



شركة مهارة
للموارد البشرية
Maharah Human
Resources Company

MAHARAH HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
AND INDEPENDENT AUDITOR'S REPORT**

MAHARAH HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

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Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

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

Qualified opinion

We have audited the consolidated financial statements of **Maharah Human Resources Company (the "Company") and its subsidiaries (the "Group")**, which comprise of the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the first paragraph and the possible effects of the matter described in the second paragraph of the "Basis for Qualified Opinion" section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended 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 the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for qualified opinion

The Group's investment in its associate, 'Saudi Medical Systems Company', is stated at $\text{SAR } 406,583,091$ (31 December 2024: $\text{SAR } 463,379,671$) in the consolidated statement of financial position as at 31 December 2025. During the year ended 31 December 2025, the Group has not performed equity accounting for its investment in the associate in accordance with IAS 28 'Investment in associate and joint ventures'. In light of the absence of the financial information and access to the management and auditor of 'Saudi Medical Systems Company', it was impracticable for us to quantify the effects of this departure on the consolidated financial statements.

As disclosed in Note (9), the Group has restated the consolidated statement of financial position as at 31 December 2024 to include the share of profit of this associate for the year ended 31 December 2024. However, we were not provided with access to the financial information, management and auditor of Saudi Medical Systems Company. Accordingly, we were unable to perform audit procedures regarding the adjustments applied to restate the carrying amount of the investment as at 31 December 2024. Consequently, we were unable to determine whether any adjustments in the comparative period consolidated financial statements are necessary.

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 consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards), that are endorsed in the Kingdom of Saudi Arabia, as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



Independent Auditor's Report (continued)

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue from contracts with customers

Refer to note (4) of the accounting policy related to revenue from contracts with customers and note (32) of the related disclosures in the accompanying consolidated financial statements.

The Key Audit Matter

The Group's consolidated revenue for the year ended 31 December 2025 amounted to SAR 3,112 million (2024: SAR 2,235 million).

As required under IFRS 15 'Revenue from Contracts with Customers', for contracts with customers the management determines the performance obligations that exist under the contract and the transaction price. The revenue is then allocated to the performance obligations under the contract.

Revenue is considered one of the key indicators for measuring the Group's performance. It also involves significant inherent risks related to the possibility of revenue recognition that may not meet the recognition criteria for revenue and the recording of revenue during the correct accounting period, which could have a material impact on the Group's consolidated financial statements. Therefore, revenue recognition has been considered a key audit matter.

How the matter was addressed in our audit

Our audit procedures included among other the following:

- Evaluated the Group's accounting policies related to revenue recognition in light of the applicable financial reporting framework.
- Assessed the design and implementation of relevant controls in relation to revenue recognition.
- Assessed, on a sample basis, the relevant terms of revenue contracts.
- Performed test of detail on sample of recorded revenue transactions and compared them with supporting documents to verify the occurrence of recorded revenue.
- Tested a sample of revenue transactions that occurred before and after year-end, as well as testing a sample of credit notes for revenue transactions that occurred after year-end, to assess whether the revenue was recognized in the correct accounting period.
- Assessed the adequacy of the relevant disclosures included in the Group's consolidated financial statements.

Independent Auditor's Report (continued)

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

Key audit matters (continued)	
Allowance for expected credit losses	
<p>Refer to note (4) of the accounting policy related to trade receivables and contract assets and note (13 and 14) of the related disclosures in the accompanying consolidated financial statements.</p>	
The Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 December 2025, the total balance of the Allowance for expected credit losses on trade receivables and contract assets amounted to ٢٤٧ million (2024: ٢٤٤ million).</p> <p>The Group follows the simplified approach in calculating expected credit losses on trade receivables and contract assets. The ECL model involves the use of various assumptions and study of historical trends relating to the Group's experience in collecting trade receivables as required by IFRS 9 "Financial Assets". All of which involves a significant degree of judgment and complexity.</p> <p>Given the high degree of judgment and estimates in the calculation of expected credit losses, we considered this a key audit matter. Furthermore, such allowance is inherently subjective and requires significant management judgment, which increases the risk of error or potential management bias.</p>	<p>Our audit procedures included among other the following:</p> <ul style="list-style-type: none"> • Evaluated the Group's accounting policies related to trade receivables and contract assets in light of the applicable financial reporting framework. • Obtained an understanding of the management process for determining the impairment of trade receivables, contract assets. • Assessed, on a sample basis, whether items in the trade receivables and contract assets ageing report were classified within the appropriate ageing bracket in the report with underlying documentation, which included revenue invoices and services delivery notices. • Involved our internal specialist to assist in assessing the judgments and estimates used by the Group in the expected credit loss model as required by IFRS 9 "Financial Instruments", testing the key assumptions used by the Group and assessing the reasonableness of the estimates used to recognize the allowance for expected credit losses of trade receivables and contract assets. • Inspected, on a sample basis, proceeds received from customers subsequent to the financial year end relating to trade receivables balances as at 31 December 2025, with bank statements and relevant remittance documentation, and • Assessed the adequacy of related disclosures included in the consolidated financial statements of the Group.

Independent Auditor's Report (continued)

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

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS that endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 International Standards on Auditing 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent Auditor's Report (continued)

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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 Group's 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group 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 of **Maharah Human Resources Company ("the Company") and its subsidiaries ("the Group")**.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Professional Services Company

Naif Abdulrahman Edrees
License No.: 457



Riyadh, 16 Shawwal 1447H
Corresponding to: 4 April 2026

MAHARAH HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

(All amounts are in ﷲ unless otherwise stated)

	Note	31 December 2025	31 December 2024 (Restated Note 46)
Assets			
Non-current assets			
Property and equipment	5	145,519,424	152,177,792
Right-of-use assets	6.a	25,488,091	41,181,594
Intangible assets and Goodwill	7	5,872,213	5,417,743
Investment properties	8	36,288,274	36,792,042
Equity accounted investees	9	406,583,091	798,541,345
Investments at fair value through other comprehensive income	10	--	4,747,200
Contract assets – non current portion	13	6,031,127	6,137,434
Recruitment costs and visas in use – non current portion	15	22,956,669	25,907,882
Deferred tax assets	30	654,794	--
Total Non Current Assets		649,393,683	1,070,903,032
Current assets			
Available visas	12	33,148,000	27,348,000
Investments at fair value through profit or loss	11	160,750,056	36,467,600
Contract assets – current portion	13	205,176,300	140,839,121
Trade receivable	14	493,799,070	326,876,766
Prepayments and other debit balances	15	321,998,029	247,060,481
Murabaha time deposits	16	--	35,000,000
Cash and cash equivalents	17	89,168,652	33,717,769
Total Current Assets		1,304,040,107	847,309,737
Total assets		1,953,433,790	1,918,212,769
Equity and liabilities			
Equity			
Share capital	19	475,000,000	475,000,000
Statutory reserve	20	103,056,265	103,056,265
Other reserves	21	(25,581,081)	(21,584,201)
Treasury shares		(25,000,000)	(25,000,000)
Retained earnings		348,565,755	141,573,163
Equity attributable to the Shareholders of the Company		876,040,939	673,045,227
Non-controlling interests		--	--
Total Equity		876,040,939	673,045,227
Liabilities			
Non-current liabilities			
Long-term loans – non current portion	24	225,250,619	581,957,710
Lease liabilities – non current portion	6.b	9,193,507	21,167,854
Employees' defined benefits liabilities	26	134,885,794	103,238,136
Retained deposits– non current portion	29	45,614,193	41,222,587
Total non-current liabilities		414,944,113	747,586,287
Current liabilities			
Long-term loans – current portion	24	55,707,091	4,837,500
Short-term loans	25	27,073,000	20,173,000
Accounts payable and other credit balances	27	353,678,749	289,561,832
Contract liabilities	28	151,495,296	109,427,291
Retained deposits – current portion	29	57,197,546	62,050,764
Zakat provision	31	17,297,056	11,530,868
Total Current liabilities		662,448,738	497,581,255
Total liabilities		1,077,392,851	1,245,167,542
Total Equity and liabilities		1,953,433,790	1,918,212,769

The accompanying notes form an integral part of these consolidated financial statements, which were approved for issuance by the Board of Directors on behalf of the shareholders and signed on their behalf by:

Mr. Islam Hassanin
GM-Financial Controller

Mr. Mussab Al-Wohabe
VP-Finance & Investment

Mr. Abdulaziz Al-Kathiry
CEO

Dr. Abdullah Al Amro
Chairman

MAHARAH HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in ﷲ unless otherwise stated)

	Note	For the year ended	
		31 December 2025	31 December 2024 (Restated Note 46)
Revenues	32	3,112,462,659	2,235,430,580
Cost of revenues	33	(2,784,974,829)	(1,976,806,926)
Gross profit		327,487,830	258,623,654
General and administrative expenses	34	(113,783,630)	(99,268,625)
Marketing and selling expenses	35	(32,495,901)	(24,929,626)
Expected credit losses expense on accounts receivable, contract assets and related parties	13,14	(3,013,596)	(4,274,490)
Impairment loss on advances to suppliers and other debit balances	15- c, d	(12,069,522)	(2,508,391)
Other income	36	34,595,168	27,247,703
Operating profit		200,720,349	154,890,225
Finance costs	37	(44,587,207)	(48,006,216)
Goodwill impairment loss	7	(309,103)	--
Share in results of equity accounted investees	9	25,227,570	76,107,184
Gain on disposal of equity accounted investees	9-1	105,002,662	--
Change in fair value of investments at FVTPL	11	1,282,456	1,436,666
Profit before zakat and tax		287,336,727	184,427,859
Zakat and income tax expenses	30,31	(14,569,662)	(9,809,283)
Profit for the year		272,767,065	174,618,576
Profit attributable to:			
Shareholders of the company		272,767,065	175,275,326
Non-controlling interests		--	(656,750)
		272,767,065	174,618,576
Other comprehensive loss:			
Item that will be reclassified to profit or loss:			
Foreign currency translation differences – Foreign operations		(740)	(2,775)
Item that will not be reclassified to profit or loss:			
Change in fair value of investments at FVTOCI	10	(4,747,200)	(6,748,986)
Share in other comprehensive (loss)/income of equity accounted investees	9	(977,136)	1,620,422
Re-measurements employees' defined benefits liabilities	26	(6,307,618)	2,950,906
Total other comprehensive loss		(12,032,694)	(2,180,433)
Total comprehensive income for the year		260,734,371	172,438,143
Total comprehensive income attributable to:			
Shareholders of the company		260,734,371	173,094,893
Non-controlling interests		--	(656,750)
		260,734,371	172,438,143
Earnings per share attributable to shareholders of the parent company			
Basic earnings per share	38	0.61	0.39
Diluted earnings per share	38	0.61	0.39

The accompanying notes form an integral part of these consolidated financial statements, which were approved for issuance by the Board of Directors on behalf of the shareholders and signed on their behalf by

Mr. Islam Hassanin
GM-Financial Controller

Mr. Mussab Al-Wohabe
VP-Finance & Investment

Mr. Abdulaziz Al-Kathiry
CEO

Dr. Abdullah Al Amro
Chairman

MAHARAH HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in ﷲ unless otherwise stated)

	Note	Capital	Statutory reserve	Other reserves	Treasury Shares	Retained Earnings	Total	Non-controlling interests	Total Equity
For the year ended 31 December 2024									
Balance at 1 January 2024		475,000,000	103,056,265	(20,619,811)	(25,000,000)	36,512,439	568,948,893	(2,706,976)	566,241,917
Profit for the year (Restated Note 46)		--	--	--	--	175,275,326	175,275,326	(656,750)	174,618,576
Other comprehensive loss for the year (Restated Note 46)		--	--	(2,180,433)	--	--	(2,180,433)	--	(2,180,433)
Total comprehensive income for the year		--	--	(2,180,433)	--	175,275,326	173,094,893	(656,750)	172,438,143
Purchase additional shares in subsidiaries		--	--	5,694	--	(4,964,602)	(4,958,908)	3,363,726	(1,595,182)
Share-based payment	22	--	--	1,210,349	--	--	1,210,349	--	1,210,349
Dividends	23	--	--	--	--	(65,250,000)	(65,250,000)	--	(65,250,000)
Balance at 31 December 2024 (Restated Note 46)		475,000,000	103,056,265	(21,584,201)	(25,000,000)	141,573,163	673,045,227	--	673,045,227
For the year ended 31 December 2025									
Balance at 1 January 2025		475,000,000	103,056,265	(21,584,201)	(25,000,000)	141,573,163	673,045,227	--	673,045,227
Profit for the year		--	--	--	--	272,767,065	272,767,065	--	272,767,065
Other comprehensive loss for the year		--	--	(12,032,694)	--	--	(12,032,694)	--	(12,032,694)
Total comprehensive income for the year		--	--	(12,032,694)	--	272,767,065	260,734,371	--	260,734,371
Reclassification of other comprehensive income for disposed equity accounted investees to retained earnings	9-1	--	--	(1,725,527)	--	1,725,527	--	--	--
Share-based payment	22	--	--	9,761,341	--	--	9,761,341	--	9,761,341
Dividends	23	--	--	--	--	(67,500,000)	(67,500,000)	--	(67,500,000)
Balance at 31 December 2025		475,000,000	103,056,265	(25,581,081)	(25,000,000)	348,565,755	876,040,939	--	876,040,939

The accompanying notes form an integral part of these consolidated financial statements, which were approved for issuance by the Board of Directors on behalf of the shareholders and signed on their behalf by

عبد الحميد

Mr. Islam Hassanin
GM-Financial Controller

Mr. Mussab Al-Wohabe
VP-Finance & Investment

Mr. Abdulaziz Al-Kathiry
CEO

Dr. Abdullah Al Amro
Chairman

MAHARAH HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in ﷲ unless otherwise stated)

	Note	For the year ended 31 December	
		2025	2024 (Restated Note 46)
<u>Cash flows from operating activities</u>			
Profit before zakat and tax		287,336,727	184,427,859
Adjustments for non-cash items			
Employees' defined benefits liabilities charged	26	45,365,655	27,800,177
Expected credit losses expense on accounts receivable and contract assets	13,14	3,013,596	4,274,490
Impairment losses on advances to suppliers and other debit balances	15-c,d	12,069,522	2,508,391
Goodwill impairment loss	7	309,103	--
Depreciation and amortization	5,6,7,8	31,938,296	33,010,001
Share in results of equity accounted investees	9	(25,227,570)	(76,107,184)
Gain on disposal of equity accounted investees	9-1	(105,002,662)	--
Change of fair value of investments at FVTPL	11	(1,282,456)	(1,436,666)
Finance costs	37	44,587,207	48,006,216
Profits from Murabaha time deposits	36	(1,052,275)	(888,722)
Share based payment expenses	22	9,761,341	1,210,349
Gain on disposal of property and equipment	36	(4,633,143)	(1,098,101)
Disposal of lease liabilities		(542,606)	(1,645,408)
		296,640,735	220,061,402
Changes in working capital:			
Accounts receivable		(173,321,826)	(60,025,690)
Contract assets		(60,844,946)	(52,118,948)
Prepayments and other debit balances		(34,854,804)	(71,628,606)
Available visas		(5,800,000)	5,716,000
Retained deposits		(461,612)	7,739,160
Accounts payable and other credit balances		72,882,093	10,303,687
Contract liabilities		42,068,005	9,553,571
Change in investments at FVTPL		(123,000,000)	35,252,776
Cash generated from operating activities		13,307,645	104,853,352
Zakat Paid	31	(9,458,268)	(12,624,103)
Employees defined benefit liabilities paid	26	(23,543,023)	(21,119,941)
Net cash flows (used in) / generated from operating activities		(19,693,646)	71,109,308
<u>Cash flows from investing activities</u>			
Dividends Received		37,633,300	35,182,915
Proceeds from the sale of equity accounted investees	9-1	434,311,080	--
Purchase of Murabaha time deposits	16	(60,299,500)	(75,100,000)
Proceeds from Murabaha time deposits		96,417,692	51,169,072
Purchase of property and equipment	5	(9,502,036)	(38,917,144)
Proceeds from disposal of property and equipment		9,245,388	1,678,766
Additions to intangible assets	7	(1,539,212)	(8,934)
Net cash flows generated from/ (used in) investing activities		506,266,712	(25,995,325)

MAHARAH HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts are in ﷲ unless otherwise stated)

	Note	For the year ended 31 December	
		2025	2024 (Restated Note 46)
<u>Cash flows from financing activities</u>			
Proceeds from long term loans	24	--	24,187,500
Proceeds from short term loans	25	147,711,000	122,938,534
Finance costs paid		(40,272,560)	(44,062,350)
Loans paid	24,25	(446,648,500)	(102,765,534)
Dividends paid	23	(67,500,000)	(65,250,000)
Acquisition of NCI		--	(1,595,182)
Payment of interest on lease liabilities	6	(1,707,958)	(2,895,175)
Payments of lease liabilities	6	(22,704,165)	(20,932,514)
Net cash flows used in financing activities		(431,122,183)	(90,374,721)
Net change in cash and cash equivalents		55,450,883	(45,260,738)
Cash and cash equivalents at the beginning of the year	17	33,717,769	78,978,507
Cash and cash equivalents on the Statement of Consolidated Financial Position	17	89,168,652	33,717,769
Deduct: Restricted Cash at Banks	17	(320,823)	(587,688)
Cash and cash equivalents on the Statement of Consolidated cashflows	17	88,847,829	33,130,081
<u>Non-cash transactions</u>			
Additions to right-of-use assets and lease liabilities	6	19,455,259	15,374,521
Uncollected dividend distributions under prepayments and other debit balances	15	80,696,270	31,429,300
Change in the fair value of investments at FVOCI	10	(4,747,200)	(6,748,986)
Share of other comprehensive (loss) / income in equity accounted investees	9	(977,136)	1,620,422
Re-measurements employees' defined benefits liabilities	26	(6,307,618)	2,950,906
Reclassification of other comprehensive income for disposed equity accounted investees to retained earnings	9-1	1,725,527	--
Unpaid finance cost on long term loans		910,719	3,232,205
Uncollected Murabaha time deposits		65,917	180,350

The accompanying notes form an integral part of these consolidated financial statements, which were approved for issuance by the Board of Directors on behalf of the shareholders and signed on their behalf by

Mr. Islam Hassanin
GM-Financial Controller

Mr. Mussab Al-Wohabe
VP-Finance & Investment

Mr. Abdulaziz Al-Kathiry
CEO

Dr. Abdullah Al Amro
Chairman

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1- GROUP ACTIVITIES AND INFORMATION

Maharah 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 17 February 2013) and issued unified number 7018065164. The registered office is located at Al Olaya Road, Al Yasmeeen District, Riyadh, KSA.

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

The company's financial year starts on the first of January and ending on 31 December of each calendar year.

MAHARAH HUMAN RESOURCES COMPANY is referred to as the ("Company") or, together with its subsidiaries listed below as the ("Group").

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

Name of subsidiary	Commercial Registration	Country of incorporation	Legal Structure	Direct ownership (%)	
				31 December 2025	31 December 2024
Growth Avenue Investment Company (“GAC”) – One Person	1010722193	KSA	LLC	100%	100%
Yalla Fix IT One Person Company – One Person*	1341927	UAE	LLC	100%	100%

Subsidiaries owned by Growth Avenue Investment Company

On 14 Dhu al-Qi'dah 1442 AH (corresponding to 24 June 2021), the group established Growth Avenue Investment Company with 100% ownership. Growth Avenue Investment Company is a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration number 1010722193 on 14 Dhu al-Qi'dah 1442 AH (corresponding to 24 June 2021). Growth Avenue Investment Company is licensed to provide investment companies activities.

Name of subsidiary	Commercial Registration	Country of incorporation	Legal Structure	Direct ownership (%)	
				31 December 2025	31 December 2024
Spectra Support Services Company (“Spectra”)	1010393045	KSA	LLC	100%	100%
Arabian Shifa Medical company	1010928711	KSA	LLC	100%	100%
NABD for Logistics Services (“NABD”)	1010733797	KSA	LLC	100%	100%
Professional Development Training Company	1010753744	KSA	LLC	100%	100%
Operations Sustainability Company	1010849985	KSA	LLC	100%	100%
Advanced Empowerment Solutions Company	7052578429	KSA	LLC	100%	--

-Spectra Support Services Company (“Spectra”) is a limited liability company registered in Riyadh, Saudi Arabia, under Commercial Registration No. 1010393045, dated 1 Muharram 1435H (corresponding to 4 November 2013). it is licensed to provide maintenance and operation services for buildings and facilities under its management.

-Arabian Shifa Medical company is a limited liability company registered in Riyadh, Saudi Arabia, under Commercial Registration No. 1010928711, dated 23 Rabi' Al-Awwal 1439H (corresponding to 11 December 2017). it is licensed to operate hospital medical services, provide home healthcare services, mobile medical clinics, pain management centers, remote care centers, and telemedicine services.

-Nabd Logistics Services Company is a limited liability company registered in Riyadh, Saudi Arabia, under Commercial Registration No. 1010733797 dated 4 Muharram 1443H (corresponding to 12 August 2021). it is licensed to engage in the provision of logistics services. On 10 Dhu al-Qi'dah 1446 AH (corresponding to 8 May 2025), the Board of Directors decided to halt the expansion of the activities of NABD for Logistics Services Company, and the necessary steps for its liquidation are currently being undertaken.

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1- GROUP ACTIVITIES AND INFORMATION (continued)

Subsidiaries owned by Growth Avenue Investment Company (continued)

-Professional Development Training Company is a limited liability company registered in Riyadh, Saudi Arabia, under Commercial Registration No. 1010753744 dated 26 Rabi Al-Awwal 1443H (corresponding to 1 November 2021). The company is licensed by the Technical and Vocational Training Corporation (TVTC) to provide private technical and vocational secondary education, including training in barbering, cooking, and restaurant and hotel services.

-Operations Sustainability Company is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia, under Commercial Registration No. 1010849985 dated 2 Jumada Al-Thani 1444H (corresponding to 26 December 2022). The company is licensed to engage in activities including the renovation of residential and non-residential buildings, general construction of residential buildings, on-site construction of prefabricated buildings, and general construction of non-residential buildings such as schools, hospitals, and hotels.

-Advanced Empowerment Solutions Company is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia, under Commercial Registration No. 7052578429 dated 25 Jumada Al-Akhirah 1447H (corresponding to 16 November 2025). The Company is licensed to conduct administrative services and support services activities. As at 31 December 2025, the Company did not commence any operational activities and, accordingly, did not generate any revenues or incur any expenses.

Subsidiaries owned by Yalla Fix IT One Person Company L.L.C

<u>Subsidiary company name</u>	<u>Commercial registration</u>	<u>Country of incorporation</u>	<u>Legal Structure</u>	Direct ownership (%)	
				31 December 2025	31 December 2024
T P H Center For Domestic Workers Services	1160036	The United Arab Emirates	LLC	%100	%100
The Perfect Help LLC	1466632	The United Arab Emirates	LLC	%100	%100
TPH Public Health Pest One Control Services – LLC Person Co	1338526	The United Arab Emirates	LLC	%100	%100
Musanid Cleaning Services LLC	1754962	The United Arab Emirates	LLC	%100	%100

- Yalla Fix it is a limited liability company registered in the United Arab Emirates under Commercial Registration No. 1341927 dated 7 Sha'ban 1439H (corresponding to 23 April 2018). The company is licensed to provide services in the installation, maintenance, and servicing of air conditioning, ventilation, and air purification systems, as well as the installation and maintenance of electromechanical equipment, plumbing and sewage contracting, solar energy systems installation, tiling of floors and walls, painting contracting, carpentry and flooring works, wallpaper installation, gypsum works, and cladding services.

- T P H Center For Domestic Workers Services, is a limited liability company, registered in the United Arab Emirates under Commercial Registration No. 729497 dated 25 Jumada Al-Awwal 1436 H (corresponding to 16 March 2015), and is licensed to practice the activity of providing cleaning services for buildings and basic services for residential properties

-The Perfect Help is a limited liability company registered in the United Arab Emirates under Commercial Registration No. 729497 dated 24 Jumada Al-Awwal 1436H (corresponding to 15 March 2015). The company is licensed to provide support manpower services.

-TPH Public Health Pest Control Services is a limited liability company registered in the United Arab Emirates under Commercial Registration No. 1338526 dated 6 Dhul-Qi'dah 1432H (corresponding to 4 October 2011). The company is licensed to provide building cleaning services and public health pest control services.

-Musaned is a limited liability company registered in the United Arab Emirates under Commercial Registration No. 1304819 dated 26 Dhul-Hijjah 1438H (corresponding to 17 September 2017). Musaned is licensed to provide building cleaning services.

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2- BASIS OF PREPARATIONS

2-1 Statement of compliance

These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") (here and after referring to as "IFRS as endorsed in Saudi Arabia")

2-2 Basis of Measurement

These consolidated financial statements have been prepared on a historical cost convention, and the going concern basis, except for:

- Financial assets at fair value through profit or loss ("FVTPL") and at fair value through other comprehensive income ("FVOCI").
- Employees' defined benefits liabilities, which are measured at present value of future liabilities using the projected unit credit method.

2-3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed to risk or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through practicing its control over the investee. Specifically, the Group controls an investee only when the Group has:

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

Consolidation of the subsidiary begins from the date of the Group's control over the subsidiary and continues until the control of the subsidiary ceases to exist. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Net income and each component of other comprehensive income are allocated between the equity holders of the Parent Company and the non-controlling interests, even if such distribution results in a deficit in the balance of non-controlling interests. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to intra-group transactions are eliminated in full on consolidation. A change in the interest of equity of a subsidiary, without a loss of control, is accounted for as equity transactions. If the Group loses control over a subsidiary, then it:

- Derecognizes the assets and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non-controlling interest.
- Derecognizes the cumulative translation differences, recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained.
- Recognizes any surplus or deficit in consolidated statement of profit or loss.
- Reclassify the shareholders' share of previously recognized items in other comprehensive income to the consolidated statement of profit or loss or retained earnings, as appropriate, and as required when the group disposes of the related assets or liabilities directly.

The details of the subsidiaries are presented in Note (1), which also shows the country of incorporation and the ownership percentages. The company and its subsidiaries apply for the same financial reporting period.

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2- BASIS OF PREPARATIONS (continued)

2-4 Functional and presentation currency

The consolidated financial statements are presented in Saudi Riyals (ﷲ), which is the functional currency of the parent company and the presentation currency of the group. All amounts presented in these financial statements are rounded to the nearest ﷲ, unless otherwise stated.

3- MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the date of the consolidated financial statements. However, the actual results may differ from these estimates and assumptions, which could lead to significant adjustments to the carrying amounts of assets and liabilities in the future. These estimates and assumptions are based on experience and various other factors believed to be reasonable according to the circumstances and are used to measure the carrying values of assets and liabilities that are difficult to obtain from other sources. The estimates and assumptions involved are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimates are revised or in future periods if the changes affect both the current and future periods.

3.1 Estimates and assumptions

The following are the key assumptions related to the future and other main sources of uncertainty in the estimates as of the date of the consolidated financial statements, which may result in significant differences in the carrying amounts of assets and liabilities during the next financial period. The group used these assumptions and estimates when preparing the consolidated financial statements. However, changes in market conditions or factors beyond the group's control may lead to modifications in these assumptions. Any such changes will be reflected when they occur.

3.1.1 Long-term assumptions regarding employee benefits

End-of-service benefits for employees represent liabilities that will be settled in the future, and assumptions regarding these liabilities are made and determined using actuarial valuations. Actuarial valuation involves making several assumptions that may differ from actual developments in the future. Management must make more assumptions regarding variables such as discount rates, salary increase rate, mortality rates, and employee turnover rate. Given the complex and long-term nature of the valuation, the defined benefit obligation is significantly impacted by changes in these assumptions. All assumptions are reviewed at the date of preparation of each financial statement. Periodically, Group management consults with external actuaries regarding these assumptions. Changes in key assumptions can have a significant impact on expected benefit liabilities and/or periodic specific employee benefit costs incurred.

The discount rate is one of the most sensitive factors. When determining the appropriate discount rate, management considers bond rates for government bonds denominated in currencies consistent with the benefits to be paid, aligning it with the expected duration of the defined benefit obligation.

3.1.2 Provisions

Provisions are based on estimates and assessments to determine whether the recognition criteria are met, including estimating the amounts likely to be paid. Provisions for legal claims are based on estimated costs after considering legal advice and other available information. Similarly, provisions for end-of-service benefits and departure costs, where applicable, require judgment in estimating the expected cash flows for paying end-of-service benefits, closure of sites or other departure costs. Provisions related to uncertain liabilities represent management's best estimate of the likelihood of future outflows.

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3- MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

3-1 Estimates and assumptions (Continued)

3.1.3 Impairment of non-financial assets

Impairment occurs when the carrying amount of an asset or cash-generating unit exceeds the recoverable value, which represents the fair value less the disposal costs or value in use, whichever is higher. The fair value less disposal costs is calculated on the basis of available data for binding sales transactions, made on fair treatment terms, for similar assets or observable market prices less additional costs of asset disposal. The value in use is calculated using discounted future cash flows, based on the group's projections for the next four to six years, excluding restructuring activities that have not yet been committed or future investments intended to improve the performance of the cash-generating unit being tested for impairment. The recoverable amount is sensitive to the discount rate used and the expected future cash flows, as well as the growth rate used for extrapolation.

3.1.4 Estimating the incremental borrowing rate

The group is unable to easily determine the implicit interest rate in lease contracts and thus uses the incremental borrowing rate to measure lease liabilities. This rate reflects the interest rate the group would need to pay to borrow funds necessary to acquire an asset of similar value to the leased right-of-use asset, in a similar economic environment, over a similar period, and with a similar collateral. Therefore, the incremental borrowing rate which represent SIBOR plus interest reflects what the group would have to pay and requires estimation when observable rates are not available (such as for subsidiaries that do not engage in financing transactions) or when adjustments are necessary to reflect the terms and conditions of the lease agreement. The group estimates this rate using observable market inputs (such as prevailing market rates) where available, and management makes assumptions regarding the company's credit rating.

3.1.5 Provision for expected credit losses on Trade Receivables and contract assets

The group uses a provision matrix to calculate expected credit losses for trade receivables and contract assets. The provision percentages are based on aging days for different customer groups that have similar loss patterns (i.e., customer types). The provision matrix is initially based on historical default rates observed by the group. The group calibrates the matrix to adjust the historical credit losses for future information. For instance, if economic conditions (e.g., GDP growth) are expected to worsen in the coming year, leading to more defaults, the default rates will be adjusted. The group updates the observed default rates and analyzes changes in future estimates at the time each set of financial statements is prepared. The assessment of the interrelationship between historical observed default rates, forecast economic conditions, and expected credit losses represents a significant estimate. The expected credit loss amount is influenced by changes in economic conditions. Past credit losses and expected economic conditions may not necessarily predict future customer defaults.

3.1.6 Annual Impairment Testing of Goodwill

The group at least conducts an annual impairment test for goodwill, at a minimum, to assess whether it has been impaired. This requires estimating the recoverable amount of the cash-generating unit to which goodwill has been allocated. The recoverable amount is sensitive to the discount rate used in the discounted cash flow method and the projected future cash flows, as well as the growth rate used for extrapolation. The key assumptions applied in determining the present value are disclosed in Note (7) to the consolidated financial statements.

3.1.7 Measurement of Fair Value of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model. The inputs for these models are taken from observable markets whenever possible. However, when this is not feasible, a certain degree of judgment is required to determine fair values. Such judgments include considerations of inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions related to these factors can impact the fair value of financial instruments.

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3- MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

3.2 Judgments Applied When Implementing Accounting Standards

The following judgments have a significant impact on the amounts recognized in the consolidated financial statements:

3.2.1 Determining Control and Significant Influence

Management's Judgments in Assessing Control over Subsidiaries:

Subsidiaries are all companies in which the group has control. The management of the group considers that it controls an entity when it is exposed to risks or has rights to variable returns from its involvement with the investee, and when it has the ability to use its power over the investee to affect the amount of those returns by directing the relevant activities of the investee.

Generally, it is presumed that holding the majority of voting rights results in control. To support this presumption, when the Group holds voting rights equal to or less than the majority in an investee, The group considers all relevant facts and circumstances in assessing whether it has control over the investee. This includes contractual and other arrangements that affect the relevant activities which significantly influence the investee's returns.

Determining the group's control depends on the relevant activities, the decision-making process regarding those activities, and the group's rights in the investee.

Management's Judgments in Assessing Significant Influence over Investee Companies:

Judgment is required when the group holds 20% or more of the voting rights in an investee but believes it does not exercise "control" or "joint control" over the investee. In such cases, the group has concluded that it exercises "significant influence" over the investee, in accordance with the International Financial Reporting Standards (IFRS) applied in the Kingdom of Saudi Arabia.

Significant influence is defined as the ability to participate in the financial and operational decision-making of the investee without exercising "control" or "joint control." IFRS provides indicators of significant influence, including representation on the board of directors and participation in policy-making processes. The group accounts for these investments using the equity method.

3.2.2 Determining the lease term of contracts with renewal and termination options – Group as lessee

When determining the lease term, management considers all relevant facts and circumstances that provide an economic incentive to exercise renewal options or not to exercise termination options. The group assesses at the inception of the lease, whether it is reasonably certain that renewal options will be exercised, or termination options will not be exercised. This judgment is reassessed if a significant event or change in circumstances occurs that is within the group's control.

3.2.3 Property lease classification – Group as lessor

The Group entered into an operating lease agreement for its investment properties. Based on the evaluation of the terms and conditions of the lease—such as the lease term not constituting a major part of the economic life of the commercial property, and the present value of the minimum lease payments not being substantially equal to the fair value of the commercial property—the Group concluded that it retains all the significant risks and rewards of ownership of these properties and, accordingly, accounts for the lease as an operating lease.

3.2.4 Useful Lives of Property and Equipment, and Investment Properties

Management determines the estimated useful lives of property, plant, equipment, and investment properties for depreciation purposes. This estimate is based on the expected asset's lifetime or its normal consumption pattern. The group periodically reviews these estimates to ensure the depreciation method and estimated useful life are consistent with the expected pattern of economic benefits to be derived from the assets.

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4- MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies applied by the group in preparing these consolidated financial statements:

4.1 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period; or
- Cash and cash equivalents unless restricted from being exchanged or used to settle any liabilities for at least twelve months after the reporting period. All other assets are classified as “non-current.”

A liability is classified as current when:

- Expected to be settled in the normal operating cycle.
- Held primarily for the purpose of trading.
- Due to be settled within twelve months after the reporting period.
- The group doesn't have the right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as “non-current”.

4.2 Property and equipment

Property and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical costs include expenditure that is directly attributable to the acquisition of the asset. Repair and maintenance costs are expensed in the consolidated income statement during the period in which they are incurred. Improvements that significantly increase the value or extend the useful life of the assets are capitalized. Leasehold improvements are amortized on a straight-line basis over the useful life of the improvements or the lease term, whichever is shorter.

Depreciation of property and equipment items is calculated using the straight-line method to allocate their cost over their estimated useful lives, net of their residual values as follows:

Item	Number of years
Buildings	20-40
Leasehold improvements	10 years or the lease term, whichever is shorter
Furniture and fixtures	10
Office equipment	4-10
Vehicles	6

Gains and losses resulting from disposals are determined by comparing the proceeds with the carrying amount and are included in the consolidated statement of profit or loss. The residual values, useful lives, and depreciation methods of property and equipment are reviewed annually and adjusted prospectively, if appropriate, at each consolidated statement of financial position date.

An item of property and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of profit or loss in the period the asset is derecognized.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.3 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

Short-term lease contracts and low-value asset leases

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as lessor

Leases under which the Group does not transfer all the significant risks and benefits associated with asset ownership are classified as operating leases.

Rental income is accounted for according to the straight-line method over the lease period and is included in the consolidated statement of comprehensive income. The initial direct costs incurred during the negotiation and arrangement of any operating lease are added to the book value of the leased asset and are recognized over the lease period on the same basis as rental income. Conditional rents are recognized as revenue in the period in which they are realized.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.4 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred which is measured at the acquisition date at fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

Any contingent consideration, if any, to be transferred by the acquirer will be recognized at fair value as at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument, is measured at fair value with changes in fair value recognized in the consolidated statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized as non-controlling interests), and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gains are recognized in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs that are expected to benefit from the business combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the unit when determining the gain or loss on disposal of the operation. Goodwill disposed in these circumstances is measured based on the value related to the disposed operation and the retained portion of the CGU.

4.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are classified as "definite" or "indefinite" duration. Intangible assets with a definite lifespan are amortized over their estimated useful lives and audited for impairment when there is evidence of such impairment. The period and method of amortization of intangible assets with a definite lifespan shall be reviewed at least once at the end of each financial period. Changes in the expected useful life or method of depletion of future economic benefits guaranteed by the asset are accounted for by adjusting the period or method of amortization, as appropriate, and are considered as changes in accounting estimates. The amortization expense for intangible assets that have a specific useful life is recognized in the consolidated profit or loss statement.

Subsequent expenses are capitalized only when they increase the economic benefits contained in the specific asset to which they relate. All other expenses, including expenses on goodwill and internally constituent trademarks, are recognized in the consolidated profit or loss when incurred.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.5 Intangible assets (continued)

Amortization commences from the date the intangible assets are available for use and is calculated using the straight-line method over the estimated useful lives of the assets as follows:

<u>Item</u>	<u>Number of years</u>
Tadbeer licenses	10
Customer relationships	2
Trademarks	10
Customer contracts	5-10
Software	4-10
Other intangible assets	4

Intangible assets that do not have a definite lifespan are not amortized but are tested annually to ensure that there is no impairment in their value alone or at the level of the cash-generating unit.

The useful life of intangible assets that do not have an indefinite useful life is reviewed annually to ascertain whether the valuation made for the useful life is still supported, otherwise change from "indefinite life" to "definite lifespan" on a future basis. Intangible assets cease to be recognized upon disposal (i.e., on the date of transfer of control to the recipient), or when there are no expected future economic benefits from use or disposal. Any gains or losses resulting from the cessation of recognition of any asset (which is calculated as a difference between net disposal proceeds and the carrying amount of the asset) are included in the consolidated statement of profit or loss.

4.6 Investment properties

Investment properties consist of properties held to earn rental income or for capital appreciation or both. Properties held under operating leases are classified as investment properties when they are held to earn rental income or for capital appreciation or both, and not for sale in the ordinary course of business or for administrative purposes.

Investment properties are originally measured at cost, including transaction costs. Transaction costs include conversion fees, professional fees for legal services and initial rental commissions for the property to be operational. Book value also includes costs related to the replacement of a portion of existing investment properties when those costs are incurred if the evidentiary standards are met.

After initial recognition, i.e. after completion, investment properties appear at cost less accumulated depreciation and impairment. Land and projects under construction are not depreciated. Depreciation is calculated from the date of availability of the depreciable investment property item for the purpose for which it was established. It is calculated in a straight-line manner over the estimated useful life of the assets and the repair and maintenance expenses are borne on the consolidated statement of profit or loss when incurred. Improvements that substantially increase the value or life of the asset in question are capitalized.

Transfers to/from investment properties are made only when there is a change in use. For transfers from investment properties to owner-occupied properties, the assumed cost of subsequent accounting is considered as the fair value on the date of the change in use. When properties occupied by the owner become investment properties, the Group will account for such properties in accordance with the property and equipment policies up to the date of the change in use.

Investment properties are derecognized upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of profit or loss in the period in which the derecognition occurs.

The Group applies the following annual depreciation rates to investment properties:

<u>Item</u>	<u>Number of years</u>
Buildings	40

Gains/(losses) on these investments are recognized upon disposal, and income from property lease contracts is recognized in the consolidated statement of profit or loss.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.7 Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's investment in its associates is accounted for in accordance with the equity method. Under the equity method, the investment in the associate is originally recognized at cost. The book value of the investment is adjusted to reflect changes in the Group's share in the net assets of the associate since the date of acquisition. The goodwill related to the associate is included in the book value of the investment and is not independently tested for impairment.

The equity method is discontinued if the carrying amount of the investment becomes zero due to continued losses in the associate (unless the group has guaranteed the liabilities of the investee or is committed to providing additional financial support). The equity method is resumed when the investee subsequently records net profits equal to the net losses during the period when the equity method was not applied.

The group assesses whether it is necessary to recognize any impairment loss in its investment in associates. At each reporting date, the group determines whether there is any objective evidence of impairment in the investment in associates. When such evidence exists, the group calculates the impairment amount as the difference between the recoverable amount of the associate and its carrying value and recognizes the impairment loss in the consolidated income statement. When the group loses significant influence over an associate, it measures and recognizes any retained investment at fair value, and any difference between the carrying amount of the associate at the loss of significant influence and the fair value of the retained investment and the proceeds from disposal is recognized in the consolidated statement of profit or loss.

4.8 Impairment of non-financial assets

At the reporting date of the consolidated financial statements, the Group estimates whether there is an indication of an asset impairment. If there is any indication of this, or when an annual impairment test is required, the Group estimates the recoverable value of the asset.

The recoverable value of an asset is the fair value of the asset or cash generating unit less the selling cost or the value in use of the asset, whichever is higher.

It is determined for a single asset unless the asset generates cash flows that are not substantially independent of flows generated from other assets or groups of assets. When the carrying amount of an asset or cash generating unit exceeds its recoverable value, the asset must be reduced to its recoverable value.

When determining the value in use, future cash flows are discounted to the present value using the pre-tax discount rate to reflect market estimates of the time value of money and the risk associated with the asset. When determining fair value minus selling costs, recent market transactions are considered, when available, or an appropriate valuation model is used. These values are verified by comparing them against the valuation multiples and listed share prices of publicly traded subsidiaries or through any other fair value indices.

In calculating the impairment in value, the group relies on detailed budgets and estimated calculations that are prepared separately for each cash generating unit in the group to which the individual assets are distributed. These detailed budgets and estimated calculations usually cover five years. To cover longer periods, a long-term growth rate is calculated and applied to the project's future cash flows after the fifth year.

Impairment losses for continuing operations are recognized in the consolidated statement of profit or loss within the expenses appropriate to the function of impairment assets.

An assessment is made at the date of each report to determine whether there is any indication that pre-established impairment losses for non-financial assets, other than goodwill, no longer exist or have decreased. The reversal of the impairment loss is included in the consolidated profit or loss statement.

The previously recognized impairment loss, with the exception of goodwill, is reversed only if there is a change in the assumptions used to determine the recoverable amount of an asset since the last impairment loss was recognized. This reversal is limited so that the recoverable amount does not exceed what the book amount would have been, after depreciation, had the impairment loss of the asset not been recognized in previous years. This reflection is recognized in the consolidated statement of profit or loss.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.9 Financial instruments

Recognition and initial measurement

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognized in the consolidated statement of financial position when the Group becomes party to the contractual provisions of the financial instrument. A financial instrument is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Financial assets

Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) 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.

Upon initial recognition of equity investments not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not a FVTPL, transaction costs that are directly attributable to its acquisition.

The Group has classified its investments in units of an investment fund as FVTPL as these contractual cash flows are not limited to principal and interest only.

Subsequent Measurement

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in consolidated statement of profit or loss. Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest rate ("EIR") method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognized in consolidated statement of profit or loss. Any gain or loss on derecognition is recognized in the consolidated statement of profit or loss. Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the EIR method, foreign exchange gains and losses and impairment are recognized in the consolidated statement of profit or loss. Other net gains and losses are recognized in the consolidated statement of comprehensive income. On derecognition, gains and losses accumulated in OCI are reclassified to the consolidated statement of profit or loss. Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in the consolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in the consolidated statement of comprehensive income and are never reclassified to consolidated statement of profit or loss.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.9 Financial instruments(continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group’s consolidated statement of financial position) when: the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Expected credit loss (“ECL”) assessment for accounts receivables

The Group applies IFRS 9 simplified approach for measuring ECL, which uses a lifetime expected loss allowance. The method is applied for assessing an allowance against:

- financial assets measured at amortized cost; and
- contract assets

The expected loss rates are based on the payment profiles of receivables over a period of 12 months before each reported period and corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified Gross Domestic Product (“GDP”) of KSA (the country in which it renders the services) to be the most relevant factor and accordingly adjusts the historical loss rates based on expected changes in these factors.

The expected loss approach breaks the total loss amount modeling into following parts: probability of default (“PD”), loss given default (“LGD”), exposure at default (“EAD”). These are briefly described below:

- LGD: This is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD
- PD: the likelihood of a default over a particular time horizon
- EAD: This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

ECL Model

The Group uses a point-in-time (“PIT”) probability of default model to measure its impairment on financial assets. PIT PD models incorporate information from a current credit cycle and assess risk at a PIT. The PIT PD term structure can be used to measure credit deterioration and starting PD when performing the allowance calculations. Also, when calculating lifetime expected credit losses, after the inputs are correctly converted, you can project the cash flows and calculate the gross carrying amount, loss allowance, and amortized cost for the financial instrument.

The Group assesses its financial assets based on credit risk characteristics using segmentations such as geographical region, type of customer, customer rating, etc. The different segments reflect differences in PDs and in recovery rates in the event of default.

Specific provision

Specific provision is recognized on customer-to-customer basis at every respective reporting date. The Group recognizes specific provision against receivables from certain customers. Provisions are reversed only when the outstanding amounts are recovered from the customers.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.9 Financial instruments (continued)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Financial liabilities

Initial recognition and measurement

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized 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 .

Subsequent measurement

The subsequent measurement of financial liabilities is based on their classification as follows:

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the consolidated statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the EIR method. Interest expense and foreign exchange gains and losses are recognized in the consolidated statement of profit or loss. Any gain or loss on derecognition is also recognized in the consolidated statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.10 Purchased, available, used visas, recruitment costs, residential and work permits

Purchased visas

Purchased visas represent the amounts paid to the government authorities against issuing manpower visas and are recorded at cost as available visa. Cost comprises all the purchase cost paid to the government authorities for securing the manpower visas.

Available, used visas and recruitment costs

Available visas represent the unused balance of visas from the government. As per Saudi Labor Law, the Group, upon its wish, may get a full refund of the cost paid to acquire the purchased visas. Available visas are classified under current assets.

Visas are transferred from 'available visas' to 'used visas' and are amortized in the consolidated statement of profit or loss on a straight-line basis over the employment contract period.

Recruitment costs represent the amount paid to recruitment agencies in connection with services obtained. These costs are amortized in the consolidated statement of profit or loss on a straight-line basis over the employment contract period.

The amount of unamortized balance of used visas and recruitment costs are written off directly in the consolidated statement of profit or loss in case of termination of the contract or occurrence of anything that prevents the continuation of the service.

Used visas and recruitment costs are classified as current assets if they are expected to be used within one year from the date of the consolidated statement of financial position. Otherwise, these are presented as non-current assets.

Residential and work permits

Residential fees and work permits are amortized in the consolidated statement of profit or loss over one year in line with the validity of such permits.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.11 Contract assets and liabilities

When one party to the contract performs, the entity must present the contract in the unified financial statements as contract assets or contract liabilities based on the relationship between the entity's performance and the customer's payment. Contract assets represent the entity's right to consideration for services transferred to the customer. Contract liabilities represent the entity's obligation to transfer services to the customer, for which the entity has received consideration (or the consideration is due) from the customer

4.12 Trade receivables

Trade receivables represent the group's right to an unconditional amount (meaning that the receivable depends on the passage of time). Refer to the accounting policy for financial assets

4.13 Prepaid expenses and other debit balances

Prepaid expenses and other debit balances are recognized at the amounts paid to service providers for services to be received in the future, or at the amounts paid to external parties to be refunded in the future

4.14 Murabaha time deposits

Murabaha time deposits represents deposits with local commercial banks having a maturity of more than three months from the date of acquisition and expected to be realized within one year from the date of the reporting period.

4.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, cash on hand and short-term highly liquid deposits with a maturity of three months or less which are not subject to a significant risk of change in value.

4.16 Treasury Shares

Treasury stocks are own equity instruments that are recognized at cost and presented as a deduction from equity and are adjusted for any transaction costs, dividends and gains or losses on sale of such shares. No profit or loss of profit or loss is recognized when buying, selling, issuing or cancelling the Group's own equity instruments. Any difference between book value and consideration, if reissued, is recognized as a premium to the shares or discount offered in equity. These treasury shares are allocated for the purpose of establishing the company's shares Employee Share Program (Long-Term Incentive Plan)

4.17 Share-Based Payment Transactions

Some Group employees receive remuneration in the form of payments based on equity-settled shares under the employee share plan (long-term incentive plan), whereby employees provide services in consideration for equity instruments granted under the plan, as described in (Note 22).

The fair value of employee services received against the granting of options or shares is recognized as an expense in the consolidated profit or loss statement, together with the corresponding increase in other reserves within equity during the period during which the eligibility conditions are met. Other reserves (represented by the cumulative expense resulting from the program) are converted into retained earnings at the end of the program term. That's whether employees acquire those options or not.

Cumulative expense recognized at the date of preparation of each financial report, up to the end date of the program reflects the extent to which the program period ended and the best Group estimates of the number of options to be acquired at the end of the program.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.18 Short-term liabilities

Obligations relating to wages and salaries, including non-cash benefits, accrued leave, airfare and allowances, expected to be paid in full within twelve months after the end of the period in which staff members provide the relevant services, are recognized for staff services up to the end of the financial period and are measured by the amounts expected to be paid upon settlement of liabilities. Liabilities are displayed under Creditors, payables, and other current liabilities in the consolidated statement of financial position.

4.19 Employees' end-of-service benefits

The Group's primary defined benefit plan is an end of service lump sum benefits plan.

The benefit liability recognized in the consolidated statement of financial position is the present value of the Defined Benefit Obligation ("DBO") at the reporting date. The plan is unfunded, which means the Group pays benefits as they fall due when employees leave service.

The DBO is re-measured on a periodic basis by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Where there is no deep market for high-quality corporate bonds, the market rates on government bonds are used.

The DBO also depends on the assumptions for future salary increases and the rate at which employees and workers are expected to leave. The Group updates this assumption from year to year in line with the development of new expertise.

The net interest cost is calculated by applying the discount rate to the net balance of the DBO. This cost is included in employees' salaries and other benefits expense in the consolidated statement of profit or loss. Re-measurement gains and losses arising from changes in actuarial assumptions are recognized in the period in which they occur in OCI. Changes in the present value of the DBO resulting from plan amendments or curtailments are recognized immediately in the consolidated statement of profit or loss as past service costs.

Current and past service costs related to specific benefit liabilities for employees as well as the increase in adherence to discount rates used directly in the profit or loss statement are recognized. Any changes in net liabilities as a result of actuarial valuations and changes in assumptions are included as a remeasurement in the statement of other comprehensive income. The actuarial valuation process takes into account the provisions of the Saudi Labor Law as well as the Group's policy.

4.20 Dividends

The Group recognizes a liability to make dividend distribution to the shareholders of the Parent Company when the distribution is authorized, and the distribution is no longer at the discretion of the Company. In accordance with the provisions of the Companies' Law and company's Articles of Association, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity. Interim dividends are recorded as and when declared and approved by the Board of Directors.

4.21 Provisions

Provisions are recognized when there is current or expected legal obligations on the group resulting from past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the group expects that some or all of the provisions will be reimbursed, for example under an insurance contract, the amounts reimbursable are recognized as a separate asset only when it is virtually certain that reimbursement will be received. The expense relating to the provision is presented in the consolidated statement of profit or loss net of any amounts reimbursable.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-zakat rate that reflects current market assessments of the time value of money and the risks specific to liability. The increase in the provision due to the passage of time is recognized as finance costs.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.22 Retained Deposits

Retained deposits represents amounts equal to two months' salary collected from customers as insurance and held with the Group until the completion/termination of manpower contracts. Upon termination of the contract or the occurrence of anything that prevents the continuation of the service, the Group will recover or use the balance against outstanding amounts due from customers.

4.23 Zakat and tax

Zakat

The Company and its subsidiaries in KSA are subject to zakat in accordance with the regulation issued by the Zakat, Tax and Customs Authority (ZATCA). Zakat provision is calculated according to the consolidated zakat base of the Company and its directly or indirectly wholly owned subsidiaries. Zakat is levied at a fixed rate of 2.5% on the higher of adjusted zakat profit or zakat base. The management establishes provisions where appropriate based on amounts expected to be paid to the ZATCA and periodically evaluates positions taken in zakat returns in case of any differences. Additional zakat liability, if any, related to prior years' assessments arising from ZATCA are accounted for in the period in which the assessments are finalized. Subsidiaries outside KSA calculate income tax in accordance with the relevant income tax regulations in those countries.

Deferred Tax

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their 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 these deductible temporary differences and unused tax losses can be utilized.

Value Added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, except:

Where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When trade receivables and payables include VAT amounts, the net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Withholding tax

The Group makes a provision for withholding tax on payments to non-resident parties in KSA in accordance with the Income Tax Law applicable in KSA.

4.24 Segment information

An operating segment is a component of the Group :

- that engages in business activities from which it may earn revenues and incur expenses.
- results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment; and
- for which discrete financial information is available

The Group's operating business are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different products to its respective market.

- Corporate Sector: The group supplies manpower to companies, which constitute a part of the revenues generated from its corporate sector
- Individual Sector: The group supplies manpower to individuals based on their needs (such as nurses, maids, etc.), which constitute a part of the revenues generated from the individual sector
- Facility Management Sector: The group supplies supply of manpower to companies for cleaning and building maintenance, which constitute a part of the revenues generated from the facility management sector

A geographical segment is a group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments. The Group's operations are conducted in both Saudi Arabia and the United Arab Emirates.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.25 Revenue Recognition

The Group recognizes revenue as and when customer receives and consumes the services provided by the Group over a period of time i.e. number of days services are provided, which is in line with the requirements of IFRS 15.

Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when the services are rendered to customers. Contract revenues are recognized based on manpower services provided to the customers (the services represent the performance obligation of the contract) over the terms of these agreements.

Variable Consideration

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which the Group is entitled in exchange for transferring the promised services to a customer.

Significant Financing Component

The Group adjusts the promised amount of consideration, if any, for the time value of money if the contract contains a significant financing component.

Measurement of Progress towards Complete Satisfaction of Performance Obligation

The performance obligation (rendering of services) is satisfied over time. The Group applies a single method of measuring progress toward satisfaction of the obligation. The Group uses input method as a basis to measure performance completed to date.

Contract costs

Contract costs are recognized as an expense unless the Group has a reasonable expectation to recover these costs from its customers and in cases where these costs are recoverable from the customers. The Group amortize these costs, if any, on a systematic basis, consistent with the transfer to the customer of the services. The Group recognizes contract costs if:

- The costs relate directly to a contract or to an anticipated contract that the Group can specifically identify.
- The costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- The incremental costs of obtaining a contract with a customer is expected to be recovered.
- Those costs would not have incurred if the contract had not been obtained or if an anticipated contract has not been identified by the Group.

The costs that directly relates to a contract (or a specific anticipated contract) includes:

- a) direct labor.
- b) allocation costs that directly relate to the contract or to contract activities.
- c) costs that are explicitly chargeable to the customer under the contract; and
- d) other costs that are incurred only because the entity entered into the contract.

Principal vs. Agent considerations

The group has evaluated its arrangements to determine whether it is a principal, and report revenues on a gross basis, or an agent, and report revenues on a net basis. In this assessment, the Group has considered if it has obtained control of the specified services before they are transferred to the customer, as well as other indicators such as the party primarily responsible for fulfilment, inventory risk and discretion in establishing price. The Group has concluded that they are principal in all revenue arrangements.

Presentation and disclosure requirements

The group disaggregated revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Important Payment Terms

The group is committed to disclosing the significant payment terms associated with customer contracts, including payment schedules, grace periods, and any conditions that may affect the timing of revenue recognition. This disclosure aims to provide a clear understanding of how future cash flows may be impacted by these terms.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.25 Revenue Recognition (continued)

Guarantees and Related Obligations

The group is committed to disclosing the types of guarantees provided to customers, whether they are legal guarantees or additional guarantees offered by the Company. The nature, duration, and impact of these guarantees on revenue and potential liabilities are disclosed to ensure compliance with International Financial Reporting Standard (IFRS) 15 and to provide comprehensive disclosure of these items.

Other operating income

Other operating income includes revenue streams not derived from core business activities but contributing to the entity's overall financial performance. Rental income is recognized on an accrual basis in line with lease agreements, recorded when earned, and presented net of any lease incentives. Profit from term murabaha deposits is recognized based on agreed profit-sharing terms using the effective profit rate method when economic benefits are probable. Profits from the sale of properties and equipment are recorded as the difference between the sale proceeds and the carrying amount at the time of disposal. Employment subsidy income is recognized when there is reasonable assurance that the entity will comply with conditions attached to the subsidy and that the income will be received.

4.26 Government subsidies

Government subsidies are recognized when there is reasonable assurance that the subsidy will be received and that all associated conditions will be complied with. When the subsidy relates to an expense item, it is recognized as income on a regular basis over the periods that the Group intends to offset the costs being expensed .

When the subsidy is related to an asset, it is recognized as income in equal amounts over the expected useful life of the underlying asset. When the Group receives non-cash subsidies, the asset and the subsidy are recorded at nominal value and transferred to the consolidated statement of profit or loss over the expected useful life of the asset based on the depreciation pattern of the asset's benefits in equal annual amounts. When borrowings or similar finance are granted by government or related institutions at an interest rate lower than the prevailing interest rate, the effect of these differential interest rates is considered a government subsidy and recorded under non-current liabilities in the financial position as deferred government subsidies.

4.27 Costs and Expenses

Costs which are directly related to services provided are classified as cost of revenue. Expenses which are attributable to marketing and promotional activities are classified as marketing expenses. All other indirect expenses are classified as general and administration expenses.

4.28 Earnings per share

Basic earnings per share

Basic EPS is calculated by dividing the net income or loss attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held, if any .

Diluted earnings per share

Diluted EPS, if any, is determined by adjusting the net income or loss attributable to common equity holders of the Parent Company and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares. Diluted EPS is adjusted for the effect of the Company's employee share-based payment program

4.29 Contingent liabilities

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is unlikely to occur. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.30 Foreign Currency Translation

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency defined for the Group's companies at the exchange rates at the dates of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in the consolidated statement of profit or loss.

Foreign operations

As part of the financial statement consolidation process, the assets and liabilities of foreign operations are translated into SR at the prevailing exchange rate at the date of preparing the consolidated financial statements, and their profit or loss statements are translated into the average exchange rates on the date of the transactions. Exchange differences arising from the translation of currencies for consolidation purposes are recognized in other comprehensive income. On disposal of any foreign operation, other comprehensive income related to that foreign operation is recognized in the consolidated statement of profit or loss.

4.31 New Standards and Amendments to Standards and Interpretations

The Group has applied the following standards and amendments, where applicable, for the first time for their annual reporting period commencing 1 January 2025.

4.31.1 Amendments to IAS 27 – Non-Transferable Currency

The entity will be affected by the amendments when it has a transaction or process involving a foreign currency that is non-transferable to another currency at the measurement date for a specific purpose.

4.31.2 Amendments to IFRS 9 and IAS 7 – Classification and Measurement of Financial Instruments

- Clarification of the timing requirements for the recognition of certain financial assets and liabilities and their derecognition, with a new exception for some financial liabilities settled through an electronic cash transfer system.
- Additional guidance on evaluating whether a financial asset meets the criterion of payments of principal and interest only.
- New disclosures for certain instruments with contractual features that may alter cash flows (such as some instruments with features linked to achieving environmental, social, and governance goals).
- Updates to disclosures regarding equity instruments classified at fair value through other comprehensive income.

4.32 New Standards Issued but Not Yet Adopted

Below is a summary of the new standards and amendments to existing standards effective for years beginning on or after 1 January 2026, with early application permitted but not yet adopted by the group when preparing these consolidated financial statements. The group is currently assessing the impact of adopting these standards on the consolidated financial statements.

4.32.1 IFRS 18 - "Presentation and Disclosure in Financial Statements"

The new standard for presentation and disclosure in financial statements, with a focus on updates to the income statement. The key new concepts introduced in IFRS 18 include the following:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.32 New Standards Issued but Not Yet Adopted (continued)

4.32.2 IFRS 19 – Subsidiaries without Public Accountability: Disclosures

The Standard allows qualifying subsidiaries to choose to apply reduced disclosure requirements, while continuing to apply the recognition, measurement, and presentation requirements in other IFRSs. To qualify for applying this Standard, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards

4.33 Subsequent Events

The consolidated financial statements are affected by subsequent events that require the amendment of the consolidated financial statements while subsequent events that do not require the amendment of the consolidated financial statements are disclosed.

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5- PROPERTIES AND EQUIPMENT

	Lands	Buildings	Leasehold improvements	Furniture and fixtures	Office equipment	Vehicles	Total
<u>Cost</u>							
Balance as of 1 January 2024	33,098,514	71,873,547	24,298,468	9,591,483	38,650,890	41,124,442	218,637,344
Additions	5,845,136	19,202,059	81,965	1,434,584	3,316,488	9,036,912	38,917,144
Disposals	--	--	(353,633)	(687,628)	(935,579)	(3,573,969)	(5,550,809)
Balance as of 31 December 2024	38,943,650	91,075,606	24,026,800	10,338,439	41,031,799	46,587,385	252,003,679
Additions	--	3,243,601	728,793	1,187,621	2,032,904	2,309,117	9,502,036
Disposals	(1,878,800)	(2,175,142)	(180,248)	(547,974)	(1,313,859)	(2,283,997)	(8,380,020)
Balance as of 31 December 2025	37,064,850	92,144,065	24,575,345	10,978,086	41,750,844	46,612,505	253,125,695
<u>Accumulated depreciation</u>							
Balance as of 1 January 2024	--	11,165,667	20,776,044	5,559,965	25,458,239	30,888,119	93,848,034
Depreciation charge for the year	--	1,899,299	916,881	1,328,834	4,372,496	2,430,487	10,947,997
Disposals	--	--	(251,751)	(498,297)	(899,825)	(3,320,271)	(4,970,144)
Balance as of 31 December 2024	--	13,064,966	21,441,174	6,390,502	28,930,910	29,998,335	99,825,887
Depreciation charge for the year	--	2,284,521	755,370	1,102,325	4,088,248	3,317,695	11,548,159
Disposals	--	(515,535)	(38,573)	(406,549)	(1,196,884)	(1,610,234)	(3,767,775)
Balance as of 31 December 2025	--	14,833,952	22,157,971	7,086,278	31,822,274	31,705,796	107,606,271
<u>Net book value</u>							
As at 31 December 2024	38,943,650	78,010,640	2,585,626	3,947,937	12,100,889	16,589,050	152,177,792
As at 31 December 2025	37,064,850	77,310,113	2,417,374	3,891,808	9,928,570	14,906,709	145,519,424

The land and buildings include a property with a carrying value ﷲ 24 million, which is mortgaged to a local bank as collateral for the loan obtained by the group, as detailed in note (24).

Property and equipment as of 31 December 2025, includes fully depreciated assets that are still in use, with a cost of ﷲ44.6 million (31 December 2024: ﷲ 34.3 million).

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6- LEASE

a) **Right-of-use assets**

	As of 31 December	
	2025	2024
Cost		
Balance at the beginning of the year	109,570,702	104,455,223
Additions during the year	19,455,259	15,374,521
Disposal during the year	(51,820,565)	(10,259,042)
Balance at the end of the year	77,205,396	109,570,702
Accumulated depreciation		
Balance at the beginning of the year	68,389,108	55,477,701
Depreciation expense during the year	19,110,730	20,881,700
Disposal during the year	(35,782,533)	(7,970,293)
Balance at the end of the year	51,717,305	68,389,108
Net book value	25,488,091	41,181,594

b) **Lease liabilities**

	As of 31 December	
	2025	2024
Balance at the beginning of the year	40,427,153	49,919,303
Additions	19,455,259	15,374,521
Interest expenses (Note 37)	1,707,958	2,895,175
Disposal during the year	(16,580,638)	(3,934,157)
Less: Payments during the year	(24,412,123)	(23,827,689)
Balance at the end of the year	20,597,609	40,427,153

The following table sets out a minimum future lease payment, along with the present value of the minimum future lease payment as of 31 December 2025:

Minimum Future lease payment installment

	Future lease payments	Interest	Present Value of minimum future lease payments
Within one year (Note 27)	12,133,508	729,406	11,404,102
From two to five years	9,838,973	645,466	9,193,507
Total	21,972,481	1,374,872	20,597,609

Lease liabilities has been classified in the consolidated statement of financial position as follows:

	As of 31 December	
	2025	2024
Current portion of lease liabilities (Note 27)	11,404,102	19,259,299
Non-current portion of lease liabilities	9,193,507	21,167,854
Balance at the end of the year	20,597,609	40,427,153

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7- INTANGIBLE ASSETS AND GOODWILL

	As of 31 December	
	2025	2024
Goodwill (A)	3,001,536	3,310,639
Intangible Assets – Other (B)	2,870,677	2,107,104
	5,872,213	5,417,743

A- Goodwill

	As of 31 December	
	2025	2024
TPH Labor Services Center (*)	3,001,536	3,001,536
MBL Building Maintenance Company LLC (**)	-	309,103
	3,001,536	3,310,639

The movement in the goodwill during the year was as follows:

	As of 31 December	
	2025	2024
Balance as of 1 January	3,310,639	3,310,639
Goodwill impairment during the year	(309,103)	--
Balance as of 31 December	3,001,536	3,310,639

(*) On 1 January 2018, Musanid cleaning services has acquired a 70% stake in TPH Center For Domestic Worker Services. The total consideration amounted to ﷲ 10.2 million. The acquisition was accounted for using the accounting acquisition method. The fair value of the net assets acquired was ﷲ 7.2 million, resulting in a goodwill of ﷲ 3 million. TPH Labor Services Center is licensed to provide cleaning services for buildings and basic services for residential properties.

(**) On 1 January 2018, TPH Labor Services fully acquired MBL Building Maintenance for a total consideration of SAR 1.5 million. The fair value of the net assets acquired was ﷲ 305,074, resulting in goodwill of ﷲ 1.2 million. MBL Building Maintenance Company is licensed to provide building maintenance services. During 2023, an impairment loss on goodwill of ﷲ 863,341 was recognized. Due to the absence of any significant operating activities, the remaining goodwill of ﷲ 309,103 associated with the company has been written off.

Impairment Test

Management conducts an annual goodwill impairment test to ensure it carrying value is not higher than its recoverable amount. For the year ended 31 December 2025, management determined that the carrying value of goodwill was less than its recoverable amount. Recoverable amounts were determined on the basis of value-in-use calculations. These calculations use cash flow projections for five years based on financial budgets approved by management. Cash flows beyond the budgets are extrapolated using the estimated growth rate for the company. Management believes that these growth rate assumptions do not exceed the long-term average growth rates for the business in which the companies operate.

Key assumptions for the value-in-use calculation are set out below:

	As of 31 December	
	2025	2024
Discount Rate	13.5% - 14.5%	16.5% - 17.5%
Average Annual Sales Growth Rate	6,2%	8.7%
Terminal Growth Rate	1,8%	2%

The discount rates used are pre-tax and reflect specific risks relating to the subsidiaries. Management has determined the budgeted gross margins based on past performance and its expectations for the market development.

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7- INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

Sensitivity to changes in assumptions.

With regard to the assessment of value-in-use for the subsidiaries, any adverse changes in a key assumption would result in an impairment loss. The key assumptions, where reasonably possible changes could result in impairment.

B- Intangible Assets - Other

	As of 31 December			
	2025	2024		
Tadbeer licenses	742,059	1,109,313		
Accounting software	2,102,321	964,778		
Other intangible assets	26,297	33,013		
	2,870,677	2,107,104		

	Tadbeer licenses	Accounting software	Other intangible assets	Total
<u>Cost</u>				
Balance as of 1 January 2024	3,672,537	1,860,176	863,220	6,395,933
Additions	--	8,934	--	8,934
Balance as of 31 December 2024	3,672,537	1,869,110	863,220	6,404,867
Additions	--	1,535,132	4,080	1,539,212
Balance as of 31 December 2025	3,672,537	3,404,242	867,300	7,944,079
<u>Accumulated Amortization</u>				
Balance as of 1 January 2024	2,195,970	606,826	818,431	3,621,227
Amortization (Note 34)	367,254	297,506	11,776	676,536
Balance as of 31 December 2024	2,563,224	904,332	830,207	4,297,763
Amortization (Note 34)	367,254	397,589	10,796	775,639
Balance as of 31 December 2025	2,930,478	1,301,921	841,003	5,073,402
Net book value:				
Balance as of 31 December 2024	1,109,313	964,778	33,013	2,107,104
Balance as of 31 December 2025	742,059	2,102,321	26,297	2,870,677

Tadbeer licenses are intangible assets acquired through business combinations. Tadbeer licenses have been granted by the Ministry of Human Resources and Emiratization of UAE to provide services related to domestic worker recruitment.

8- INVESTMENT PROPERTIES

	Land	Building	Total
<u>Cost</u>			
Balance as of 1 January 2024	18,148,500	20,150,691	38,299,191
Additions	--	--	--
Balance as of 31 December 2024	18,148,500	20,150,691	38,299,191
Additions	--	--	--
Balance as of 31 December 2025	18,148,500	20,150,691	38,299,191
<u>Accumulated depreciation</u>			
Balance as of 1 January 2024	--	1,003,381	1,003,381
Amortization charge during the year	--	503,768	503,768
Balance as of 31 December 2024	--	1,507,149	1,507,149
Amortization charge during the year	--	503,768	503,768
Balance as of 31 December 2025	--	2,010,917	2,010,917
Net book value:			
As of 31 December 2024	18,148,500	18,643,542	36,792,042
As of 31 December 2025	18,148,500	18,139,774	36,288,274

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8- INVESTMENT PROPERTIES (CONTINUED)

The fair values of investment properties have been determined by an independent external valuer. Investment properties have been evaluated by "Ibrahim Bin Saedan Company" under license number (1210001340). The appraisal firm has a recognized professional qualifications and recent experience in the location and category of properties being appraised. The fair value was set at ﷲ 46.3 million as of 31 December 2025 (31 December 2024: ﷲ 37.3 million). The above investment properties are measured at fair value using the income approach, which is a valuation method that estimates the fair value of a property by calculating the present value of future cash flows that an entity or asset expects to achieve over a lifetime.

Type of property	Valuation Method	Level	Purpose of valuation	Main Assumptions	Assumptions		Fair value	
					2025	2024	2025	2024
Investment property	Income Approach	Level 3	determine fair value for land and building	Capitalization Rate Gross Income	8%	7%	2025	2024
					3,900,000	2,900,000	46,312,500	37,335,714

9- EQUITY ACCOUNTED INVESTEEES

The following table summarizes the group's investments in equity accounted investees:

	Country of incorporation	Ownership percentage		As of 31 December	
		2025	2024	2025	2024
				(Restated Note 46)	
Saudi Medical Systems Company*	KSA	40%	40%	406,583,091	463,379,671
Care Shield Holding Limited Company	KSA	--	41,36%	--	335,161,674
Silias Trading & Marketing Company	KSA	--	20%	--	--
				406,583,091	798,541,345

The movement in the investments in equity accounted investees is as follows:

	As of 31 December	
	2025	2024 (Restated Note 46)
As at the beginning of the year	798,541,345	787,425,954
The Group's Share of:		
Share of profit of equity accounted investees	41,915,161	95,927,375
Amortization of the fair value of acquired intangible assets	(16,687,591)	(16,801,713)
Impairment of investment in equity accounted investees	--	(3,018,478)
Amounts included in the consolidated statement of profit or loss	25,227,570	76,107,184
Share in other comprehensive (loss)/ income of equity accounted investees	(977,136)	1,620,422
Dividends	(86,900,270)	(66,612,215)
Disposal of Investments in equity accounted investees (Note 9-1)	(329,308,418)	--
Balance at the end of the year	406,583,091	798,541,345

*During the year, the Group received the audited financial statements of Saudi Medical Systems Company ("associate company") for the year ended 31 December 2024, as well as the unaudited interim financial statements for the six-month period ended 30 June 2025. The Group recognized its share of the associate's results for the year ended 31 December 2024 retrospectively, with a corresponding restatement of comparative figures (Note 46). In addition, the Group's share of the associate's results for the period ended 30 June 2025 was included within the results for the year ended 31 December 2025.

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9- EQUITY ACCOUNTED INVESTEEES (CONTINUED)

9-1 Disposal of Investments in Equity Accounted Investees

- On 8 May 2025, the Group's Board of Directors approved the divestment of " Growth Avenue Investment Company," a subsidiary, from its investments in " Silias Trading & Marketing Company". During the year, the subsidiary transferred its entire stake in Silias Trading & Marketing Company to one of the partners of Silias Trading & Marketing Company without any financial consideration. All regulatory and procedural requirements related to the divestment process have been completed.
- On 21 December 2025, the Group sold its entire stake in Care Shield Holding Limited Company to Dallah Healthcare Services Company for a cash consideration of ﷲ 434,311,080. The transaction resulted in a gain on disposal of ﷲ 105,002,662, which was recognized in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025. In addition, the Group reclassified the accumulated balance of its share of other comprehensive income amounting to ﷲ 1,725,527 from other reserves to retained earnings in the consolidated statement of changes in equity.

The following table summarized financial information of the Group's investment in key equity accounted investees companies:

	As of 31 December	
	2025*	2024*** (Restated Note 46)
Total current assets	653,554,053	653,554,053
Total non-current assets	56,842,780	56,842,780
Total current liabilities	(348,287,168)	(348,287,168)
Total non-current liabilities	(36,435,310)	(36,435,310)
Net assets	325,674,355	325,674,355
Group's share in net assets 40%	130,269,742	130,269,742
Fair value of intangible assets after amortization	30,192,004	43,021,514
Goodwill	290,088,415	290,088,415
Dividends**	(80,696,270)	--
Group's share in results 40%	36,729,200	--
Total Investment	406,583,091	463,379,671

* No financial position is available for Saudi Medical Systems Company as of 31 December 2025, and we presented the last data available as of 31 December 2024.

** On 14 August 2025, the Board of Directors of the Saudi Systems Company, based on the recommendation granted by the General Assembly, approved the distribution of cash dividends amounting to ﷲ 201.7 million represent 98% of 2024 net profit, with the group's share amounting to ﷲ 80.7 million. This amount had not been received as of the date of issuance of the financial statements and is classified under other current assets (Note 15).

	For the year ended 31 December	
	2025****	2024*** (Restated Note 46)
Revenues	501,067,000	1,069,669,009
Cost of revenues	(406,925,000)	(851,088,502)
Gross profit	94,142,000	218,580,507
General and administrative expenses	(3,400,000)	(9,472,290)
Expected credit losses expenses	--	(2,612,716)
Finance cost	(3,160,000)	(7,293,272)
Other income	4,241,000	12,925,664
Zakat	--	(6,270,059)
Profit for the year	91,823,000	205,857,834
Group's share of profit 40%	36,729,200	82,343,134
Total other comprehensive income for the year	--	335,796
Group's share in other comprehensive income for the year 40%	--	134,318

*** The comparative figures for the year ended 31 December 2024, have been adjusted to align with audited financial statements of the associate company (Note 46)

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9- EQUITY ACCOUNTED INVESTEEES (CONTINUED)

Saudi Medical Systems Company (CONTINUED)

**** The preliminary financial results presented above relate to the interim financial statements of the Company for the period ended 30 June 2025. The Group has not received the financial results for the second half of the year ended 31 December 2025 from Saudi Medical Systems Company.

Care shield Holding Company Limited

	As of 31 December	
	2025	2024
Total current assets	329,104,516	336,386,501
Total non-current assets	296,062,922	298,989,403
Total current liabilities	(179,711,702)	(179,824,544)
Total non-current liabilities	(91,453,306)	(96,725,006)
Net assets	354,002,430	358,826,354
Group's share in net assets 41.36%	146,424,938	148,420,113
Fair value of intangible assets after amortization	127,720,445	131,578,526
Goodwill	55,163,035	55,163,035
Disposal of investment (Note 9-1)	(329,308,418)	--
Group's carrying amount of the investment	--	335,161,674

	For the year ended 31 December	
	2025	2024
Revenues	424,898,066	428,891,222
Cost of revenues	(315,296,013)	(313,374,977)
Gross profit	109,602,053	115,516,245
General and administrative expenses	(44,980,115)	(46,521,041)
Impairment of inventory	--	(650,000)
Expected credit losses expenses	(30,000,000)	(26,552,165)
Other income	(4,353,639)	6,023,933
Finance cost	(13,486,484)	(11,557,192)
Zakat	(4,243,224)	(3,106,212)
Profit for the year	12,538,591	33,153,568
Group's share of profit 41.36%	5,185,961	13,712,316
Total other comprehensive (loss) / income for the year	(2,362,515)	3,593,095
Group's share in other comprehensive (loss) / income for the year 41.36%	(977,136)	1,486,104

10-INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The investments at fair value through other comprehensive income comprises of the following:

	As of 31 December	
	2025	2024
KABI Technology Company (A)	--	4,747,200
	--	4,747,200

The movement in investments for the year is as follows:

	As of 31 December	
	2025	2024
Balance at the beginning of the year	4,747,200	11,496,186
Change in fair value during the year	(4,747,200)	(6,748,986)
Balance at the end of the year	--	4,747,200

- A. During 2022, the Group acquired a 19.78% in KABI Technology Company, with a capital of ﷲ 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.

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11- FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss consist of the following:

	As of 31 December	
	2025	2024
Investment funds – Jadwa investment	160,750,056	36,467,600
	160,750,056	36,467,600

- This item represents investments in the Jadwa Islamic Sharia-compliant Investment Fund, Class (A), managed by Jadwa Investment. The fund aims to achieve short-term Sharia-compliant returns through investments in Murabaha transactions and bank deposits. (The fund may also invest in Sukuk when suitable investment opportunities arise.) As of 31 December 2025, the number of units purchased in the fund was 1,318,613.45, with a fair value of ﷲ 160,750,056. (As of 31 December 2024, the number of units was 314,723.96, with a fair value of ﷲ 36,467,600)

The following is a movement in the financial assets at fair value through profit or loss:

	As of 31 December	
	2025	2024
<u>Cost</u>		
Balance at the beginning of the year	36,215,308	70,000,000
Additions	180,000,000	95,000,000
Redemption	(56,027,719)	(128,784,692)
Balance at the end of the year	160,187,589	36,215,308
<u>Revaluation adjustments</u>		
Balance at the beginning of the year	252,292	283,710
Net profit during the year	1,282,456	1,436,666
Redemption	(972,281)	(1,468,084)
Balance at the end of the year	562,467	252,292
Net book value at the end of the year	160,750,056	36,467,600

12- AVAILABLE VISAS

The available visas represent the value of visas paid to the Ministry of Human Resources and Social Development that have not been utilized as of the date of the consolidated financial statements. The amounts of available visas are transferred to the used visas upon the arrival of the recruited manpower to the territory of the Kingdom of Saudi Arabia. Below is a statement of the movement in available visas:

	As of 31 December	
	2025	2024
Balance at the beginning of the year	27,348,000	33,064,000
Purchased visas	70,414,000	58,000,000
Refunded visas	(21,908,000)	(23,716,000)
Transferred to used visas (note 15.b)	(42,706,000)	(40,000,000)
Balance at the end of the year	33,148,000	27,348,000

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13- CONTRACT ASSETS

Contract assets relate primarily to the Group's right to compensation for services provided but not billed at the date of preparing the consolidated financial statements. Contract assets are converted to accounts receivables when the rights thereto become unconditional. This usually happens when the group issues the invoice to the customer.

The following is a statement of contract assets:

	As of 31 December	
	2025	2024
Contract assets	216,829,407	157,307,168
Deduct: Expected credit loss provision for contract assets	(5,621,980)	(10,330,613)
Balance at the end of the year	211,207,427	146,976,555

The balance of contract assets has been classified in the consolidated statement of financial position as follows:

	As of 31 December	
	2025	2024
Current portion	205,176,300	140,839,121
Non-current portion	6,031,127	6,137,434
	211,207,427	146,976,555

The movement in expected credit losses is as follows:

	As of 31 December	
	2025	2024
Balance at the beginning of the year	10,330,613	8,485,263
(Reversal) / charged during the Year	(3,385,926)	1,845,350
Utilized during the Year	(1,322,707)	--
Balance at the end of the year	5,621,980	10,330,613

14- TRADE RECEIVABLE

	As of 31 December	
	2025	2024
Trade receivables	531,299,191	356,478,120
Amounts due from related parties (Note 18.b)	3,571,032	3,678,452
	534,870,223	360,156,572
Less: Expected credit losses provision for trade receivable	(41,071,153)	(33,279,806)
	493,799,070	326,876,766

Trade receivables include net amounts due without commission from customers without a credit rating. Based on past experience, it is expected to collect all trade receivables that have not been impaired. The movement in expected credit losses is as follows:

	As of 31 December	
	2025	2024
Balance at the beginning of the year	33,279,806	48,068,887
Charged during the Year	6,399,522	2,429,140
Recovery of written-off trade receivables	2,008,458	--
Amounts written off	(616,633)	(17,218,221)
Balance at the end of the year	41,071,153	33,279,806

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15- PREPAYMENTS AND OTHER DEBIT BALANCES

	As of 31 December	
	2025	2024
Residence permits and work permits	95,985,602	61,176,288
Recruitment costs (**)	38,655,074	37,142,026
Medical insurance	38,241,524	34,454,191
Used visas (**)	25,532,428	24,398,216
Letter of guarantee (*)	12,534,301	14,260,429
Advances to suppliers (15-c)	9,732,239	19,402,642
Accrued Dividends	80,696,270	31,429,300
Other debit balances (15-d)	6,526,041	7,724,413
Prepaid subscriptions	4,485,713	6,326,528
Other prepaid expenses	9,608,837	10,746,448
	321,998,029	247,060,481

(*) The bank guarantees include a bank guarantee issued in favor of the Ministry of Human Resources and Social Development amounting to ﷲ 10,000,000 provided to fulfill the requirements for obtaining a business license in accordance with sector regulations. The guarantee is valid until February 24, 2034.

(**) The following is an analysis of recruitment and visa costs presented as current and non-current assets

	As of 31 December	
	2025	2024
Recruitment costs (15-a)	53,851,240	54,444,146
Used visas (15-b)	33,292,931	33,003,978
	87,144,171	87,448,124
Less: Current portion of recruitment costs	38,655,074	37,142,026
Less: Current portion of used visas	25,532,428	24,398,216
Non-current portion of recruitment and used visa costs	22,956,669	25,907,882

(15-a) The movement in recruitment costs during the year was as follows:

	As of 31 December	
	2025	2024
Balance at the beginning of the year	54,444,146	31,362,640
Additions during the year	61,446,992	85,914,011
Amortization during the year	(62,039,898)	(62,832,505)
Balance at the end of the year	53,851,240	54,444,146

(15-b) The movement in used visas during the year was as follows:

	As of 31 December	
	2025	2024
Balance at the beginning of the year	33,003,978	25,908,044
Transferred from available visas (Note 12)	42,706,000	40,000,000
Amortization during the year	(42,417,047)	(32,904,066)
Balance at the end of the year	33,292,931	33,003,978

(15-c) The analysis of advances to suppliers are as follows:

	As of 31 December	
	2025	2024
Advances to suppliers	24,688,339	27,721,374
Less: provision for advance to suppliers	(14,956,100)	(8,318,732)
Total	9,732,239	19,402,642

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15- PREPAYMENTS AND OTHER DEBIT BALANCES (CONTINUED)

The movement in provision for advance to suppliers are as follows:

	As of 31 December	
	2025	2024
Balance at the beginning of the year	8,318,732	5,810,341
Charge during the year	6,637,368	2,508,391
Balance at the end of the year	14,956,100	8,318,732

(15-d) The analysis of other debit balances are as follows:

	As of 31 December	
	2025	2024
Other debit balances	11,958,195	7,724,413
Less: provision for other debit balances	(5,432,154)	--
Total	6,526,041	7,724,413

The movement in provision for other debit balances are as follows:

	As of 31 December	
	2025	2024
Balance at the beginning of the year	--	--
Charge during the year	5,432,154	--
Balance at the end of the year	5,432,154	--

16- MURABAHA TIME DEPOSITS

Murabaha Time Deposits represent deposits with local commercial banks with a maturity period of more than three months from the date of purchase and are expected to mature within one year from the date of preparation of the consolidated financial statements. Variable commission rates on Murabaha Time Deposits are determined based on the prevailing market rate. The revenues from Murabaha deposits for the year ended 31 December 2025 amounted to ﷲ 1,052,275 (31 December 2024: ﷲ 888,722) (Note 36) and the movement is as follows:

	As of 31 December	
	2025	2024
Balance at the beginning of the year	35,000,000	10,000,000
Additions	60,299,500	75,100,000
Redemption	(95,299,500)	(50,100,000)
Balance at the end of the year	--	35,000,000

17- CASH AND CASH EQUIVALENTS

	As of 31 December	
	2025	2024
Cash at Banks	68,182,520	33,153,567
Murabaha Time Deposits*	20,536,248	--
Cash on hand	449,884	564,202
Cash and cash equivalent on the consolidated statement of the financial position	89,168,652	33,717,769
Deduct: Restricted cash at the banks for shareholder's dividends**	(320,823)	(587,688)
Cash and cash equivalent on the consolidated statement of cashflows	88,847,829	33,130,081

* Short-term Murabaha deposits represent deposits placed with local commercial banks with maturities of less than three months from the date of purchase.

** Cash and cash equivalents balances include restricted amounts, as disclosed above, relating to unclaimed dividend distributions for shareholders that are being held by banks.

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18- RELATED PARTIES

The related parties consist of senior management employees, board members, and entities. The group engages in various transactions with related parties during its normal course of business. Transactions with related parties are conducted in accordance with the terms and conditions approved by the group's management or board of directors during the normal course of business.

18-A The following is a statement of transactions with related parties:

Name of the related party	Nature of the relationship	Nature of the transaction	For the year ended 31 December	
			2025	2024
Saudi Medical Systems Company	Associate company	Manpower services	5,365,176	10,670,374
		Collection	6,184,845	10,811,568
Care shield Holding Company Limited (*)	Associate company	Manpower services	11,648,325	11,817,242
		Collection	12,676,091	11,722,326
Other (**)	Related parties of key management personnel and board members	Manpower services	10,910,583	215,681
		Collection	9,486,480	74,518

18-B The amounts due from related parties

	As of 31 December	
	2025	2024
KABI Technology Company for Information Technology	1,648,460	1,648,460
Care shield Holding Company Limited	--	1,027,766
Saudi Medical Systems Company	38,318	857,987
Other	1,884,254	144,239
	3,571,032	3,678,452
Less: Provision for expected credit losses on related party	(1,648,460)	(1,648,460)
	1,922,572	2,029,992

18-C The amounts due to a related party

	As of 31 December	
	2025	2024
Board and committee members (Note 27)	6,035,178	5,286,176
	6,035,178	5,286,176

(*) Effective from 21 December 2025, Care shield Holding Company Limited is no longer qualify as a related party under IAS 24 as endorsed in Saudi Arabia. Accordingly, all transactions with the company up to that date have been disclosed as related party transactions.

(**) Other parties comprise entities related to members of key management personnel and board of directors, as well as entities in which certain board members serve as directors.

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18- RELATED PARTIES (CONTINUED)

18-D The following statement shows the benefits of board members and committees and senior management executives:

	As of 31 December	
	2025	2024
Short-term salaries and benefits for senior management	16,638,036	10,333,738
Remuneration of board members and Committees	5,860,076	5,290,144
Defined benefits Liabilities for senior management	737,988	589,156
Total transactions	23,236,100	16,213,038

19- SHARE CAPITAL

The authorized, issued, and fully paid capital consists of 475 million shares of ﷲ 1.

On 20 Rajab 1445H (corresponding to 1 February 2024), the Extraordinary General Assembly approved the recommendation of the Board of Directors on 22 Dhu al-Hijjah 1444H (corresponding to 10 July 2023), to split the nominal value of the share from ﷲ 10 per share to ﷲ 1 per share, As a result, the number of shares in the company after the split became 475 million shares, instead of 47.5 million shares, while keeping the company's capital unchanged.

20- STATUTORY RESERVE

The statutory reserve listed in the consolidated financial statements as of 31 December 2025, and 31 December 2024, was required under the company's previous bylaws. However, after the amendments made to the company's bylaws during the year ended 31 December 2024, the requirement to allocate the statutory reserve was no longer applicable. The Statutory Reserve Balance is as follows:

	As of 31 December	
	2025	2024
Statutory reserve	103,056,265	103,056,265

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21- OTHER RESERVES

The movement in other reserves is as follows:

	Foreign currency translation reserve- foreign operation	Accumulated actuarial losses	Employee share plan reserve	Change in fair value of financial assets at fair value through other comprehensive income	Deducts non- controlling share of other reserves	Total
Balance at 1 January 2024	(2,161)	(18,122,486)	--	(2,489,470)	(5,694)	(20,619,811)
Foreign currency translation differences- foreign operation	(2,775)	--	--	--	--	(2,775)
Remeasurement of end of service benefits for employees (Note 26)	--	2,950,906	--	--	--	2,950,906
Share-based payment transactions (Note 22)	--	--	1,210,349	--	--	1,210,349
Unrealized losses on investments in other comprehensive income (Note 10)	--	--	--	(6,748,986)	--	(6,748,986)
Purchase of non-controlling interest	--	--	--	--	5,694	5,694
Share in other comprehensive income of equity investees (Note 9) (Restated Note 46)	--	1,620,422	--	--	--	1,620,422
Balance at 31 December 2024 (Restated Note 46)	(4,936)	(13,551,158)	1,210,349	(9,238,456)	--	(21,584,201)
Balance at 1 January 2025	(4,936)	(13,551,158)	1,210,349	(9,238,456)	--	(21,584,201)
Foreign currency translation differences- foreign operation	(740)	--	--	--	--	(740)
Remeasurement of end of service benefits for employees (Note 26)	--	(6,307,618)	--	--	--	(6,307,618)
Share-based payment transactions (Note 22)	--	--	9,761,341	--	--	9,761,341
Unrealized losses on investments in other comprehensive income (Note 10)	--	--	--	(4,747,200)	--	(4,747,200)
Share in other comprehensive income of equity investees (Note 9)	--	(977,136)	--	--	--	(977,136)
Reclassification of share of other comprehensive income for disposed equity accounted investees (Note 9-1)	--	(1,725,527)	--	--	--	(1,725,527)
Balance at 31 December 2025	(5,676)	(22,561,439)	10,971,690	(13,985,656)	--	(25,581,081)

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22- EMPLOYEES SHARE PLAN

The Group has granted certain eligible employees the right to own the Company's shares "Treasury Shares" in accordance with the long-term incentive program approved by the Board of Directors. The granting of shares is subject to vesting conditions, which require the eligible employee to remain employed until the grant's vesting date.

- On 31 October 2024, the Company granted 1,131,167 shares under the plan to its eligible employees, vesting on 1 January 2026.
- On 5 January 2025, the Company granted 1,126,268 shares under the plan to its eligible employees, vesting on 1 January 2027.

The table below shows the number of shares under the Employee Share Ownership Plan that are expected to vest as of 31 December 2025, as follows:

	As of 31 December (shares)	
	2025	2024
Balance at the beginning of the year	1,131,167	--
Addition during the year	1,126,268	1,131,167
Withdrawn during the year	(174,162)	--
Balance at the end of the year	2,083,273	1,131,167

	As of 31 December (ﷲ)	
	2025	2024
Balance at the beginning of the year	1,210,349	--
Charge during the year	9,761,341	1,210,349
Balance at the end of the year	10,971,690	1,210,349

23- DIVIDENDS

- The Board of Directors with the mandate granted to them, in their meeting held on 2 Shawwal 1446H (corresponding to 31 March 2025), resolved to declare interim dividends for the second half of 2024 in the amount of ﷲ 36 million (8 halala per share). These dividends were paid on 26 Shawwal 1446H (corresponding to 24 April 2025).
- The Board of Directors with the mandate granted, in their meeting held on 12 Safar 1447H (corresponding to 6 August 2025), resolved to declare interim dividends for the first half of 2025 amounting to ﷲ 31.5 million (7 halala per share). These dividends were paid on 3 Rabi al-Awwal 1447H (corresponding to 26 August 2025). The total dividend distribution during the year amounted to ﷲ 67,500,000 (31 December 2024: ﷲ 65,250,000).

24- LONG TERM LOANS

	As of 31 December	
	2025	2024
Islamic long term loans (Murabaha)	280,957,710	586,795,210
	280,957,710	586,795,210

Below is the movement in long-term loans during the year:

	As of 31 December	
	2025	2024
Balance at the beginning of the year	586,795,210	562,607,710
Proceeds during the year	--	24,187,500
Payments during the year	(305,837,500)	--
Balance at the end of the year	280,957,710	586,795,210

The balance of long-term loans in the consolidated statement of financial position has been classified as follows:

	As of 31 December	
	2025	2024
Current portion	55,707,091	4,837,500
Non-Current portion	225,250,619	581,957,710
	280,957,710	586,795,210

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24- LONG TERM LOANS (CONTINUED)

- The Group entered into Shariah-compliant credit facility agreements with local banks to finance capital expenditures, business expansion, acquisitions, and operating expenses, amounting to ﷲ 922 million.
- The total utilized portion of these facilities amounted to ﷲ 281 million as of 31 December 2025 (31 December 2024: ﷲ 586.8 million). The agreements include grace periods ranging from two to four years, depending on the type of facility utilized, with a profit margin ranging between 0.90% and 3% over SAIBOR. The repayment period ranges from three to five years after the end of the grace period.
- During 2025, the Group repaid part of its bank facilities with a local bank amounting to ﷲ 305.8 million, as part of the Group's plan to restructure its financial obligations in order to improve cash liquidity and reduce future financing burdens.

Covenant

These facilities include covenants mainly related to maintaining certain leverage ratios, total debt to equity ratios, and other commitments. As of 31 December 2025 and 31 December 2024, the Group was in full compliance with all such covenants. The Group expects to comply with the covenants within 12 months after the reporting date.

Guarantees

Under these facilities, the Group has provided several guarantees covering the full value of the financing, which consist of the following:

- Promissory notes amounting to the total available credit facilities.
- A mortgage on land and property with a carrying value of ﷲ 24 million (Note 5).

25- SHORT TERM LOAN

Spectra Support Services Company "Subsidiary" has entered into Islamic Sharia-compliant credit facility agreement with a local bank consisting of loans, credit facilities, letters of credit and fixed-term deferred sale, with a maximum limit of SAR 35 million for the purpose of financing the company's working capital requirements. these facilities are subject to specified financing costs, consisting of a profit margin plus SAIBOR. The outstanding balance for these facilities as of 31 December 2025, amounted to ﷲ 27.1 million (31 December 2024: ﷲ 20.2 million).

The following is the movement of short-term loans during the year:

	Purpose	Guarantee	Start Date	Due Date	Loan Ceiling	31 December 2025	31 December 2024
Local Bank 1	Working Capital	Commercial Paper ﷲ 62 million	14 March 2024	The period between 6-12 months	35,000,000	27,073,000	20,173,000
						As of 31 December	
						2025	2024
Balance at the beginning of the year						20,173,000	--
Proceeds during the year						147,711,000	122,938,534
Repayment during the year						(140,811,000)	(102,765,534)
Balance at the end of the year						27,073,000	20,173,000

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26- EMPLOYEE ' DEFINED BENEFITS LIABILITIES

The following table shows the movement in the employee ' defined benefits liabilities for the year:

	As of 31 December	
	2025	2024
Balance at the beginning of the year	103,238,136	95,227,910
Current service cost	45,365,655	27,800,177
Finance cost (Note 37)	3,517,408	4,280,896
Amounts recognized in consolidated statement of profit or loss	48,883,063	32,081,073
Losses / (Gains) on remeasurement of employee benefit obligations	6,307,618	(2,950,906)
Amounts recognized in consolidated statement of comprehensive income	6,307,618	(2,950,906)
Benefits paid during the year	(23,543,023)	(21,119,941)
Balance at the end of the year	134,885,794	103,238,136

Key actuarial assumptions

The following are the key actuarial assumptions used in calculating the defined benefit obligation:

	2025	2024
Discount rate	5.10%-5.50%	%5
Salary increase rate		
Employees	%5	%5
Labor	%0	%0
Domestic workers	%0	%0
Retirement age	60	60

Sensitivity analysis

The results are affected by the assumptions used, particularly the assumption of employee turnover due to the short period of the program's liabilities. The table below shows the change in employee ' defined benefits liabilities based on the increase or decrease in the value of the underlying assumptions as follows:

	Change in assumptions	Carrying value	Impact on employee' defined benefits liabilities	
			Increase in assumptions	Decrease in assumptions
<u>31 December 2025</u>				
Discount Rate	%0.50	134,885,794	131,027,760	138,999,600
Salary increase rate	%0.50	134,885,794	139,150,333	130,850,906
<u>31 December 2024</u>				
Discount Rate	%0.50	103,238,136	101,034,979	107,651,043
Salary increase rate	%0.50	103,238,136	104,637,389	102,749,619

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27- ACCOUNTS PAYABLE AND OTHER CREDIT BALANCES

	As of 31 December	
	2025	2024
Accrued tickets and vacations	187,953,485	131,775,900
Trade Payable	48,505,124	41,087,342
Accrued salaries and other employee costs	42,122,010	43,630,792
Value added tax	20,505,553	18,180,417
Accrued bonuses and incentives	19,241,112	12,769,567
Current portion of lease liabilities (Note 6.b)	11,404,102	19,259,299
Due to related party (Note 18-C)	6,035,178	5,286,176
Advance payment from tenants	2,967,248	2,305,795
Others	14,944,937	15,266,544
	353,678,749	289,561,832

28- CONTRACT LIABILITIES

Contract liabilities primarily relate to consideration received in advance, amounts billed to customers, and unearned revenue, for which revenue is recognized upon satisfying the performance obligations. The revenues related to these contracts are expected to be recognized within a period of less than one year.

Contract liabilities consist of the following:

	As of 31 December	
	2025	2024
Deferred revenues from customer contracts	120,137,790	71,322,541
Advances from customers	29,001,469	30,691,580
Deferred revenues from the loyalty program - Neqat	2,356,037	7,413,170
Total	151,495,296	109,427,291

29- RETAINED DEPOSITS

	As of 31 December	
	2025	2024
Balance at the beginning of the year	103,273,351	95,534,191
Additions	16,372,952	23,578,697
Refundable	(16,834,564)	(15,839,537)
Balance at the end of the year	102,811,739	103,273,351

The balance of retained insurance deposits has been classified in the consolidated statement of financial position as follows:

	As of 31 December	
	2025	2024
Current portion	57,197,546	62,050,764
Non-Current portion	45,614,193	41,222,587
	102,811,739	103,273,351

30- DEFERRED TAX ASSETS

Below is the deferred tax assets recognized by the group:

	As of 31 December	
	2025	2024
Balance at the beginning of the year	--	--
Charge for the year	654,794	--
Balance at the end of the year	654,794	--

Deferred tax assets of the Group relate to unused tax losses of Yalla Fix it Company in the United Arab Emirates (subsidiary). Management believes that sufficient future taxable profits will be available to utilize these deferred tax assets.

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31- ZAKAT

The Zakat calculation for the year consists of the following:

	As of 31 December	
	2025	2024
Balance at the beginning of the year	11,530,868	14,345,688
Charge for the year	15,224,456	9,809,283
Paid during the year	(9,458,268)	(12,624,103)
Balance at the end of the year	17,297,056	11,530,868

The Zakat provision was calculated based on the following

	As of 31 December	
	2025	2024
Shareholders' equity	893,640,635	647,560,004
Non-current liabilities	411,054,268	724,156,089
Non-current assets	(643,362,556)	(992,544,888)
Zakat base	661,332,347	379,171,205

Some of the amounts mentioned above have been adjusted to arrive at the zakat charge for the year.

The Zakat and income tax expense for the year ended 31 December 2025 amounting to ﷲ 14,569,662 represents the Zakat expense for the year of ﷲ 15,224,456 (Note 31), net of the deferred tax impact of ﷲ 654,794 arising from the recognition of deferred tax assets related to the unused tax losses of Yalla Fix it Company in the United Arab Emirates (subsidiary) (Note 30).

Zakat and tax position

Parent company

The Company has submitted its Zakat declarations for all prior years up to the year ended 31 December 2024. All Zakat assessments issued by the Zakat, Tax and Customs Authority (the 'Authority') have been finalized and agreed upon without any Zakat differences up to the year ended 31 December 2023, except for the years 2018, 2019, and 2020, which resulted in Zakat differences amounting to ﷲ 1,879,265, ﷲ 1,218,510, and ﷲ 574,996, respectively. These amounts have been fully settled. The Zakat assessment for the year 2024 is still under review by the Authority.

Subsidiaries

Spectra Support Services Company has submitted its Zakat declarations for all prior years up to the year ended 31 December 2024. The Zakat, Tax and Customs Authority assessed the Company for the years 2015 and 2016 with an amount of ﷲ 124,487, which has been fully settled. As of the date of preparation of the consolidated financial statements, there are no other Zakat assessments.

Growth Avenue investment company has submitted its Zakat declarations for all prior years up to the year ended 31 December 2024. As of the date of preparation of the consolidated financial statements, there are no Zakat assessments.

Arabian Shifa Medical company has submitted its Zakat declarations for all prior years up to the year ended 31 December 2024. As of the date of preparation of the consolidated financial statements, there are no Zakat assessments.

NABD for Logistics Services company has submitted its Zakat declarations for all prior years up to the year ended 31 December 2024. As of the date of preparation of the consolidated financial statements, there are no Zakat assessments.

Professional Development Training has submitted its Zakat declarations for all prior years up to the year ended 31 December 2024. As of the date of preparation of the consolidated financial statements, there are no Zakat assessments.

Yalla Fix it Company has submitted its tax declarations for all prior years up to the year ended 31 December 2024. As of the date of preparation of the consolidated financial statements, there are no tax assessments.

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32- REVENUES

The revenue is detailed by service, sector, customer, and contracts, as well as the contract durations (timing of revenue recognition). Intercompany revenues within the group are eliminated upon consolidation of the financial statements.

Important Payment Terms

The group is committed to collecting receivables according to the agreed payment terms in the signed contracts. There are no variable payment terms or extended maturity periods affecting the timing of revenue recognition, unless otherwise agreed upon within the contract terms.

Guarantees and Related Obligations

The group is committed to receiving promissory notes or advance payments from customers as financial guarantees. These guarantees are held as retained collateral until the contract's completion to ensure the fulfillment of all agreed-upon obligations.

Service type

	For the year ended 31 December	
	2025	2024
Manpower services	2,998,394,539	2,090,664,437
Facility management services	94,142,085	116,686,560
Logistics services	4,284,941	18,000,045
Others	15,641,094	10,079,538
	3,112,462,659	2,235,430,580

Sector type

	For the year ended 31 December	
	2025	2024
Industrial and operational	1,370,918,583	702,296,524
Individuals	492,804,159	424,275,513
Hospitality and healthcare	456,852,444	421,502,123
Retail and commercial	419,639,095	382,278,083
Esnad and government services sector	258,180,258	160,312,193
Facility management	94,142,085	116,686,560
Others	19,926,035	28,079,584
	3,112,462,659	2,235,430,580

Client type

	For the year ended 31 December	
	2025	2024
Private companies	2,569,605,674	1,768,953,662
Individuals	492,804,159	424,275,513
Governmental companies	50,052,826	42,201,405
	3,112,462,659	2,235,430,580

Contracts type

	For the year ended on 31 December	
	2025	2024
Corporate sector	2,619,658,500	1,811,155,067
Household	346,105,754	311,713,021
Hourly service "Khidma"	146,698,405	112,562,492
	3,112,462,659	2,235,430,580

Duration of contracts

	For the year ended 31 December	
	2025	2024
More than a year	2,619,658,500	1,811,155,067
Less than a year	492,804,159	424,275,513
	3,112,462,659	2,235,430,580

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33- COST OF REVENUES

	For the year ended 31 December	
	2025	2024
Salaries and employee benefits	1,968,246,510	1,331,066,057
Residence permits and work permits	393,988,295	312,043,544
Recruitment and visa costs	104,456,945	95,736,571
Vacation and tickets	133,263,173	81,055,971
Other employees' costs	95,047,841	68,646,153
Depreciation	23,836,192	24,133,171
Other	66,135,873	64,125,459
	2,784,974,829	1,976,806,926

34- GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended 31 December	
	2025	2024
Salaries and employee benefits	77,187,450	61,665,658
Professional fees	11,545,138	10,841,184
Depreciation	7,313,187	8,176,180
Board of directors and committees' remunerations (Note 18-A)	5,860,076	5,290,144
Utilities and subscriptions	1,538,949	4,361,455
Repair and maintenance	1,380,488	1,309,093
Intangible assets amortization (Note 7)	775,639	676,536
Bank charges	668,000	1,151,898
Rent	304,639	360,463
Other	7,210,064	5,436,014
	113,783,630	99,268,625

35- MARKETING AND SELLING EXPENSES

	For the year ended 31 December	
	2025	2024
Advertising and promotion	14,357,720	8,083,570
Marketing commission	9,902,727	9,730,033
Salaries and employee benefits	6,643,089	6,358,164
Depreciation	13,278	24,114
Other	1,579,087	733,745
	32,495,901	24,929,626

36- OTHER INCOME

	For the year ended 31 December	
	2025	2024
Employment subsidy income	20,337,560	17,124,914
Rental income	5,160,546	4,882,668
Profits from sale of properties and equipment	4,633,143	1,098,101
Profit from Murabaha time deposits	1,052,275	888,722
Other	3,411,644	3,253,298
	34,595,168	27,247,703

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37- FINANCE COSTS

	For the year ended 31 December	
	2025	2024
Finance costs related to loans	39,361,841	40,830,145
Finance costs related to employees' defined benefits liabilities (Note 26)	3,517,408	4,280,896
Finance costs related to lease liabilities (Note 6B)	1,707,958	2,895,175
	44,587,207	48,006,216

38- EARNINGS PER SHARE

The basic earnings per share attributable to the company's shareholders have been calculated based on the weighted average number of shares outstanding during the year.

	For the year ended 31 December	
	2025	2024 (Restated Note 46)
Profit for the year attributable to shareholders of the parent company	272,767,065	175,275,326
Number of Shares		
Weighted average number of ordinary shares for basic earnings per share	450,000,000	450,000,000
Weighted average number of ordinary shares for diluted earnings per share	451,552,547	450,161,975
Earnings per share based on the profit for the year attributable to the parent company's shareholders		
Basic	0.61	0.39
Diluted	0.61	0.39

- The diluted earnings per share aren't materially different from basic earnings per share for the years ended 31 December 2025 and 2024. The following is a clarification of the calculation of the weighted average number of ordinary shares and diluted shares.

	For the year ended 31 December	
	2025	2024
Ordinary shares		
Outstanding ordinary shares	475,000,000	475,000,000
Treasury shares	(25,000,000)	(25,000,000)
Weighted average number of ordinary shares for basic earnings per share	450,000,000	450,000,000
Diluted shares		
Weighted average number of ordinary shares	450,000,000	450,000,000
Impact of the company's employee share option plan	1,552,547	161,975
Diluted shares	451,552,547	450,161,975

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39- SEGMENT INFORMATION

The operating segment is a component of the group that:

- Engages in activities from which it may earn revenues and incur expenses,
- Whose operating results are regularly reviewed by management to make decisions about resource allocation and performance evaluation, and
- For which financial information is available.

The accounting policies used by the group in preparing internal segment reporting are the same as those disclosed in note (4-24) of these consolidated financial statements.

The group consists of the following main business segments:

Corporate Segment: This segment relates to services provided to companies with contract durations ranging from one to two years.

Individual Segment: This segment relates to services provided, ranging from labor rental to "Khidmah" services, for individual customers with contract durations ranging from one month to one year.

Facility Management Segment: This segment relates to services provided for facility management and maintenance, encompassing a range of activities aimed at maintaining operational efficiency and enhancing performance. These services include operations and maintenance, asset management, technical support, cleaning, and security services.

The segment reporting is consistent across all periods presented, as there have been no changes in the internal organizational structure of the group that would affect the composition of the segments being reported. Transfer prices between operating segments are set based on fair dealing terms and in a manner similar to transactions with third parties.

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39- SEGMENT INFORMATION (CONTINUED)

The following tables present revenue and profit information for the Group's operating segments as follows:

	For the year ended 31 December 2025						
	Corporate sector	Individuals sector	Facilities management	Other	Total	Elimination*	Total
Revenues	2,682,691,581	492,804,159	94,142,085	19,926,035	3,289,563,860	(177,101,201)	3,112,462,659
Cost of revenues	(2,410,022,656)	(432,826,758)	(92,326,986)	(26,899,630)	(2,962,076,030)	177,101,201	(2,784,974,829)
Gross profit / (losses)	272,668,925	59,977,401	1,815,099	(6,973,595)	327,487,830	--	327,487,830
General and administrative expenses	(75,554,255)	(22,389,191)	(10,478,106)	(5,362,078)	(113,783,630)	--	(113,783,630)
Marketing and selling expenses	(17,799,096)	(13,408,684)	(1,031,259)	(256,862)	(32,495,901)	--	(32,495,901)
(Expense) / reverse expected credit losses on accounts receivable, contract assets and related parties	(5,435,285)	2,582,122	123,083	(283,516)	(3,013,596)	--	(3,013,596)
Impairment losses on advances to suppliers and other debit balances	(2,412,508)	(4,224,860)	--	(5,432,154)	(12,069,522)	--	(12,069,522)
Other income	25,364,094	4,066,184	4,240,419	924,471	34,595,168	--	34,595,168
Operating profit/(losses)	<u>196,831,875</u>	<u>26,602,972</u>	<u>(5,330,764)</u>	<u>(17,383,734)</u>	<u>200,720,349</u>	<u>--</u>	<u>200,720,349</u>
	For the year ended 31 December 2024						
	Corporate sector	Individuals sector	Facilities management	Other	Total	Elimination*	Total
Revenues	1,794,078,807	426,706,886	116,686,560	28,079,584	2,365,551,837	(130,121,257)	2,235,430,580
Cost of revenues	(1,561,354,133)	(395,067,393)	(111,006,681)	(39,499,976)	(2,106,928,183)	130,121,257	(1,976,806,926)
Gross profit / (losses)	232,724,674	31,639,493	5,679,879	(11,420,392)	258,623,654	--	258,623,654
General and administrative expenses	(59,424,509)	(22,030,306)	(10,748,836)	(7,064,974)	(99,268,625)	--	(99,268,625)
Marketing and selling expenses	(13,054,209)	(9,957,700)	(1,006,711)	(911,006)	(24,929,626)	--	(24,929,626)
(Expense) / reverse expected credit losses on accounts receivable, contract assets and related parties	(4,739,572)	(55,483)	520,565	--	(4,274,490)	--	(4,274,490)
Impairment losses on advances to suppliers and other debit balances	(2,508,391)	--	--	--	(2,508,391)	--	(2,508,391)
Other income	13,434,454	944,089	3,822,736	9,046,424	27,247,703	--	27,247,703
Operating profit/(losses)	<u>166,432,447</u>	<u>540,093</u>	<u>(1,732,367)</u>	<u>(10,349,948)</u>	<u>154,890,225</u>	<u>--</u>	<u>154,890,225</u>

*These eliminations represent intercompany revenue transactions between Mahara and other members of the group during the year.

- Given that the group's operations depend on labor recruitment services, and due to the lack of a direct relationship with the group's assets and liabilities, the group's management considers it impractical to disclose information related to the total assets and liabilities pertaining to the business segments.

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39- SEGMENT INFORMATION (CONTINUED)

The main markets for the group's products are located in kingdom of Saudi Arabia and United Arab Emirates. The following is an analysis of the group's geographical sectors:

	For the year ended 31 December 2025		
	Kingdom of Saudi Arabia	United Arab Emirates	Total
Revenues	3,072,805,935	39,656,724	3,112,462,659
Cost of revenues	(2,747,589,557)	(37,385,272)	(2,784,974,829)
Gross profit	325,216,378	2,271,452	327,487,830
General and administrative expenses	(105,273,579)	(8,510,051)	(113,783,630)
Marketing and selling expenses	(29,558,823)	(2,937,078)	(32,495,901)
(Expense)/reverse expected credit losses on accounts receivable, contract assets and related parties	(5,595,718)	2,582,122	(3,013,596)
Impairment losses on advances to suppliers and other debit balances	(12,069,522)	--	(12,069,522)
Other income	34,594,698	470	34,595,168
Operating profit/(Losses)	<u>207,313,434</u>	<u>(6,593,085)</u>	<u>200,720,349</u>

	For the year ended 31 December 2024		
	Kingdom of Saudi Arabia	United Arab Emirates	Total
Revenues	2,191,075,178	44,355,402	2,235,430,580
Cost of revenues	(1,940,650,768)	(36,156,158)	(1,976,806,926)
Gross Profit	250,424,410	8,199,244	258,623,654
General and administrative expenses	(91,141,078)	(8,127,547)	(99,268,625)
Marketing and selling expenses	(17,970,619)	(6,959,007)	(24,929,626)
Expected credit losses on accounts receivable, contract assets and related parties	(4,219,007)	(55,483)	(4,274,490)
Impairment losses on advances to suppliers and other debit balances	(2,508,391)	--	(2,508,391)
Other income / (loss)	27,271,168	(23,465)	27,247,703
Operating profit/(losses)	<u>161,856,483</u>	<u>(6,966,258)</u>	<u>154,890,225</u>

	As of 31 December 2025		
	Kingdom of Saudi Arabia	United Arab Emirates	Total
Net book value of Property and equipment	145,307,778	211,646	145,519,424
Total assets	1,928,415,603	25,018,187	1,953,433,790
Total liabilities	1,034,813,841	42,579,010	1,077,392,851

	As of 31 December 2024 (Restated Note 46)		
	Kingdom of Saudi Arabia	United Arab Emirates	Total
Net book value of Property and equipment	151,446,858	730,934	152,177,792
Total assets	1,897,793,117	20,419,652	1,918,212,769
Total liabilities	1,212,084,857	33,082,685	1,245,167,542

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40- FINANCIAL INSTRUMENTS

Financial instruments by category

Financial instruments are classified as follows:

	As of 31 December	
	2025	2024
<u>Financial assets</u>		
Cash and cash equivalents	89,168,652	33,717,769
Murabaha time deposits	--	35,000,000
Trade receivables	493,799,070	326,876,766
Contract assets	211,207,427	146,976,555
Investment at fair value through profit or loss	160,750,056	36,467,600
Investment at fair value through other comprehensive income	--	4,747,200
Total financial assets	954,925,205	583,785,890

	As of 31 December	
	2025	2024
<u>Financial liabilities</u>		
Retained deposits	102,811,739	103,273,351
Loans and Murabaha	308,030,710	606,968,210
Contract liabilities	151,495,296	109,427,291
Lease liabilities	20,597,609	40,427,153
Accounts payable and other credit balances	342,274,647	270,302,533
Total financial liabilities	925,210,001	1,130,398,538

Fair value estimation of financial instruments

The following table shows the financial instruments of the group measured at fair value:

	Level 1	Level 2	Level 3	Total
<u>As of 31 December 2025</u>				
Financial assets at fair value through profit or loss	160,750,056	--	--	160,750,056
Financial assets at fair value through other comprehensive income	--	--	--	--
<u>As of 31 December 2024</u>				
Investment at fair value through profit or loss	36,467,600	--	--	36,467,600
Investment at fair value through other comprehensive income	--	--	4,747,200	4,747,200

- Management believes that the fair value of all financial assets and liabilities classified at amortized cost, and as of the financial statements date, their carrying amount approximates their fair value due to their short-term nature and ability to be liquidated immediately, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. All of these are classified within levels 1, 2, and 3 of the fair value hierarchy. There were no transfers between different levels of the fair value hierarchy during the current or prior year.

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41- FINANCIAL RISK MANAGEMENT

The group is exposed to the following risks due to its use of financial instruments

- Credit risks
- Liquidity risks
- Market risks
- Commission price risks
- Foreign currency risks
- Price risks
- Operational risks

,This disclosure provides information on the group's exposure to each of the above risks, the group's objectives policies, and methods for measuring and managing risks

General framework for risk management

The full responsibility for preparing and monitoring risk management lies with the group management. The group's risk management policies are designed to identify and analyze the risks facing the group establish appropriate controls and limits for the extent of exposure to those risks, and then monitor them to ensure that the set limits are not exceeded. Risk management policies and systems are audited periodically to reflect changes in market conditions and group activities. The group aims, through training, standards, and procedures set by management, to develop a constructive and organized control environment in which each employee understands their role and responsibilities.

Credit risks

Credit risks represent the inability of a party to meet its obligations, resulting in the other party incurring financial losses. The group's policy states that all customers wishing to transact on credit terms are subject to credit verification. Financial instruments subject to credit risks mainly consist of customer receivables. The group deposits cash with several financially sound institutions and has a policy that sets limits on its deposits with each financial institution.

Contract Assets

<u>Contract Assets 2025</u>	Weighted average loss rate	Gross carrying amount	Expected credit loss
Less than 90 Days	0.7%	212,724,762	1,517,335
90 to 360 Days	100%	4,104,645	4,104,645
	2.59%	216,829,407	5,621,980

<u>Contract Assets 2024</u>	Weighted average loss rate	Gross carrying amount	Expected credit loss
Less than 90 Days	1.24%	148,821,905	1,845,350
90 to 360 Days	100%	8,485,263	8,485,263
	6.57%	157,307,168	10,330,613

Trade receivables

Customers are evaluated according to the group's standards before entering service contracts. The group does not believe there are significant risks regarding the inefficiency of these institutions and does not consider itself exposed to credit risk concentrations concerning debtors, due to the diversification of its customer base, which operates in various activities and is in multiple regions.

<u>Trade Receivable 2025</u>	Weighted average loss rate	Gross carrying amount	Expected credit loss
Less than 90 Days	0.4%	427,806,996	1,895,680
90 – 180 Days	3.4%	22,408,717	756,116
181 – 270 Days	9.4%	12,344,836	1,154,493
271 – 360 Days	15.4%	11,816,444	1,821,463
More than 360 Days	58.6%	60,493,230	35,443,401
	7.7%	534,870,223	41,071,153

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41-FINANCIAL RISK MANAGEMENT (CONTINUED)

<u>Trade Receivable 2024</u>	Weighted average loss rate	Gross carrying amount	Expected credit Loss
Less than 90 Days	0.8%	263,012,106	1,995,100
90 – 180 Days	6%	20,898,830	1,261,345
181 – 270 Days	4.9%	8,543,740	420,260
271 – 360 Days	4%	5,214,273	209,508
More than 360 Days	47%	62,487,623	29,393,593
	<u>9.2%</u>	<u>360,156,572</u>	<u>33,279,806</u>

Amounts due from related parties

An impairment analysis is conducted at the date of preparing each financial statement, on an individual basis for related parties. The maximum credit risk exposure, at the date of preparing the financial statements, is represented by the carrying value of amounts due from related parties (Note 18). The group does not hold any collateral for these amounts. This assessment is conducted annually by reviewing the financial position of the related parties and analyzing the market in which these related parties operate. The group has assessed the risks associated with amounts due from related parties as low.

Credit risks related to time deposits and bank deposits

Credit risks related to balances are managed by banks and financial institutions in accordance with the Group's policy. Cash is primarily deposited with local banks with good credit ratings. The Group does not consider itself exposed to credit concentration risks related to banks with credit ratings above BBB.

Evaluation of expected credit losses on trade receivables

The Group applies the simplified approach outlined in International Financial Reporting Standard (9) to measure expected credit losses, using expected credit losses over the lifetime for all financial assets measured at amortized cost and contract assets.

The key inputs for measuring expected credit losses are the following variables:

- Probability of default.
- Total Gross Domestic Product of the Kingdom of Saudi Arabia as a variable for the overall economy to adjust the previous loss rate.

The maximum credit risk to which the group is exposed is represented by the carrying amounts of financial assets presented in the consolidated statement of financial position as follows:

	As of 31 December	
	<u>2025</u>	2024
Trade receivables	493,799,070	326,876,766
Contract assets	211,207,427	146,976,555
Cash at banks	88,718,768	33,153,567
Murabaha time deposits	--	35,000,000
	<u>793,725,265</u>	<u>542,006,888</u>

Liquidity risks

Liquidity risks are the difficulties the company faces in providing funds to meet financial instrument obligations. Liquidity risks can arise from the inability to quickly sell any financial asset at or near its fair value. The company's sales terms require cash payment upon delivery of goods or on credit terms.

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41-FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risks (Continued)

The contractual maturities of non-derivative financial liabilities are as follows:

As of 31 December 2025	Book value	Contractual cash flows	Less than a year	More than a year
Accounts payable and other credit balances	342,274,647	342,274,647	342,274,647	--
Long term loans	280,957,710	315,718,894	86,126,078	229,592,816
Retained deposit	102,811,739	102,811,739	57,197,546	45,614,193
Short term loans	27,073,000	27,630,448	27,630,448	--
Lease liabilities	20,597,609	21,972,481	12,133,508	9,838,973
Total	773,714,705	810,408,209	525,362,227	285,045,982

As of 31 December 2024	Book value	Contractual cash flows	Less than a year	More than a year
Accounts payable and other credit balances	270,302,533	270,302,533	270,302,533	--
Long term loans	586,795,210	706,183,685	38,911,334	667,272,351
Retained deposit	103,273,351	103,273,351	62,050,764	41,222,587
Short term loans	20,173,000	20,298,596	20,298,596	--
Lease liabilities	40,427,153	44,103,849	22,207,406	21,896,443
Total	1,020,971,247	1,144,162,014	413,770,633	730,391,381

Market risks

Market risks are risks of fluctuations in the value of financial instruments due to market price changes. Market risks include three types of risks: commission price risks, foreign currency risks, and other price risks such as stock price risks and commodity price risks.

Commission price risks

Commission price risks are risks arising from fluctuations in the value of financial instruments due to changes in prevailing commission rates in the market. The Group is subject to commission rate risk on short- and long-term commission bearing banking facilities. The table below reflects the commission rate risk to income as a result of reasonably possible changes in commission rates while all other changes remain constant.

	As of 31 December	
	2025	2024
Increase (decrease) in base points		
50+	1,540,154	3,034,841
50-	(1,540,154)	(3,034,841)
100+	3,080,307	6,069,682
100-	(3,080,307)	(6,069,682)

Foreign currency risks

The risks of foreign currencies represent the risks resulting from the fluctuation of the value of a financial instrument due to changes in foreign exchange rates. Management monitors fluctuations in foreign exchange rates and believes that the company is not exposed to significant currency risks.

Price risks

Price risks are risks of fluctuating the value of a financial instrument due to market price changes, whether these changes are due to factors specific to the financial instrument or its source, or factors affecting all financial instruments traded in the market. The company is not exposed to fundamental price risks.

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41-FINANCIAL RISK MANAGEMENT (CONTINUED)

Operational risks

Operational risks represent the difficulties the group faces in providing the necessary workforce or failing to complete the contract due to refusal of work, lack of proficiency in the profession, escape, death, or changes in related regulations and laws. The group manages operational risks by regularly monitoring these situations to avoid or mitigate their impact. The group also sets aside provisions to address these situations when they occur. During the year, the Group was able to calculate the net exposure/impact by considering prepaid expenses and outstanding balances related to inactive employees.

42- CAPITAL MANAGEMENT

Capital represents the equity attributable to the shareholders. The main objectives of the group for managing its capital are as follows:

- to maintain the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to maintain an optimal capital structure to minimize the cost of capital.

The management's policy is to maintain a strong capital base, ensuring the confidence of investors and creditors in the market, and supporting the future growth of the business. The group manages its capital structure and makes adjustments in response to changes in economic conditions. The management monitors the return on capital, which is defined by the group as the result of operational activities divided by total equity. The management also monitors the level of dividend distributions to shareholders. There were no changes in the group's capital management approach during the year. Additionally, the group was not subject to any externally imposed capital requirements.

	As of 31 December	
	2025	2024 (Restated Note 46)
Total Liabilities	1,077,392,851	1,245,167,542
Less:		
Cash and Cash Equivalents	89,168,652	33,717,769
Net Debt	988,224,199	1,211,449,773
Equity	876,040,939	673,045,227
Debt-to-Equity Ratio	1.13	1.80

43- CONTINGENT LIABILITIES

The banks that the group deals with have issued guarantees on its behalf amounting to ﷲ 60,9 million as of 31 December 2025 (31 December 2024: ﷲ 36.6 million) regarding the execution of contracts, within the ordinary course of business.

44- CAPITAL COMMITMENTS

The group has capital commitments for the purchase of property and equipment amounting to ﷲ Nil as of 31 December 2025 (ﷲ 7.5 million as of 31 December 2024).

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45- GROUP OPERATIONS

The following are details of the group's branches as of 31 December 2025:

Name	Commercial Registration Number	Commercial Registration Date
Main Center (Al-Ulya)	1010364538	7 Rabi' al-Thani 1434H
Individuals	1010370755	5 Jumada al-Akhira 1434H
Corporate	1010370758	5 Jumada al-Akhira 1434H
Al-Tawen	1010427484	9 Muharram 1435H
Al-Suwaidi	1010427485	9 Muharram 1435H
Khurais	1010436554	28 Shawwal 1436H
Esnad	1010709299	22 Ramadan 1442H
Al-Kharj	1011139356	25 Rabi' al-Awwal 1440H
Unaizah	1128019121	15 Rabi' al-Awwal 1436H
Buraidah	1131056729	29 Jumada al-Awwal 1437H
Al-Rass	1132010275	7 Dhul-Qi'dah 1435H
Dammam	2050111011	29 Safar 1438H
Al-Jubail	2055140504	19 Jumada al-Akhira 1445H
Hail	3350043316	27 Rabi' al-Thani 1436H
Tabuk	3550156371	19 Jumada al-Akhira 1445H
Jeddah – Al-Nuaim	4030278496	9 Muharram 1435H
Jeddah – Al-Marwah	4030296922	20 Muharram 1439H
Jeddah – Al-Nuzha	4030379270	16 Rajab 1441H
Jeddah - Al-Fayhaa	4030379272	16 Rajab 1441H
Ta'if	4032241081	1 Rajab 1441H
Medina	4650074415	7 Dhul-Qi'dah 1435H
Yanbu	4700120284	18 Safar 1445H
Abha	5850071792	23 Rabi' al-Thani 1439H
Abha	5850145977	2 Rabi' al-Thani 1445H

46- RESTATEMENT OF COMPARATIVE FIGURES

During the year, the Group obtained the financial statements of Saudi Medical Systems Company (“the associate”) for the year ended 31 December 2024. Accordingly, the group share of results from associates has been included within the comparative figures for the year ended 31 December 2024. These adjustments were made in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', and the details of these adjustments are summarized below:

- a) Adjustment of the equity accounted investees balance amounted ﷲ 47,927,200 as at 31 December 2024, to recognize the Group’s share of the results of the associate (Saudi Medical Systems Company). This resulted in an increase in retained earnings and other reserves as of 31 December 2024 by ﷲ 47,792,882 and ﷲ 134,318, respectively

The effects of these adjustments have been reflected in the Group’s consolidated financial statements as follows:

Consolidated statement of financial position as of 31 December 2024

	31 December 2024		31 December 2024
	As issued previously	Restatements	Restated
Equity accounted investees	750,614,145	47,927,200	798,541,345
Other reserves	(21,718,519)	134,318	(21,584,201)
Retained earnings	93,780,281	47,792,882	141,573,163

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46- RESTATEMENT OF COMPARATIVE FIGURES (CONTINUED)

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024:

	31 December 2024		31 December
	As issued previously	Restatements	2024
			Restated
Share in results of equity accounted investees	28,314,302	47,792,882	76,107,184
Share in other comprehensive income of equity accounted investees	1,486,104	134,318	1,620,422

Consolidated statement of cash flows for the year ended 31 December 2024:

	31 December 2024		31 December
	As issued previously	Restatements	2024
			Restated
Profit before zakat	136,634,977	47,792,882	184,427,859
Share in results of equity accounted investees	(28,314,302)	(47,792,882)	(76,107,184)

Basic and diluted Earnings per share for the year ended 31 December 2024:

	31 December 2024		31 December
	As issued previously	Restatements	2024
			Restated
Net income for the year attributable to shareholders of the Parent Company	127,482,444	47,792,882	175,275,326
Weighted average number of shares	450,000,000	--	450,000,000
Basic earnings per share	0.28	--	0.39
Diluted earnings per share	0.28	--	0.39

47- SUBSEQUENT EVENTS

During March 2026, the Middle East region experienced a state of geopolitical instability. The Group assessed these developments as subsequent events that do not require adjustments to the consolidated financial statements. Management continues to monitor relevant developments and assess any potential impacts that may affect the Group's operations and results in the future.

In the management's opinion, there are no other significant subsequent events after the year ended 31 December 2025, that could have a material impact on the group's consolidated financial position or its results, other than what has been disclosed.

48- BOARD OF DIRECTORS' APPROVAL

The consolidated financial statements were approved by the Group's Board of Directors on 9 Shawwal 1447 H (corresponding to 28 March 2026).