from January 1, 2025, as has been explained in the Company's annual financial statements for the year ended 31 December 2024. Management have assessed that these do not have a material effect on the Company's interim condensed financial information for the period ended September 30, 2025.

2.2 Standards issued but not yet effective

There are a number of new standards and amendments that are not yet effective, which have been explained in the Company's annual financial statements for the year ended 31 December 2024. These new and amended standards and interpretations are not expected to have a material impact on the financial statements of the Company, when adopted except for IFRS 18 – Presentation and Disclosure in Financial statements, which will impact the presentation of the interim condensed statement of Profit or loss and other comprehensive income. The Company has not early adopted any new or amended standards in preparing this interim condensed financial information.

3. BASIS OF PREPARATION

Statement of compliance

This interim condensed financial information has been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Preparation of condensed interim financial information

This condensed interim financial information does not include all of the information and disclosures required in a full set of annual financial statements and should therefore be read in conjunction with the last annual financial statements for the year ended December 31, 2024. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual financial statements.

Basis of preparation

This interim condensed financial information has been prepared under the historical cost convention using the accrual basis of accounting and the going concern concept, except for the employees' defined benefit obligations, which have been actuarially valued based on the projected unit credit method.

The interim condensed financial information is presented in Saudi Riyals (SR) being the functional currency of the Company.

The results for the interim period for the three months and nine months period ended September 30, 2025 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2025.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

(All amounts are in ﷻ unless otherwise stated)

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of this interim condensed financial information of the Company is consistent with those of the Company's annual financial statements for the year ended December 31, 2024.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the Company's interim condensed financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period were the same as those described in the latest annual financial statements.

The Company based its assumptions and estimates on parameters available when the condensed interim financial information was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company.

6. PROPERTY AND EQUIPMENT

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Net book value at the beginning of the period / year	51,741,114	32,077,777
Additions	8,425,515	31,053,353
Reclassification	(4,203,066)	(5,126)
Depreciation for the period / year	(11,194,456)	(11,384,890)
Carrying value at the end of the period/ year	44,769,107	51,741,114

7. TRADE RECEIVABLES

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade receivables	254,682,863	234,010,473
Less: allowance for impairment	(4,030,929)	(3,326,158)
	250,651,934	230,684,315

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025
(All amounts are in ﷲ unless otherwise stated)

7. TRADE RECEIVABLES (CONTINUED)

Movement in allowance for impairment on trade receivables:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Opening balance	3,326,158	1,800,088
Charge for the period / year	704,771	1,526,070
Closing balance	4,030,929	3,326,158

8. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the shareholders, directors, key management personnel and business entities in which they have the ability to control or exercise significant influence in the financial and operating decisions. The Company maintains balances with these related parties which arise in the normal course of business from commercial transactions. The Company transacts with its related parties, on agreed prices and contract terms as approved by the Company's management.

The significant transactions entered into by the Company with related parties during the period, other than those disclosed elsewhere in these financial statements, are as follows:

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
<u>Parent Company</u>		
Marketing and support services fee	7,660,152	6,015,045
IT and other support fee	6,569,519	4,764,721
Expenses paid by parent on behalf of company - net	1,256,101	4,420,808
Additional shareholder's loan	-	4,400,000
Dividend declared	2,750,000	-
Seconded salaries	14,625	1,779,539
<u>Other Shareholders</u>		
Dividend declared	2,250,000	-
<u>Associate</u>		
Service Revenue earned from associate	560,901	278,148
Expenses paid on behalf of the associate	1,028,879	815,907

The above transactions resulted in following balances and loans from and due to related party's:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>Due from related parties</u>		
The Agency Limited for Entertainment Events	559,377	932,643
Zakat and Income tax receivable from shareholders	414,726	5,414,726
	974,103	6,347,369
<u>Due to a related party</u>		
EFS Facilities Services Group Limited	10,353,613	8,756,374

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025
(All amounts are in ﷲ unless otherwise stated)

8. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Shareholders' loan

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Shareholders' loan	-	20,000,000

The Shareholders' loan represented a short-term, interest-free loan from the shareholders, provided to support the Company's operations / cashflow requirements, in proportion to their shareholding. During the current period, the loan has been converted into equity following a resolution by the shareholders and completion of all necessary legal formalities.

The following table illustrates details of remuneration and compensation paid to Directors and Key Management Personnel:

Key Management Personnel	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Short-term employee benefits	7,595,868	3,904,541
Post employment benefits	925,550	548,944
Total	8,521,418	4,453,485

9. SHARE CAPITAL

The share capital of the Company as at December 31, 2024 was ﷲ 10,000,000 divided into 100,000 shares of ﷲ 100 each, which are fully paid and owned as follows:

<u>Name of shareholders</u>	<u>No. of shares</u>	<u>%</u>	<u>Total value</u>
EFS Facilities Services Group Limited	55,000	55%	5,500,000
Al-Khafrah Holding Company	15,000	15%	1,500,000
Lama Holding Company	13,000	13%	1,300,000
Career First Company	10,000	10%	1,000,000
Khalid Abdulrahman Al- Gwaiz	7,000	7%	700,000
	100,000	100%	10,000,000

On January 27, 2025 the shareholders approved the increase of the Company's share capital from ﷲ 10,000,000 to ﷲ 90,000,000, through the conversion of the shareholders' loans amounting to SR 20,000,000 into share capital, and through the capitalization of ﷲ 60,000,000 of existing retained earnings of the Company into share capital.

Further, the shareholders approved a share split at the ratio of 50:1, such that each existing share shall be split into fifty new shares.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025
(All amounts are in ﷲ unless otherwise stated)

9. SHARE CAPITAL (CONTINUED)

The share capital of the Company as at September 30, 2025 amounts to ﷲ 90,000,000 divided into 45,000,000 shares of ﷲ 2 each, which are fully paid and owned as follows:

<u>Name of shareholders</u>	<u>No. of shares</u>	<u>%</u>	<u>Total value</u>
EFS Facilities Services Group Limited	24,750,000	55%	49,500,000
Al-Khafrah Holding Company	6,750,000	15%	13,500,000
Lama Holding Company	5,850,000	13%	11,700,000
Career First Company	4,500,000	10%	9,000,000
Khalid Abdulrahman Al- Gwaiz	3,150,000	7%	6,300,000
	45,000,000	100%	90,000,000

10. BANK BORROWINGS

<u>September 30, 2025 (Unaudited)</u>	<u>Opening</u>	<u>Additions</u>	<u>Payments</u>	<u>Closing</u>
Progress payment finance (PPF) – BSF	47,292,642	312,450,965	(320,701,128)	39,042,479
Progress payment finance (PPF) – ENBD	47,268,031	183,229,779	(194,354,490)	36,143,320
Progress payment finance (PPF) – GIB	-	13,947,817	-	13,947,817
Mobilization Finance – ENBD	18,416,723	-	(4,875,000)	13,541,723
Mobilization Finance – Inma	-	5,063,970	-	5,063,970
Mobilization Finance – BSF	8,010,788	20,879,574	(24,730,363)	4,159,999
Progress payment finance (PPF) – Inma	-	1,123,763	-	1,123,763
	120,988,184	536,695,868	(544,660,981)	113,023,071

<u>December 31, 2024 (Audited)</u>	<u>Opening</u>	<u>Additions</u>	<u>Payments</u>	<u>Closing</u>
Progress payment finance (PPF) – BSF	11,552,099	179,266,367	(143,525,824)	47,292,642
Progress payment finance (PPF) – ENBD	39,303,841	174,509,433	(166,545,243)	47,268,031
Mobilization Finance – BSF	18,358,991	12,600,000	(22,948,203)	8,010,788
Mobilization Finance – ENBD	31,358,332	-	(12,941,609)	18,416,723
	100,573,263	366,375,800	(345,960,879)	120,988,184

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Total bank borrowings	113,023,071	120,988,184
Less: Non-current - portion	(16,265,692)	(19,927,507)
Current portion	96,757,379	101,060,677

- (a) The Company has obtained secured credit facilities with Banque Saudi Fransi (BSF), Emirates NBD (ENBD), Gulf Investment Bank (GIB) and Al Inma bank (Inma) in order to provide liquidity for the daily operations under PPF and Mobilization finance arrangements. The bank is charging SAIBOR plus a bank profit margin for the above facilities ranging from 1.75% to 3% respectively.
- (b) The facilities are secured by personal and corporate guarantees of shareholders, and are subject to certain covenant requirements.
- (c) The facilities have different maturity terms ranging between 3 months to 3 years.

EFSIM FACILITIES MANAGEMENT COMPANY
(SAUDI UNLISTED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025
(All amounts are in ﷲ unless otherwise stated)

11. REVENUE

Revenue from contracts with customers is disaggregated by timing of revenue recognition.

	Three months period ended		Nine months period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Service transferred over time	212,524,424	180,642,763	603,563,750	475,851,049
Service transferred at a point in time	59,906,737	43,955,265	121,623,755	105,671,458
	272,431,161	224,598,028	725,187,505	581,522,507

The transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period is ﷲ **2,026 million** (2024: ﷲ 1,788 million). This revenue is expected to be recognized over a period of 1 to 3 years.

12. CONTINGENCIES AND COMMITMENTS

The Company has following outstanding contingencies and commitments;

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Performance bond	73,313,872	74,414,348
Bid bond	5,539,211	266,512
Bank guarantee	50,000	50,000
	78,903,083	74,730,860

13. SEGMENT REPORTING

The Company operates principally in a single business segment of Integrated Facilities Management services, which comprises of executing, operations, maintenance and cleaning contracts for commercial, residential and industrial facilities and its related maintenance, repair of equipment, electrical and mechanical appliances, restoration and maintenance of buildings and infrastructure facilities. This is in line with the operating segment that is regularly reported to the Chief Operating Decision Maker. This is also the measure reported to the Company's Board of Directors for the purpose of resource allocation and assessment of segment performance.

	Revenue		Gross Profit	
	For the Nine Months Ended		For the Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Facilities Management Services	725,187,505	581,522,507	102,239,549	68,608,791

EFSIM FACILITIES MANAGEMENT COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025
(All amounts are in ﷲ unless otherwise stated)

13. SEGMENT REPORTING (CONTINUED)

	Revenue		Gross Profit	
	For the Three Months Ended		For the Three Months Ended	
	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Facilities Management Services	272,431,161	224,598,028	38,055,790	29,047,153

Segment revenue reported above represents revenue generated from external customers.

The Company serves a diverse client base, including government entities, state-owned enterprises and private enterprises. The Company's client segmentation strategy is designed to optimize service delivery, mitigate market risks, and ensure sustainable growth.

The Company's revenue contribution by client type is as follows:

	For the Nine Month Period Ended September 30, 2025 (Unaudited)		For the Nine Month Period Ended September 30, 2024 (Unaudited)	
	Revenue	Percentage of total revenue (%)	Revenue	Percentage of total revenue (%)
Government Owned Enterprises	502,132,075	69.2%	416,049,146	71.5%
Private Companies	218,336,644	30.1%	144,469,439	24.8%
Government	4,718,786	0.7%	21,003,922	3.6%
Total	725,187,505	100.0%	581,522,507	100.0%

14. DIVIDEND DECLARATION

The Shareholders resolved to approve an interim dividend distribution totaling ﷲ 5,000,000, which was settled during the nine-month period ended September 30, 2025 against the zakat and income tax receivables due from the shareholders (Note 8). (2024: No dividend was declared during the period).

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025

(All amounts are in ﷲ unless otherwise stated)

15. EARNINGS PER SHARE

Earnings per share have been calculated by dividing the net profit attributable to the owners of the Company by the weighted average number of shares outstanding during the period. As the Company does not have any dilutive potential shares, the diluted earnings per share is the same as the basic earnings per share.

	Three months period ended		Nine months period ended	
	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
From continuing operations				
Net profit for the period	16,549,384	13,401,285	44,072,359	26,055,629
Weighted average number of ordinary shares outstanding during the period	45,000,000	100,000	40,011,111	100,000
Basic and diluted earnings per share (SR per share)	0.37	134.01	1.10	260.56

For the nine-month period ended September 30, 2024, the number of outstanding shares was 100,000. For comparison purposes if the weighted average number of ordinary shares outstanding for the September 30, 2024 period was 40,011,111, the comparative basic and diluted earnings per share would have been ﷲ 0.65.

16. EVENTS AFTER THE REPORTING PERIOD

There were no events subsequent to the period ended September 30, 2025 and occurring before the date of the approval of the interim condensed financial information that are expected to have a significant impact on this interim condensed financial information.

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on November 2, 2025.



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