

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022
AND INDEPENDENT AUDITOR'S REPORT ON REVIEW

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022

<u>INDEX</u>	<u>PAGE</u>
Report on review of condensed interim financial statements	1
Condensed interim Consolidated statement of financial position	2
Condensed interim Consolidated statement of profit or loss	3
Condensed interim Consolidated statement of comprehensive income	4
Condensed interim Consolidated statement of changes in equity	5
Condensed interim Consolidated statement of cash flows	6
Notes to the condensed interim Consolidated financial statements	7 - 22



RSM

المحاسبون المتحدون للإستشارات المهنية

الرياض - حي العليا - طريق العروبة
مبنى رقم ٣١٩٣ ، الطابق الأول
ص. ب ٨٣٣٥ ، الرياض - ١٢٣٣٣
هاتف: +٩٦٦ ١١ ٤١٦ ٩٣٦١
فاكس: +٩٦٦ ١١ ٤١٦ ٩٣٤٩
المملكة العربية السعودية
www.rsmksa.com
س.ت ٤٠٣٠٢٢٨٧٧٣

Allied Accountants Professional Services

Riyadh - Olaya District - Al Oruba Street
1st Floor, Building No. 3193
P.O. Box 8335, Riyadh - 12333
Tel.: +966 11 416 9361
Fax: +966 11 416 9349
Kingdom of Saudi Arabia
www.rsmksa.com
C.R.: 4030228773

Report on review of condensed interim consolidated financial statements

To the Shareholders of
Maharah For Human Resources Company
(A Saudi Joint Stock Company)

Introduction:

We have reviewed the accompanying condensed interim consolidated statement of financial position of Maharah For Human Resources Company ("the company") and its subsidiaries (collectively referred to as "the Group") as of September 30, 2022, and the related condensed interim consolidated statements of profit or loss and comprehensive income for the three-month and nine-month periods ended September 30, 2022 and interim condensed consolidated statement of changes in equity and cash flows for the nine month period then ended, and other explanatory notes. Management is responsible for preparation of this condensed interim consolidated financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review:

We conducted our review in accordance with International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia and consequently doesn't enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements is not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

Other matter:

The consolidated financial statements of the group for the year ended December 31, 2021, were audited by another auditor who expressed an unmodified opinion of those consolidated financial statements on Shaban 12, 1443H, (corresponding on March 15, 2022). Further, the Group condensed interim consolidated financial statement for the nine-month period ended September 30, 2021 were reviewed by another auditor who expressed an unmodified conclusion on those condensed interim financial statements on Rabie althani 5, 1443H (corresponding November 10, 2021).

Allied Accountants Professional services company

Mohammed Bin Farhan Bin Nader

License No. 435

Riyadh, Kingdom of Saudi Arabia

Rabi al Thani 9, 1444 H (Corresponding to November 3, 2022)



MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
AS OF September 30, 2022
(Saudi Riyal)

	Notes	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents		47,697,582	89,418,996
Murabaha time deposits		-	50,000,000
Accounts receivable	4	219,612,760	182,003,390
Contract assets	4	98,504,057	69,002,663
Prepayments and other current assets		220,565,530	250,084,559
Available visas		25,428,000	28,752,000
Total current assets		611,807,929	669,261,608
Non-current assets			
Accounts receivable, Long term	4	4,475,620	4,161,608
Property and equipment		123,235,433	125,379,127
Right-of-use assets		39,074,665	26,772,276
Intangible assets	6	8,011,018	7,642,586
Investment property	7	37,926,555	37,952,874
Financial assets at fair value through profit or loss	8	37,984,970	99,574,659
Financial assets at fair value through other comprehensive income	9	13,985,656	-
Investment in an associate	10	768,914,262	14,065,841
Other non-current assets		36,276,491	51,375,741
Total non-current assets		1,069,884,670	366,924,712
Total assets		1,681,692,599	1,036,186,320
LIABILITIES			
Current liabilities			
Accounts payable, accruals, and other current liabilities		203,534,899	175,655,310
Contract liabilities		133,650,545	90,498,609
Retained deposits		99,219,891	93,361,120
Zakat provision	11	13,330,360	16,606,102
Total current liabilities		449,735,695	376,121,141
Non-current liabilities			
Long Term Loans	12	562,607,710	-
Employees' defined benefits liabilities		80,777,140	75,140,482
Contracts lease liabilities		27,518,954	13,972,841
Total non-current liabilities		670,903,804	89,113,323
Total liabilities		1,120,639,499	465,234,464
EQUITY			
Share capital	13	375,000,000	375,000,000
Statutory reserve		82,005,235	82,005,235
Other reserves		(14,622,161)	(11,357,161)
Retained earnings		118,852,953	126,790,673
Equity attributable to the Shareholders of the Parent Company		561,236,027	572,438,747
Non-controlling interests	1	(182,927)	(1,486,891)
Total equity		561,053,100	570,951,856
Total liabilities and equity		1,681,692,599	1,036,186,320

Chairman

Chief executive
officer

Vice President for Finance
and Investment

Executive Director
of Finance

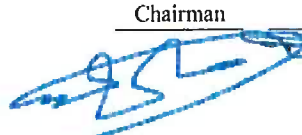
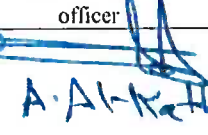

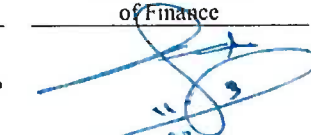
The accompanying notes are an integral part of these condensed interim consolidated financial statements

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE THREE AND NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022
(Saudi Riyal)

	Notes	For the three-months period ended September 30		For the nine-months period ended September 30	
		2022	2021	2022	2021
		(Unaudited)	(unaudited)	(Unaudited)	(unaudited)
Revenues	16	419,469,944	324,833,016	1,210,031,331	969,061,768
Cost of revenues		(361,099,691)	(270,547,875)	(1,046,588,057)	(805,750,151)
Gross Profit		58,370,253	54,285,141	163,443,274	163,311,617
General and administrative expenses		(24,978,844)	(14,823,235)	(69,707,749)	(46,281,566)
Marketing expenses		(3,997,517)	(2,413,119)	(10,505,774)	(6,773,919)
Expected credit Losses (Reversal)	4	627,580	(736,620)	(81,211)	1,492,353
Operating profit		30,021,472	36,312,167	83,148,540	111,748,485
Other income		2,553,112	1,840,686	5,418,814	5,232,999
Finance cost		(2,354,558)	(313,883)	(3,076,986)	(887,719)
Share in results of an associate company	10	35,195,753	282,960	35,115,568	(813,419)
Net gain on financial assets at FVTPL	8	908,283	1,055,011	3,708,162	1,359,120
Profit for the period before zakat		66,324,062	39,176,941	124,314,098	116,639,466
Zakat	11	(4,855,975)	(3,575,404)	(12,324,369)	(11,403,702)
Profit for the period		61,468,087	35,601,537	111,989,729	105,235,764
Net income for the period attributable to:					
Shareholders of the Parent Company		61,931,146	35,625,910	113,937,280	105,657,069
Non-controlling interests		(463,059)	(24,373)	(1,947,551)	(421,305)
		<u>61,468,087</u>	<u>35,601,537</u>	<u>111,989,729</u>	<u>105,235,764</u>
Basic and diluted earnings per share:					
Net income per share attributable to Shareholders of the Parent Company	15	1.65	0.95	3.04	2.82

M.H

Chairman	Chief executive officer	Vice President for Finance and Investment	Executive Director of Finance
	 A. Al-Mutairi		 2022 A. Helaly


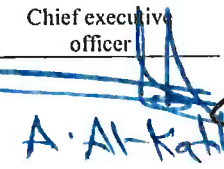
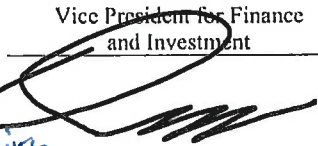
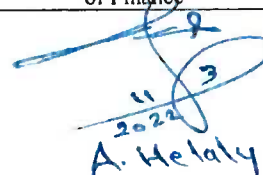
The accompanying notes are an integral part of these condensed interim consolidated financial statements

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2022
(Saudi Riyal)

	For the three-months period ended September 30		For the nine-months period ended September 30	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Profit for the period	61,468,087	35,601,537	111,989,729	105,235,764
Other comprehensive loss:				
Item that will not be reclassified to consolidated statement of profit or loss:				
Re-measurements employees' defined benefits liabilities	-	-	(3,265,000)	(4,100,000)
Other comprehensive loss for the period	-	-	(3,265,000)	(4,100,000)
Total comprehensive income for the period	61,468,087	35,601,537	108,724,729	101,135,764
Total comprehensive income for the period attributable to:				
Shareholders of the Parent Company	61,931,146	35,625,910	110,672,280	101,557,069
Non-controlling interests	(463,059)	(24,373)	(1,947,551)	(421,305)
	61,468,087	35,601,537	108,724,729	101,135,764

M.K

Chairman	Chief executive officer	Vice President for Finance and Investment	Executive Director of Finance
	 A. Al-Kathiry		 2022 A. Helaly

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

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022
(Saudi Riyal)

	Equity attributable to the Shareholders of the Parent Company					Non-controlling interests	Total equity	
	Note	Share capital	Statutory reserve	Other Reserves	Retained earnings			Total
For the Nine-months period ended September 30, 2021								
Balance as at January 1, 2021 (Audited)		375,000,000	67,512,731	(9,446,161)	125,989,840	559,056,410	(3,526,949)	555,529,461
Profit for the period		-	-	-	105,657,069	105,657,069	(421,305)	105,235,764
Other comprehensive loss for the period		-	-	(4,100,000)	-	(4,100,000)	-	(4,100,000)
Total Comprehensive income for the period		-	-	(4,100,000)	105,657,069	101,557,069	(421,305)	101,135,764
Acquisition of a subsidiary	18	-	-	-	10,993,300	10,993,300	-	10,993,300
Movement in non-controlling interest		-	-	-	-	-	3,125,720	3,125,720
Interim dividends	14	-	-	-	(140,625,000)	(140,625,000)	-	(140,625,000)
Balance as at September 30, 2021		375,000,000	67,512,731	(13,546,161)	102,015,209	530,981,779	(822,534)	530,159,245

For the Nine-months period ended September 30, 2022

Balance as at January 1, 2022 (Audited)		375,000,000	82,005,235	(11,357,161)	126,790,673	572,438,747	(1,486,891)	570,951,856
Profit for the period		-	-	-	113,937,280	113,937,280	(1,947,551)	111,989,729
Other comprehensive loss for the period		-	-	(3,265,000)	-	(3,265,000)	-	(3,265,000)
Total Comprehensive income for the period		-	-	(3,265,000)	113,937,280	110,672,280	(1,947,551)	108,724,729
Movement in non-controlling interest		-	-	-	-	-	3,251,515	3,251,515
Interim dividends	14	-	-	-	(121,875,000)	(121,875,000)	-	(121,875,000)
Balance as at September 30, 2022		375,000,000	82,005,235	(14,622,161)	118,852,953	561,236,027	(182,927)	561,053,100

Chairman


Chief executive officer

Vice President for Finance and Investment

Executive Director of Finance




A. Al-Khatib




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

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022
(Saudi Riyal)

	For the Nine-months period ended September 30	
	2022	2021
OPERATING ACTIVITIES:		
Profit for the period before zakat	124,314,098	116,639,466
Adjustments for non-cash items:		
Employees' defined benefits liabilities charged	15,924,497	15,054,369
Expected credit Losses (Reversal)	81,211	(1,492,353)
Depreciation of property and equipment	10,003,826	10,857,114
Depreciation of investment properties	372,636	-
Depreciation of right-of-use assets	9,484,945	7,021,991
Amortization of intangible assets	453,418	288,668
Share in results of an associate company	(35,115,568)	813,419
Net gain on financial assets at FVTPL	(3,708,162)	(1,359,120)
Finance costs	3,076,986	887,719
Profit from Murabaha time deposits	(618,589)	(844,751)
Reversal of accrued salaries no longer payable	(393,473)	(1,304,348)
Loss (Gain) on disposal of property and equipment	146,120	(234,471)
	<u>124,021,945</u>	<u>146,327,703</u>
Changes in working capital:		
Accounts receivable	(38,057,912)	15,831,863
Contract assets	(29,447,511)	(9,396,593)
Prepayments and other current assets	46,359,740	(29,625,252)
Available visas	3,324,000	2,016,000
Accounts payable, accruals and other current liabilities	24,843,628	(32,823,454)
Contract liabilities	43,151,936	(8,088,158)
Retained deposits	5,858,771	(3,122,680)
Cash generated from operations	<u>180,054,597</u>	<u>81,119,429</u>
Zakat paid	(15,600,111)	(13,456,472)
Employees' defined benefits obligations paid	(13,980,668)	(11,643,512)
Net cash flows from operating activities	<u>150,473,818</u>	<u>56,019,445</u>
INVESTING ACTIVITIES:		
Purchase Shares in associate company	(733,718,509)	-
Movements in Murabaha time deposits, net	50,618,589	210,844,751
Purchase of property and equipment	(7,957,476)	(6,662,722)
Additions to investment property	(346,317)	(3,293,217)
Additions to intangible assets	(2,300)	(694,646)
Proceeds from disposal financial assets at FVTPL	65,297,851	-
Proceeds from disposal of property and equipment	273,828	624,000
Additions to financial assets at FVTPL	-	(94,925,067)
Net cash flows (used in) from investing activities	<u>(625,834,334)</u>	<u>105,893,099</u>
FINANCING ACTIVITIES:		
Long Term Loans	562,607,710	-
Dividends paid	(121,875,000)	(140,625,000)
Payment of lease liabilities	(10,474,749)	(6,735,733)
Non-Controlling interest	3,381,141	-
Net cash flows from (used in) financing activities	<u>433,639,102</u>	<u>(147,360,733)</u>
Net changes in cash and cash equivalents	<u>(41,721,414)</u>	<u>14,551,811</u>
Cash and cash equivalents at January 1,	<u>89,418,996</u>	<u>57,909,641</u>
Cash and cash equivalents at September 30,	<u>47,697,582</u>	<u>72,461,452</u>
Non - Cash transaction		
Additions right-of-use assets and Contract lease liabilities	26,356,361	4,841,474
Transfer investment in associate company to financial assets at FVTOCI	13,985,656	-
Good arising on acquisition	819,550	-

Chairman

Chief executive officer

Vice President for Finance and Investment

Executive Director of Finance

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

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2022

1 GROUP ACTIVITIES AND INFORMATION

Maharah for Human Resources Company (the “Company” or “Parent Company”) is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia (“KSA”) under commercial registration numbered 1010364538 and dated 7 Rabi Thani 1434H (corresponding to February 17, 2013). The registered office is located at Al Olaya Road, Al Yasmeen District, Riyadh, KSA

The Company and its subsidiaries (collectively, with the Company referred to as the “Group”) are engaged in providing recruitment services, financial services, logistics services and support for public and private sectors.

The following are the subsidiaries of the Company included in these condensed interim consolidated financial statements:

	Country of incorporation	Direct ownership (%)	
		September 30, 2022	December 31, 2021
Spectra Support Services Company (“Spectra”)	KSA	-	90%
Established Growth Avenue Company (“GAC”)	KSA	100%	100%
Musanid Cleaning Services Company (“Musanid”)	UAE	-	85%
TPH Center for Domestic Workers (“TPH”)	UAE	96%	-

Spectra

On 25 Dhu Al-Hijjah 1442H (corresponding to August 4, 2021), the Group acquired 90% ownership of Spectra company. Spectra company is a limited liability company registered in Riyadh, KSA under commercial registration numbered 1010393045 and dated 1 Muharram 1435H (corresponding to November 4, 2013). Spectra is licensed in providing support services.

On 2 Jumada Althani 1443H (corresponding to January 5, 2022), the board of directors of the group agreed to transfer the Ownership percentage by 90% in Spectra Support Services Company (“Spectra”) to Established Growth Avenue Company (“GAC”) (Affiliate company).

GAC

On 14 Dhu Al-Qidah 1442H (corresponding to June 24, 2021), the Group established GAC with 100% ownership. GAC is a limited liability Company registered in Riyadh, KSA under commercial registration numbered 1010722193 and dated 14 Dhu al-Qadah 1442H (corresponding to June 24, 2021). GAC is licensed in providing financial services.

Subsidiary owned by GAC

	Country of incorporation	Direct and indirect ownership (%)	
		September 30, 2022	December 31, 2021
Spectra Support Services Company (“Spectra”) (*)	KSA	90%	-
Arabian Shifa Medical company (**)	KSA	85%	-
NABD for Logistics Services (“NABD”) (***)	KSA	99.5%	99.5%
Professional Development Training Company (****)	KSA	99%	99%

(*) On January 5, 2022, the board of directors of the Group agreed to transfer the Ownership percentage by 90% in Spectra Support Services Company (“Spectra”) to Established Growth Avenue Company (“GAC”) (Affiliate company).

(**) On 10 Jumada Althani 1443H (corresponding to January 13, 2022), the Group acquired 85% ownership of Arabian Shifa Medical company. Arabian Shifa Medical company is a limited liability company registered in Riyadh, KSA under commercial registration numbered 1010928711 and dated 23 Rabi Alawal 1439H (corresponding to December 11, 2017). Arabian Shifa Medical company is licensed in medical operations of hospitals, providing home medical care services, mobile clinics, pain relief centers, telemedicine centers (Note 18).

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE NINE-MONTHS PERIOD ENDED SEPTMEBR 30, 2022

1 GROUP ACTIVITIES AND INFORMATION (CONTINUED)

Subsidiary owned by GAC (CONTINUED)

(***) NABD for Logistics Services ("NABD") is a limited liability company registered in Riyadh, KSA under commercial registration numbered 1010733797 and dated 4 Muharam 1443H (corresponding to 12 August 2021). NABD for Logistics Services ("NABD") is licensed in logistics services.

(****) Professional Development Training Company is a limited liability company registered in Riyadh, KSA under commercial registration numbered 1010753744 and dated 26 Rabi Alawal 1443H (corresponding to 1 November 2021). Professional Development Training Company is licensed by the Technical and Vocational Training Corporation to provide special technical and vocational secondary education, including barbers, cooking, and hotel and restaurant staff.

Musanid

On 25 Ramadan 1443H (corresponding to April 26, 2022), Maharah Human Resources Company and Mayar Al-Aseel General Trading Company (a limited liability company, registered by the Dubai Economic Department and holding commercial license No. 753589, issued on March 2, 2016) waived their entire shares in the Musaned Cleaning Services Company "Musaned", where their shares amount to 85% and 15%, respectively, of the shares of the company's capital, "Musaned", to the TPH Center For Domestic Workers ("TPH") as per of agreement to restructure the shares of TPH Center For Domestic Workers ("TPH") (Affiliate Company).

TPH Center for Domestic Workers

On 25 Ramadan 1443H (corresponding to April 26, 2022), the partners in the TPH Center for Domestic Workers reached an agreement to restructure the shares by acquiring Maharah Company for a direct share of 96% instead of an indirect share of 59.5% in TPH Company. TPH is a limited liability Company registered in the United Arab Emirates under commercial registration numbered 729497 and dated 25 Jumad Alawal 1436H (corresponding to 16 March 2015). TPH is licensed in providing building cleaning services and residential property core services.

Subsidiary owned by TPH

	<u>Country of incorporation</u>	<u>Direct ownership (%)</u>	
		<u>September 30, 2022</u>	<u>December 31, 2021</u>
The Perfect Help LLC ("TPHL") (*)	UAE	100%	100%
TPH Public Health Pest Control Services One Person Co. LLC ("TPHC") (**)	UAE	100%	100%
MPL Building maintenance LLC ("MPL") (***)	UAE	100%	100%
Yalla Fix It One Person Company LLC ("Yalla") (****)	UAE	100%	100%
Musanid Cleaning Services Company ("Musanid") (*****)	UAE	100%	-

(*) TPHL is a limited liability Company registered in United Arab Emirates under commercial registration numbered 729497 and dated 24 Jumada Alawwal 1436H (corresponding to 15 March 2015). TPHL is licensed in Workers Services.

(**) TPHC is a limited liability Company registered in United Arab Emirates under commercial registration numbered 1338526 and dated 6 Dhul-Qadah 1432H (corresponding to 4 October 2011). TPHC is licensed in providing building cleaning services and public health pests control services.

(***) MPL is a limited liability Company registered in the United Arab Emirates under commercial registration numbered 1344621 dated 12 Rajab 1435H (corresponding to 11 May 2014). MPL is licensed in providing building maintenance services.

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE NINE-MONTHS PERIOD ENDED SEPTMEBR 30, 2022

1 GROUP ACTIVITIES AND INFORMATION (CONTINUED)

Subsidiary owned by TPH (Continued)

(****) Yalla Fix company is a limited liability Company registered in United Arab Emirates under commercial registration numbered 1341927 and dated 7 Sha'aban 1439H (corresponding to 23 April 2018). Yalla is licensed in providing services in air conditioning, ventilations and air filtration systems installation and maintenance; electromechanical equipment installation and maintenance; plumbing and sanitary contracting; solar energy systems installation, floor and wall tiling works; painting contracting; carpentry and flooring contracting; wall paper fixing; and plaster and cladding works.

(*****) Musanid Cleaning Services Company ("Musanid") is a limited liability company registered in United Arab Emirates under commercial registration numbered 1304819 and dated 26 Dhu al-Hijjah 1438H (corresponding to 17 September 2017). Musanid Cleaning Services ("Musanid") is licensed in providing building cleaning services.

The following are the subsidiaries that have non-controlling interests that are material to the reporting entity:

Name of Subsidiary	Country of incorporation	Proportion of ownership interests held by NCI		Proportion of voting rights by NCI		Profit / loss allocated to NCI Saudi Riyal		Accumulated NCI at the end of the reporting period Saudi Riyal	
		September 30	December 31	September 30	December 31	September 30	September 30	September 30	December 31
		2022	2021	2022	2021	2022	2021	2022	2021
Spectra Support Services Company ("Spectra")	KSA	10%	10%	10%	10%	(1,277,861)	(158,237)	1,630,451	2,908,311
Musanid Cleaning Services Company ("Musanid")	UAE	-	15%	-	15%	-	(263,068)	-	(4,395,202)
TPH Center for Domestic Workers ("TPH")	UAE	4%	-	4%	-	(88,678)	-	(1,102,740)	-
Arabian Shifa Medical company	KSA	15%	-	15%	-	(581,012)	-	(710,638)	-
						(1,947,551)	(421,305)	(182,927)	(1,486,891)

2 BASIS OF PREPARATION

2-1 Statement of Compliance

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

These condensed interim consolidated financial statements do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards, and therefore they should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2021.

The initial period is an integral part of the full financial year, but the results of operations for the initial periods may not fairly indicate the results of operations for the full year.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE NINE-MONTHS PERIOD ENDED SEPTMEBR 30, 2022

2 BASIS OF PREPARATION (CONTINUED)

2-1 Statement of Compliance (Continued)

Basis of measurement and functional currency

These condensed interim consolidated financial statements are prepared under the historical cost convention except for measurement of financial assets at fair value through profit or loss and through other comprehensive income and employees' defined benefits liabilities which are measured present value of the future obligations using the (Actuarial valuation). The condensed interim consolidated financial statements are presented in Saudi Riyal which represent the functional and presentation currency of the parent Company.

2-2 Basis of consolidation of interim condensed financial statements

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

- Control over the investee (i.e., existing rights that give it the current liability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its direct involvement and relationship with the investee.
- The ability to use its power over the investee to affect its returns.

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

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

Income and each component of Other Comprehensive Income (OCI) are attributed to the equity of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Inter-Group assets, liabilities, equity components, revenues, expenses and cash flows resulting from transactions between Group companies are fully eliminated upon consolidating the interim condensed consolidated financial statements.

3 CONSISTENT OF ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in preparing the Group's annual consolidated financial statements for the year ended December 31, 2021, except for the adoption of new standards effective as of January 1, 2022. The Group has not early adopted any new standard, interpretation or amendment that have been issued but which are not yet effective. Several amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group. The nature and effect of these changes are disclosed below:

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. These amendments had no impact on the interim condensed consolidated financial statements of the Group.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE NINE-MONTHS PERIOD ENDED SEPTMEBR 30, 2022

3 CONSISTENT OF ACCOUNTING POLICIES (CONTINUED)

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

IFRS 9 Financial Instruments – Fees in the ‘10 %’ test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no modifications of the Group’s financial instruments during the period.

4 ACCOUNT RECEIVABLES AND CONTRACT ASSETS

	September 30, 2022	December 31, 2021
	Saudi Riyal	Saudi Riyal
<u>Account receivables</u>		
Account receivables	294,179,858	258,040,194
Amounts due from related parties (note 5)	2,389,500	3,215,061
Total account receivables	296,569,358	261,255,255
Less: expected credit loss	(72,480,978)	(75,090,257)
Net account receivables	224,088,380	186,164,998
Less: Non – current portion (*)	4,475,620	4,161,608
Current portion (**)	219,612,760	182,003,390

(*) The movement for the non – current portion during the period as following:

	September 30, 2022	December 31, 2021
	Saudi Riyal	Saudi Riyal
Account receivables	12,250,257	13,994,804
Less: expected credit loss	(7,774,637)	(9,833,196)
Net Non – current portion	4,475,620	4,161,608

(**) The movement for the current portion during the period as following:

	September 30, 2022	December 31, 2021
	Saudi Riyal	Saudi Riyal
Account receivables	284,319,101	247,260,451
Less: expected credit loss	(64,706,341)	(65,257,061)
Net current portion	219,612,760	182,003,390

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE NINE-MONTHS PERIOD ENDED SEPTMEBR 30, 2022

4 ACCOUNT RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

Movement in the expected credit losses for account receivables is shown below:

	For the Three-months period ended September 30		For the Nine-months period ended September 30	
	2022	2021	2022	2021
	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal
At the beginning of the period	73,105,883	68,343,711	75,090,257	70,770,668
Relate to business combination (Note 18)	-	6,934,646	72,564	6,934,646
(Reversal) Charged for the period	(624,905)	3,104,548	135,094	677,591
Write off amounts	-	-	(2,816,937)	-
As at the end of period	72,480,978	78,382,905	72,480,978	78,382,905

The ageing of unimpaired accounts receivable is shown below:

	Total Saudi Riyal	Past due but not impaired				More than 360 days Saudi Riyal
		Neither past due nor impaired Saudi Riyal	Less than 90 days Saudi Riyal	90-180 Days Saudi Riyal	180-360 days Saudi Riyal	
September 30, 2022	224,088,380	92,247,436	89,946,923	14,400,542	3,565,117	23,928,362
December 31, 2021	186,164,998	76,636,029	53,921,954	25,275,916	10,110,366	20,220,733

Contract assets

Contract assets primarily related to the Group's right to consideration for services delivered but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

	September 30, 2022 Saudi Riyal	December 31, 2021 Saudi Riyal
Contract assets	98,507,881	69,060,370
Less: expected credit loss	(3,824)	(57,707)
Total	98,504,057	69,002,663

Movement in the expected credit losses for contract assets is shown below:

	For the Three-months period ended September 30		For the Nine-months period ended September 30	
	2022	2021	2022	2021
	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal
At the beginning of the period	6,499	2,507,805	57,707	2,309,821
(Reversal) Charged for the period	(2,675)	(2,367,928)	(53,883)	(2,169,944)
As at the end of period	3,824	139,877	3,824	139,877

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE NINE-MONTHS PERIOD ENDED SEPTMEBR 30, 2022

5 RELATED PARTIES TRANSACTIONS AND BALANCES

The remuneration of directors and other key management personnel for the period are as follows:

	For the Three-months period ended		For the Nine-months period ended	
	2022	2021	2022	2021
	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal
Salaries and other short-term benefits	3,322,028	2,638,624	8,976,462	9,618,342
End of service benefits	423,145	219,627	1,353,392	645,182
Total key management compensation	3,745,173	2,858,251	10,329,854	10,263,524

During the period, the group transacted with its related parties. The transaction and balances for the period are as follow:

	Type of relationship	Nature of the transaction	Transaction for the Nine-months period ended September 30	
			2022	2021
			Saudi Riyal	Saudi Riyal
Directors	Board of directors	Remunerations	2,197,500	2,256,944
		Payments	2,909,000	2,987,500
KABI Technology company (Previously Bloovo limited company)	Associate	Rents	321,221	1,629,210
		Collections	-	759,980
Yellow Mix Foundation	Affiliate	Manpower services	166,158	-
		Collections	154,341	-
Mozn Systems for Communication and Information Technology	Affiliate	Manpower services	393,889	573,204
		Collections	-	298,539
Zawaya investment company	Affiliate	Manpower services	219,927	160,165
		Collection	301,210	-
Arabian Shifa Medical company	Affiliate/ subsidiary	Manpower services	-	57,546
		Collections	-	25,576
Other	Affiliate	Manpower services	411,132	484,308
		Collections	307,611	501,909

	September 30, 2022	December 31, 2021
	Saudi Riyal	Saudi Riyal
Due from related party (Note 4)		
KABI Technology company (Previously Bloovo limited company) (**)	1,648,460	1,327,239
Mozn Systems for Communication and Information Technology	393,889	-
Yellow Mix Foundation	23,744	11,927
Zawaya investment company	219,927	-
Arabian Shifa Medical company	-	1,574,725
Other (*)	103,480	301,170
	2,389,500	3,215,061

	September 30, 2022	December 31, 2021
	Saudi Riyal	Saudi Riyal
Due to related party		
Board of directors (***)	2,218,499	2,929,999

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE NINE-MONTHS PERIOD ENDED SEPTMEBR 30, 2022

5 RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

(*) Others include Sarib Al Arabia Investment Holding Company and Aalam Al Ta'meen Company for Information Technology.

On 6 Ramadan 1442H (corresponding to April 18, 2021), Sarib Al Arabia Investment Holding Company (an affiliate) transferred their entire shareholdings in Arabian Shifa Medical Company and no longer considered a related party to the Group.

On 10 Jumada Althani 1443H (corresponding to 13 January 2022), the Company acquired 85% ownership of Arabian Shifa Medical Company (see Note 18 for details).

(**) During the period ended September 30, 2022, the Group acquired a 19.87% in KABI Technology Company, with a capital of SR 200 million through swap shares representing the total shares in Bloovo Limited Company (Note 9).

(***) Amounts due to related parties are included under "Accounts payable, accruals and other current liabilities" in the interim condensed consolidated statement of financial position.

6 INTANGIBLE ASSETS

	September 30, 2022	December 31, 2021
	Saudi Riyal	Saudi Riyal
Intangible assets – Goodwill *	<u>5,269,787</u>	<u>4,450,237</u>
Intangible assets – Other	<u>2,741,231</u>	<u>3,192,349</u>
	<u>8,011,018</u>	<u>7,642,586</u>

* The goodwill are as follows:

	September 30, 2022	December 31, 2021
	Saudi Riyal	Saudi Riyal
TPH (*)	<u>3,001,536</u>	<u>3,001,536</u>
MPL (**)	<u>1,175,521</u>	<u>1,175,521</u>
Shifa (***)	<u>819,550</u>	<u>-</u>
TPHC (****)	<u>273,180</u>	<u>273,180</u>
	<u>5,269,787</u>	<u>4,450,237</u>

(*) Effective January 1, 2018, Musanid (a "Subsidiary") acquired a 70% ownership of TPH. The total consideration amounted to SR 10.2 million. The acquisition was accounted for using the purchase method of accounting. Fair value of net assets acquired amounted to SR 7.2 million which resulted to a goodwill of SR 3 million. TPH is licensed in providing building cleaning services and residential property core services.

(**) On January 1, 2018, TPH acquired 100% shares of MPL for a total consideration of SR 1.5 million. Fair value of net assets acquired amounted to SR 305,074 which resulted to a goodwill of SR1.2 million. MPL is licensed in providing building maintenance services.

(***) On 10 Jumada Althani 1443H (corresponding to January13, 2022), GAC (a "subsidiary") has acquired an 85% ownership of Arabian Shifa Medical company. The total consideration amounted to SR 85,000. The acquisition was accounted for using the purchase method of accounting. Fair value of net liabilities acquired amounted to SR 734,550 which resulted to a goodwill of SR 819,550. Arabian Shifa Medical company is licensed in medical operations of hospitals, providing home medical care services, mobile clinics, pain relief centers, telemedicine centers (Note 18).

(****) On January 1, 2018, TPH acquired 100% shares of TPHC for a total consideration amounting to SR 1.2 million. Fair value of net assets acquired amounted to SR 952,140 which resulted to a goodwill of SR 273,180. TPHC is licensed in providing building cleaning services and public health pests control services.

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE NINE-MONTHS PERIOD ENDED SEPTMEBR 30, 2022

7 INVESTMENT PROPERTY

As at September 30, 2022 the investment property of the group includes Land and Building amounted SR 37,9 million (December 31, 2021: SR 37,9 million) Management has intention to hold this property for the purpose of rental income. These properties are carried at cost less impairment, if any.

The fair value of investment property was determined by external independent valuers. Investment property were valued by "Middle East Real Estate Appraisal Company", license number (1210001207), having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The recent fair valuation was performed as at October 1, 2021, and they have determined the fair value to be SR 39.7 million. The investment properties are measured at fair value using the income approach, which is a valuation technique that estimates the fair value property by calculating the present value of future cash flows that the entity or asset is expected to generate over its lifetime.

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Financial assets at FVTPL comprises of the following:

	September 30, 2022 Saudi Riyal	December 31, 2021 Saudi Riyal
Investment funds – Liquidity (A)	-	40,389,291
Investment funds – Sukuk (B)	37,984,970	39,545,245
Quoted debt securities (C)	-	19,640,123
Total	37,984,970	99,574,659

(A) Investments include financial assets that are invested in various mutual cash funds, purchased for SR 40 million. The Group considers its investments to be strategic in nature and the contractual cash flows are not limited to principal and interest only. All investment sold during the period.

(B) These represent investments in certain Sukuks for long term periods, purchased for SR 25 million and SR 14 million from Rawabi Sukuk Series 4 and 7, and Allnma Bank Tier 1 Sukuk 2021, respectively. The Group considers its investments to be strategic in nature and the contractual cash flows are not limited to principal and interest only.

(C) These represent investments in debt securities in various companies listed on the Saudi Stock Exchange (Tadawul). All investment sold during the period.

Set out below are the movements in the carrying value of financial assets at FVTPL:

	For the Three-months period ended September 30		For the Nine-months period ended September 30	
	2022 Saudi Riyal	2021 Saudi Riyal	2022 Saudi Riyal	2021 Saudi Riyal
Cost				
As at the beginning of the period	93,176,674	129,944,280	98,571,697	30,000,000
Additions	-	-	-	99,944,280
Disposals	(55,412,959)	-	(60,807,982)	-
As at the end of the period	37,763,715	129,944,280	37,763,715	129,944,280
Revaluation adjustments				
As at the beginning of the period	3,802,841	3,732,865	1,002,962	3,428,756
Net profit during the period	908,283	1,055,011	3,708,162	1,359,120
Disposal	(4,468,874)	-	(4,468,874)	-
As at the end of the period	242,250	4,787,876	242,250	4,787,876
Transferred to cash	(20,995)	(5,019,213)	(20,995)	(5,019,213)
Net book value	37,984,970	129,712,943	37,984,970	129,712,943

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE NINE-MONTHS PERIOD ENDED SEPTMEBR 30, 2022

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPRIHENSIVE INCOME (FVTOCI)

During the period ended June 30, 2022, the Group acquired a 19.87% in KABI Technology Company, with a capital of SR 200 million through swap shares representing the total shares in Bloovo Company Limited. The Group doesn't have a "significant influence" either through percentage ownership (less than 20%) or through other methods indicating that the Group has a "significant influence" on the financial and operating policies of KABI Technology company. The purpose of this investment is to hold it for medium to long term strategic purposes. As a result, the Group decided to account for at fair value through other comprehensive income method, because short-term fluctuations in the fair value of these investments in net income wouldn't be in line with the Group's strategy of holding the investment for long-term purposes. The investment has been recognized at fair value by initial evaluation, and the final evaluation of the investment will be made before end of the year 2022.

10 INVESTMENTS IN ASSOCIATE

During the year, the group invested in associates as the following:

		September 30, 2022	December 31, 2021
	Ratio	Saudi Riyal	Saudi Riyal
Care Shield Holding Limited Company (A)	41,36%	319,895,749	-
Saudi Medicare Company (B)	40%	449,018,513	-
KABI Technology company (Previously Bloovo limited company)	40%	-	14,065,841
		<u>768,914,262</u>	<u>14,065,841</u>

(A) The consideration amount paid amounted SR 307.1 million, and the company's equity amounted SR 238.7 million.

(B) The consideration amount paid amounted SR 426,50 million, and the company's equity amounted SR 123.3 million.

The movement in the investments in associate for the period is as follows:

	For the Three-months period ended September 30		For the Nine-months period ended September 30	
	2022	2021	2022	2021
	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal
As at the beginning of the period	-	14,910,399	14,065,841	16,006,778
Additions for the period	733,718,509	-	733,718,509	-
Transfer to Financial Asset at FVOCI	-	-	(13,985,656)	-
Share in results	35,195,753	282,960	35,115,568	(813,419)
As at the end of the period	<u>768,914,262</u>	<u>15,193,359</u>	<u>768,914,262</u>	<u>15,193,359</u>

11 ZAKAT PROVISION

The movement in the provision for zakat for the period is as follows:

	For the Three-months period ended September 30		For the Nine-months period ended September 30	
	2022	2021	2022	2021
	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal
As at the beginning of the period	8,560,562	10,848,549	16,606,102	16,476,723
Provision for the period	4,855,975	3,575,404	12,324,369	11,403,702
Paid during the period	(86,177)	-	(15,600,111)	(13,456,472)
As at the end of the period	<u>13,330,360</u>	<u>14,423,953</u>	<u>13,330,360</u>	<u>14,423,953</u>

Zakat assessments

The Parent Company

The Company filed its zakat returns up to the year ended December 31, 2021. All zakat assessments for the company have been approved by the Zakat, Tax and Customs Authority ("the Authority"), except for the zakat assessments for the years 2018 and 2021, where those zakat assessments are still under examination by the Authority.

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE NINE-MONTHS PERIOD ENDED SEPTMEBR 30, 2022

11 ZAKAT PROVISION (CONTINUED)

Subsidiaries

Spectra filed its zakat returns up to the year ended December 31, 2021. The company has been assessed by the Zakat, Tax and Customs Authority for the years 2015 and 2016 only, and there are no other zakat assessments as on the date of preparing the financial statements.

GAC filed its zakat returns up to the year ended December 31, 2021. There are no assessments from ZATCA as at reporting date.

12 LONG TERM LOANS

During the period ending September 30, 2022, the Group signed credit facility agreements with local banks for the purposes of financing capital expenditures, business expansion, acquisitions and financing operating expenses. The used of the facilities limit amounted to 562.6 million Saudi riyals. The facility agreements include a grace period ranging from two to four years, depending on the type of facility used by the group, and a profit margin in addition to SAIBOR, with a repayment period between three to five years after the end of the grace period through repayment schedule. The used facilities is as following:

	September 30, 2022	December 31, 2021
	Saudi Riyal	Saudi Riyal
Current portion	-	-
Non-current portion	562,607,710	-
Total	562,607,710	-

The movement in Long term loans for the period is as follows:

	For the Three-months period ended September 30		For the Nine-months period ended September 30	
	2022	2021	2022	2021
	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal
As at the beginning of the period	-	-	-	-
Received during the period	562,607,710	-	562,607,710	-
Paid during the period	-	-	-	-
As at the end of the period	562,607,710	-	562,607,710	-

13 SHARE CAPITAL

Authorized and issued share capital is divided into 37.5 million shares (31 December 2021: 37.5 million shares) of SR 10 each.

14 DIVIDENDS

For the period ended September 30,2022

The Group's Board of Directors with the mandate granted, in their meeting held on 7 Sha'aban 1443H (corresponding to March 10, 2022), resolved to declare interim dividends for the second half of 2021 amounting to SR 75 million (SR 2 per share) which was paid on 26 Sha'aban 1443H (corresponding to March 29, 2022). The Board of Directors presented this to the shareholders and approved it at the annual general assembly meeting held on 29 DhulQidah 1443H (corresponding to June 28, 2022).

The Group's Board of Directors with the mandate granted, in their meeting held on 2 Safar 1444H (corresponding to August 29, 2022), resolved to declare interim dividends for the first half of 2022 amounting to SR 46,875,000 (SR 1,25 per share) which was paid on 18 Safar 1444H (corresponding to September 14, 2022). The Board of Directors will present this to the shareholders and approved it at the next annual general assembly meeting.

For the period ended September 30,2021

The Group's Board of Directors, in their meeting held on 3 Sha'aban 1442H (corresponding to March 16, 2021), resolved to declare interim dividends for the second half of 2020 amounting to SR 75 million (SR 2 per share) which was paid on 23 Sha'aban 1442H (corresponding to April 5, 2021). The Board of Directors presented it to the shareholders and approved in their Annual General meeting held on 5 Dhul-Qadah 1442H (corresponding to June 15, 2021). The Board of Directors in their meeting held on 08 Muharram 1443H (corresponding to 16 August 2021), resolved to declare interim dividends for the first half of 2021 amounting to SR 65.6 million which was paid on 25 Muharram 1443H (corresponding to 2 September 2021).

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE NINE-MONTHS PERIOD ENDED SEPTMEBR 30, 2022

15 EARING PER SHARE

Basic earnings per share attributable to the shareholders of the Parent Company is calculated based on the weighted average number of outstanding shares during the period. Diluted earnings per share is calculated by adjusting the basic earnings per share for the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

16 SEGMENT INFORMATION

The Group are engaged in providing recruitment services, financial services, logistics services and support for public and private sectors. The financial details for segments are shown below:

The following present revenue and profit information for the Group's operating segments for the three and nine-month period ended September 30, 2022 and 2021:

	For the Three-months period ended September, 30 2022													
	Corporate		Individual		Facility		Other		Total		Eliminations		Total	
	Saudi Riyal	Riyal	Saudi Riyal	Riyal	Saudi Riyal	Riyal	Saudi Riyal	Riyal	Saudi Riyal	Riyal	Saudi Riyal	Riyal	Saudi Riyal	Riyal
Revenues	275,916,376	123,718,381	40,094,885	1,260,136	440,989,778	(21,519,834)	419,469,944							
Cost of revenues	(231,364,755)	(107,092,321)	(38,569,687)	(5,592,762)	(382,619,525)	21,519,834	(361,099,691)							
Gross profit	44,551,621	16,626,060	1,525,198	(4,332,626)	58,370,253	-	58,370,253							
General and administrative expenses	(11,280,764)	(7,429,003)	(3,369,267)	(2,899,810)	(24,978,844)	-	(24,978,844)							
Marketing expenses	(2,208,349)	(1,758,606)	(61,121)	30,559	(3,997,517)	-	(3,997,517)							
Reversal expected credit losses	627,580	-	-	-	627,580	-	627,580							
Operating profit	31,690,088	7,438,451	(1,905,190)	(7,201,877)	30,021,472	-	30,021,472							
	For the Three-months period ended September, 30 2021													
	Corporate		Individual		Facility		Other		Total		Eliminations		Total	
	Saudi Riyal	Riyal	Saudi Riyal	Riyal	Saudi Riyal	Riyal	Saudi Riyal	Riyal	Saudi Riyal	Riyal	Saudi Riyal	Riyal	Saudi Riyal	Riyal
Revenues	221,085,756	89,935,365	25,385,420	-	336,406,541	(11,573,525)	324,833,016							
Cost of revenues	(188,863,503)	(67,457,850)	(25,800,047)	-	(282,121,400)	11,573,525	(270,547,875)							
Gross profit	32,222,253	22,477,515	(414,627)	-	54,285,141	-	54,285,141							
General and administrative expenses	(8,540,850)	(4,857,603)	(1,367,035)	(57,747)	(14,823,235)	-	(14,823,235)							
Marketing expenses	(1,433,981)	(979,138)	-	-	(2,413,119)	-	(2,413,119)							
Expected credit losses	237,650	(474,270)	(500,000)	-	(736,620)	-	(736,620)							
Operating profit	22,485,072	16,166,504	(2,281,662)	(57,747)	36,312,167	-	36,312,167							

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

16 SEGMENT INFORMATION (CONTINUED)

	For the Nine-months period ended September, 30 2022						
	Corporate Saudi Riyal	Individual Saudi Riyal	Facility Management Saudi Riyal	Other Saudi Riyal	Total Saudi Riyal	Eliminations Saudi Riyal	Total Saudi Riyal
Revenues	773,415,948	373,664,779	118,240,591	2,253,359	1,267,574,677	(57,543,346)	1,210,031,331
Cost of revenues	(663,963,671)	(310,044,980)	(120,698,958)	(9,423,794)	(1,104,131,403)	57,543,346	(1,046,588,057)
Gross profit	109,452,277	63,619,799	(2,458,367)	(7,170,435)	163,443,274	-	163,443,274
General and administrative expenses	(31,524,710)	(21,970,110)	(9,348,116)	(6,864,813)	(69,707,749)	-	(69,707,749)
Marketing expenses	(5,547,564)	(4,558,210)	(400,000)	-	(10,505,774)	-	(10,505,774)
Expected credit losses	167,432	-	(248,643)	-	(81,211)	-	(81,211)
Operating profit	72,547,435	37,091,479	(12,455,126)	(14,035,248)	83,148,540	-	83,148,540

For the Nine-months period ended September, 30 2021

	For the Nine-months period ended September, 30 2021						
	Corporate Saudi Riyal	Individual Saudi Riyal	Facility Management Saudi Riyal	Other Saudi Riyal	Total Saudi Riyal	Eliminations Saudi Riyal	Total Saudi Riyal
Revenues	684,353,423	270,896,450	25,385,420	-	980,635,293	(11,573,525)	969,061,768
Cost of revenues	(584,437,685)	(207,085,944)	(25,800,047)	-	(817,323,676)	11,573,525	(805,750,151)
Gross profit	99,915,738	63,810,506	(414,627)	-	163,311,617	-	163,311,617
General and administrative expenses	(27,690,764)	(17,166,020)	(1,367,035)	(57,747)	(46,281,566)	-	(46,281,566)
Marketing expenses	(3,832,491)	(2,941,428)	-	-	(6,773,919)	-	(6,773,919)
Reversal expected credit losses	1,498,698	493,655	(500,000)	-	1,492,353	-	1,492,353
Operating profit	69,891,181	44,196,713	(2,281,662)	(57,747)	111,748,485	-	111,748,485

It is impracticable and also not informative to disclose information pertaining to net book value of property and equipment, total assets and total liabilities pertaining to business segments.

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED SEPTMEBR 30, 2022

16 SEGMENT INFORMATION (CONTINUED)

The primary markets for the Group's products are KSA and UAE. Following is the geographical segment analysis of the Group:

For the Three-months period ended September, 30 2022	KSA Saudi Riyal	UAE Saudi Riyal	Total Saudi Riyal
Revenues	408,882,573	10,587,371	419,469,944
Cost of revenues	(351,568,928)	(9,530,763)	(361,099,691)
Gross profit	57,313,645	1,056,608	58,370,253
General and administrative expenses	(23,320,159)	(1,658,685)	(24,978,844)
Marketing expenses	(3,263,786)	(733,731)	(3,997,517)
Reversal expected credit losses	627,580	-	627,580
Operating profit	31,357,280	(1,335,808)	30,021,472

For the Three-months period ended September, 30 2021	KSA Saudi Riyal	UAE Saudi Riyal	Total Saudi Riyal
Revenues	316,850,560	7,982,456	324,833,016
Cost of revenues	(264,480,382)	(6,067,493)	(270,547,875)
Gross profit	52,370,178	1,914,963	54,285,141
General and administrative expenses	(12,500,317)	(2,322,918)	(14,823,235)
Marketing expenses	(1,968,527)	(444,592)	(2,413,119)
Expected credit losses	(736,620)	-	(736,620)
Operating profit	37,164,714	(852,547)	36,312,167

For the Nine-months period ended September, 30 2022	KSA SR	UAE SR	Total SR
Revenues	1,174,491,292	35,540,039	1,210,031,331
Cost of revenues	(1,015,651,583)	(30,936,474)	(1,046,588,057)
Gross profit	158,839,709	4,603,565	163,443,274
General and administrative expenses	(64,305,251)	(5,402,498)	(69,707,749)
Marketing expenses	(8,482,596)	(2,023,178)	(10,505,774)
Expected credit losses	(81,211)	-	(81,211)
Operating profit	85,970,651	(2,822,111)	83,148,540

For the Nine-months period ended September, 30 2021	KSA SR	UAE SR	Total SR
Revenues	942,425,202	26,636,566	969,061,768
Cost of revenues	(785,130,319)	(20,619,832)	(805,750,151)
Gross profit	157,294,883	6,016,734	163,311,617
General and administrative expenses	(39,052,448)	(7,229,118)	(46,281,566)
Marketing expenses	(5,200,386)	(1,573,533)	(6,773,919)
Reversal expected credit losses	1,492,353	-	1,492,353
Operating profit	114,534,402	(2,785,917)	111,748,485

As at September, 30 2022

	KSA Saudi Riyal	UAE Saudi Riyal	Total Saudi Riyal
Net book value of property and equipment	120,732,115	2,503,318	123,235,433
Total Assets	1,642,719,021	38,973,578	1,681,692,599
Total Liabilities	1,088,502,340	32,137,159	1,120,639,499

As at December, 31 2021

	KSA Saudi Riyal	UAE Saudi Riyal	Total Saudi Riyal
Net book value of property and equipment	122,115,735	3,263,392	125,379,127
Total Assets	1,023,501,600	12,684,720	1,036,186,320
Total Liabilities	409,253,306	55,981,158	465,234,464

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED SEPTMEBR 30, 2022

17 CONTINGENT LIABILITIES

The Group have bank guarantees to perform contracts amounting to SR 5 million (31 December 2021: SR 6.4 million), in the normal course of business

18 BUSINESS COMBINATION

Arabian Shifa Medical company (“Shifa”)

On 10 Jumada Al-Alkhirah 1443H (corresponding to January 13 2022), GAC completed the procedures for acquiring 85% of the ownership of Arabian Shifa Medical Company (“Shifaa”) for a consideration of SR 85,000.

The carrying values of net liabilities on the date of acquisition are as follows:

	Total Saudi Riyal
Assets	
Cash and cash equivalents	334,615
Accounts receivable	85,564
Prepayments and other current assets	257,112
Property and equipment	322,605
Total Assets (A)	999,896
Liabilities	
Accounts payable, accruals and others	1,851,244
Employees’ defined benefits liabilities	12,828
Total Liabilities (B)	1,864,072
Net liabilities of Shifa (A-B)	(864,176)
Less: Proportionate share of non-controlling interest by 15%	129,626
Net liabilities assumed by the Company	(734,550)
Purchase consideration	(85,000)
Goodwill arising on acquisition (provisional*) (Note 6)	(819,550)

(*) The recognized goodwill as result of the acquisition of Arabian Shifa Medical Company is a provisional amount since business combination accounting is incomplete as at the end of the reporting period. The Group believes that additional information and facts that existed as of the acquisition date will be available during the measurement period.

Spectra

Effective 25 Dhu Al-Hijjah 1442H (corresponding to August 4, 2021), the Company completed the procedures for acquiring 90% of the ownership of Spectra Support Services Company (“Spectra”), a related party, the carrying value of Spectra’s net assets amounted to SR 31.3 million. The net assets acquired by the group amounted to 28.1 million Saudi riyals, and the purchase amounted to 17.2 million Saudi riyals, which resulted in a difference that was recognized within the retained earnings of 10.9 Saudi riyals.

On January 5, 2022, the board of directors agreed to transfer the Ownership percentage by 90% in Spectra Support Services Company (“Spectra”) to Established Growth Avenue Company (“GAC”) (Affiliate Company).

19 SUBSEQUENT EVENTS

As per management opinion, there are no significant subsequent events after the period ended September 30, 2022 that could have a material impact on the consolidated financial position of the Group or the results of its operations.

20 COMPARATIVE FIGURES

The comparative figures have been reclassified to conform to the presentation and classification for the current period.

21 APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated financial statements approved by the board of directors on Rabi al Thani 9, 1444 H (Corresponding to November 3, 2022).