

**SAUDI MANPOWER SOLUTIONS COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Un-audited)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2025
WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT**

SAUDI MANPOWER SOLUTIONS COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2025

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

**TO THE SHAREHOLDERS OF SAUDI MANPOWER SOLUTIONS COMPANY
(A SAUDI JOINT STOCK COMPANY)**

RIYADH, KINGDOM OF SAUDI ARABIA

REPORT ON THE REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

INTRODUCTION

We have reviewed the accompanying consolidated interim statement of financial position of Saudi Manpower Solutions Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as of June 30, 2025, and the related consolidated interim statement of profit and loss and other comprehensive income for the three and six months periods then ended and the consolidated interim statements of changes in equity and cash flows for the six months periods then ended and notes to the condensed consolidated interim financial statements. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with "IAS 34" as endorsed in the Kingdom of Saudi Arabia.

For PKF Al Bassam Chartered Accountants



Ahmad Abdulmajeed Mohandis
Certified Public Accountant
License No. 477
Riyadh: 16 Safar 1447H
Corresponding to: August 11, 2025



SAUDI MANPOWER SOLUTIONS COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Notes	June 30, 2025 (Un-audited) SR	December 31, 2024 (Audited) SR
ASSETS			
Non-current assets			
Property and equipment, net	3	160,528,583	167,253,150
Projects under construction		1,361,606	1,504,706
Right-of-use assets, net	4	46,346,245	49,189,827
Intangible assets, net	6	10,752,253	10,970,825
Islamic murabaha time deposits - non-current portion	5	10,000,000	10,000,000
Visas in use - non-current portion	8	7,761,526	7,460,024
Recruitment fee - non-current portion	9	14,302,079	18,306,429
Investments at fair value through other comprehensive income		4,533,964	3,573,199
Investment in a joint venture	12	-	500,000
Total non-current assets		255,586,256	268,758,160
Current assets			
Trade receivables, net	7	371,448,730	312,326,767
Prepayments and other assets		113,642,890	111,424,949
Contract assets		26,124,048	17,469,403
Islamic murabaha time deposits - current portion	5	200,228,571	233,990,497
Visas in use - current portion	8	22,009,437	21,958,168
Recruitment fee – current portion	9	44,218,339	46,665,875
Available visas	11	24,008,717	27,092,717
Due from related parties	17	18,335,860	10,978,684
Investments at fair value through profit or loss		4,901,310	5,082,063
Cash and cash equivalents		62,632,202	39,636,361
Total current assets		887,550,104	826,625,484
TOTAL ASSETS		1,143,136,360	1,095,383,644
EQUITY AND LIABILITIES			
Equity			
Share capital	1	400,000,000	400,000,000
Contractual reserves	19	120,000,000	120,000,000
Other reserves	20	(6,249,471)	(1,740,381)
Retained earnings		100,103,483	82,089,473
Total equity		613,854,012	600,349,092

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

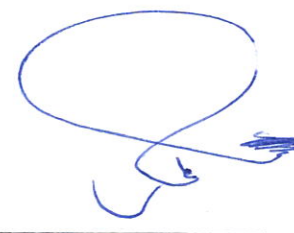
SAUDI MANPOWER SOLUTIONS COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

		June 30, 2025 (Un-audited) SR	December 31, 2024 (Audited) SR
EQUITY AND LIABILITIES (Continued)	Notes		
Liabilities			
Non-current liabilities			
Employees' defined benefits obligation		118,764,550	109,312,587
Retained deposits - non-current portion		47,163,443	51,974,351
Lease liabilities – non-current portion		25,301,753	29,901,294
Provision for share of loss from investment in a joint venture	12	7,007,565	-
Total non-current liabilities		198,237,311	191,188,232
Current liabilities			
Trade payables		20,556,279	19,805,451
Unearned revenues		48,158,122	49,965,978
Accrued expenses and other liabilities		206,411,046	177,235,045
Retained deposits - current portion		30,058,419	25,108,392
Lease liabilities - current portion		16,936,374	15,299,230
Accrued zakat	13	8,924,797	16,432,224
Total current liabilities		331,045,037	303,846,320
TOTAL LIABILITIES		529,282,348	495,034,552
TOTAL EQUITY AND LIABILITIES		1,143,136,360	1,095,383,644


 Finance Director


 Chief Financial Officer


 Chief Executive Officer


 Chairman



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


SAUDI MANPOWER SOLUTIONS COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2025

	Note	From April 1 to June 30		From January 1 to June 30	
		2025	2024	2025	2024
		(Un-audited) SR	(Un-audited) SR	(Un-audited) SR	(Un-audited) SR
Revenue	14	513,802,449	476,617,747	1,011,799,807	953,820,435
Cost of revenue		(447,139,129)	(424,346,847)	(875,645,750)	(841,776,636)
Gross profit		66,663,320	52,270,900	136,154,057	112,043,799
General and administrative expenses		(15,484,211)	(13,519,758)	(31,036,144)	(26,080,498)
Selling and marketing expenses		(5,313,582)	(4,519,917)	(10,610,235)	(9,103,611)
(Allowance) / reversal for impairment of trade receivables	7	(4,406,417)	2,456,407	(6,805,265)	(41,062)
Provision for advance to suppliers	10	(5,906,943)	-	(5,906,943)	-
Operating profit for the period		35,552,167	36,687,632	81,795,470	76,818,628
Finance cost on employees' defined benefit obligations and lease liabilities		(1,733,716)	(1,571,224)	(3,487,259)	(3,290,180)
Other income and expenses, net		2,121,805	4,031,435	6,023,364	7,220,763
Share of loss from investment in a joint venture	12	(3,756,817)	-	(7,507,565)	-
Profit for the period before zakat		32,183,439	39,147,843	76,824,010	80,749,211
Zakat expense		(2,655,000)	(3,330,483)	(6,810,000)	(6,660,966)
Net profit for the period		29,528,439	35,817,360	70,014,010	74,088,245
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
(Loss) / gain on remeasurement of employees defined benefit liabilities		(2,837,008)	64,814	(5,469,855)	3,752,655
Change in the fair value of equity investment at fair value through OCI		960,765	(263,051)	960,765	(263,051)
<i>Items that will be reclassified to profit or loss</i>					
Exchange differences on translation of foreign operations		-	3,305	-	-
Other comprehensive (loss) / income for the period		(1,876,243)	(194,932)	(4,509,090)	3,489,604
Total comprehensive income for the period		27,652,196	35,622,428	65,504,920	77,577,849
Earnings per share attributable to shareholders of the Company:					
Basic and diluted earnings per share	15	0.074	0.090	0.175	0.185


Finance Director


Chief Financial Officer






Chief Executive Officer


Chairman

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

SAUDI MANPOWER SOLUTIONS COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2025

	Note	Share capital SR	Contractual reserves SR	Other reserves SR	Retained earnings SR	Total equity SR
Balance as at January 1, 2024 - (audited)		400,000,000	108,782,739	(1,957,469)	14,882,909	521,708,179
Net profit for the period		-	-	-	74,088,245	74,088,245
Other comprehensive income for the period		-	-	3,489,604	-	3,489,604
Total comprehensive income for the period		-	-	3,489,604	74,088,245	77,577,849
Balance as at June 30, 2024 - (un-audited)		400,000,000	108,782,739	1,532,135	88,971,154	599,286,028
Balance as at January 1, 2025 - (audited)		400,000,000	120,000,000	(1,740,381)	82,089,473	600,349,092
Net profit for the period		-	-	-	70,014,010	70,014,010
Other comprehensive loss for the period		-	-	(4,509,090)	-	(4,509,090)
Total comprehensive (loss) / income for the period		-	-	(4,509,090)	70,014,010	65,504,920
Dividends	22	-	-	-	(52,000,000)	(52,000,000)
Balance as at June 30, 2025 - (un-audited)		400,000,000	120,000,000	(6,249,471)	100,103,483	613,854,012

 Finance Director	 Chief Financial Officer	 Chief Executive Officer	 Chairman
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The accompanying notes form an integral part of these condensed consolidated interim financial statements.

SAUDI MANPOWER SOLUTIONS COMPANY ,
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF CASHFLOWS
FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2025

	For the six months period ended	
	June 30, 2025	June 30, 2024
	(Un-audited)	(Un-audited)
	SR	SR
OPERATING ACTIVITIES		
Profit for the period before zakat	76,824,010	80,749,211
Adjustment for:		
Depreciation on property and equipment	7,984,414	8,770,336
Depreciation on right of use assets	9,168,242	9,355,261
Amortization of intangibles	1,599,704	596,153
Amortization of used visas	16,323,004	13,192,330
Amortization of recruitment fee	35,967,827	34,477,991
Income earned on Islamic murabaha time deposits	(6,647,752)	(5,596,624)
Finance charges on employees' defined benefit obligation and lease liabilities	3,487,259	3,290,180
Current service cost for employees' defined benefit obligations	19,847,091	18,644,443
Allowance for impairment of trade receivables	6,805,265	41,062
Share of loss from investment in a joint venture	7,507,565	-
Loss on sale of property and equipment and assets classified as held for sale	127,371	245,068
Loss on the lease modification	1,095,694	275,337
Provision for advance to suppliers	5,906,943	-
Loss on investments at fair value through profit or loss	180,753	262,387
	186,177,390	164,303,135
Change in working capital		
Trade receivables	(65,927,228)	(53,780,851)
Prepayments and other assets	(42,096)	24,765,182
Due from related parties	(7,357,176)	(3,729,024)
Available visas	(15,960,000)	(17,130,000)
Recruitment fee	(35,230,504)	(38,150,096)
Contract assets	(8,654,645)	(12,652,759)
Retained deposits	139,119	(6,213,210)
Unearned revenues	(1,807,856)	(18,165,616)
Trade payables	750,828	(14,311,746)
Accrued expenses and other liabilities	29,176,001	39,030,422
Cash generated from operations	81,263,833	63,965,437
Employees' defined benefits obligation benefits paid	(18,198,905)	(15,414,054)
Zakat paid	(14,317,427)	(12,488,002)
Net cash generated from operating activities	48,747,501	36,063,381
INVESTING ACTIVITIES		
Proceeds of Islamic murabaha time deposits	35,000,000	10,000,000
Proceeds from income on Islamic murabaha time deposits	5,409,678	8,075,675
Additions to property and equipment	(1,221,020)	(7,788,978)
Addition to intangible assets	(1,381,132)	(6,396,709)
Additions to projects under construction	(30,800)	(7,264,866)
Proceeds from disposal of property and equipment and assets classified as held for sale	7,702	896,018
Additions to investments at fair value through OCI	-	(3,836,250)
Net cash generated from / (used in) investing activities	37,784,428	(6,315,110)
FINANCING ACTIVITIES		
Dividends paid	(52,000,000)	-
Lease liabilities paid	(11,536,088)	(14,247,150)
Net cash used in financing activities	(63,536,088)	(14,247,150)
Net change in cash and cash equivalents	22,995,841	15,501,121
Cash and cash equivalent at the beginning of the period	39,636,361	35,574,662
Cash and cash equivalent at the end of the period	62,632,202	51,075,783
Cashflow supplemental information		

Finance Director

Chief Financial Officer

Chief Executive Officer

Chairman

SAUDI MANPOWER SOLUTIONS COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2025

1. INCORPORATION AND ACTIVITIES

Saudi Manpower Solutions Company (the “Company”) is a Saudi joint stock company registered in the Kingdom of Saudi Arabia, under Commercial Registration No. 1010331000, dated 12 Rabie Al Thani 1433H (corresponding to 5 March 2012G) and its Unified Registration No. is 7001710305. The Company's head office is located in Riyadh, PO Box 91279, Riyadh 13311. The ultimate parent of the Company is Al Holoul Almutakamela Holding Company.

The principal activity of the company is to provide employment agency services and administration and support services to individuals and businesses for temporary employment of foreign labour.

As of June 30, 2025, and December 31, 2024, the Company's share capital consists of 400,000,000 shares at SR 1 per share.

Offering company's shares

The General Assembly meeting of Shareholders, held on 5 Jumada Al-Awwal 1445 H (corresponding to November 28, 2023) approved the offering of 30% of the company's shares in an initial public offering by submitting a request for registration and offering of securities to the Capital Market Authority (CMA) and a request for listing with the Saudi Stock Exchange (Tadawul).

On December 12, 2023, the group's prospectus file was uploaded to the Capital Market Authority and Tadawul portals.

On March 13, 2024, the CMA approved the Company's request to register and offer its shares for public subscription. During the period, the Company announced the date of its initial public offering (IPO) for investors from May 8, 2024, to May 14, 2024, and for individuals from May 26, 2024, to May 27, 2024. On June 12, 2024, the Company's shares started trading on Tadawul as a Joint Stock Company.

The condensed consolidated interim financial statements include the following branches of the company and its subsidiaries:

<u>Branch Title</u>	<u>Commercial Registration</u>
Saudi Manpower Solutions Company - Riyadh - General Administration – Head office	1010331000
Saudi Manpower Solutions Company - Riyadh - General Administration – Branch	1010370621
Saudi Manpower Solutions Company - Riyadh - General Administration – Branch	1010370627
Saudi Manpower Solutions Company - Riyadh - General Administration – Branch	1010374728
Saudi Manpower Solutions Company – Riyadh	1010434966
Saudi Manpower Solutions Company - Jubail Industrial City	2055020287
Saudi Manpower Solutions Company – Dammam	2050105591
Saudi Manpower Solutions Company – Tabuk	3550036348
Saudi Manpower Solutions Company – Taif	4032051573
Saudi Manpower Solutions Company – Abha	5850068558
Saudi Manpower Solutions Company - Al Madinah	4650078632
Saudi Manpower Solutions Company - Mecca	4031100018
Saudi Manpower Solutions Company - Al Nuzha - Jeddah	4030282567
Saudi Logistics Services Company Limited	1010639231
Saudi Logistics Services Company Limited	1010639233
Saudi Logistics Services Company Limited	1010639234
Terhab Customer Experience Company	1010628795
Saneem for Investment Company	1010786170
Romoz Al-Tatweer for Telecom and Information Technology Company	1010627539

SAUDI MANPOWER SOLUTIONS COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2025

1. INCORPORATION AND ACTIVITIES (Continued)

The condensed consolidated interim financial statements reflect the financial position and results of operations of the Company and its subsidiaries listed below:

Subsidiary entities	Legal entity	Country of incorporation	Ownership (Direct & Indirect) %	
			June 2025	December 2024
Saudi Logistic Services Company Limited (1-1)	Limited liability	Kingdom of Saudi Arabia	100%	100%
Romoz Al-Tatweer for Telecom and Information Technology Company* (1-2)	Limited liability	Kingdom of Saudi Arabia	100%	100%
Terhab Customers Experience Limited* (1-3)	Limited liability	Kingdom of Saudi Arabia	100%	100%
Saneem for Investment Company (1-4)	Limited liability	Kingdom of Saudi Arabia	100%	100%
Business Solutions Centre Private Limited Company* (1-5)	private limited	India	100%	100%

* Romoz Al-Tatweer for Telecom and Information Technology Company and Terhab Customers Experience Limited, have a wholly owned subsidiary (Business Solutions Centre Private Limited Company incorporated in India) with ownership percentages of 24% and 76%, respectively.

The Board of Directors decided in its meeting held on 21 Rajab 1444 H (corresponding to February 12, 2023), to close Business Solutions Centre Private Limited Company. The Company's Board of Directors also decided to close Romoz Al-Tatweer for Telecom and Information Technology Company and transfer it to be a division of the Saudi Manpower Solutions Company, legal procedures in this regard have not been completed till date.

1-1 Saudi Logistics Services Company Limited

Its main activities include operating storage facilities for all types of goods except food materials, public warehouses housing a variety of goods, land transportation of goods, and accommodation for individuals.

1-2 Romoz Al-Tatweer for Telecom and Information Technology Company

Its main activities include wholesale and retail sales of prepaid cards of all types, systems analysis, design and programming of custom software, providing network and information communications management service, establishing infrastructure for hosting websites on the network, data processing services, and related activities.

1-3 Terhab Customer Experience Limited

Its main activities include establishing the infrastructure for hosting websites on the network, data processing service and related activities, integrated administrative services for offices, ground management services and supervision at airport ground service providers, temporary employment agencies for expatriate labour services, call centre services mobile communication services, rental of communication facilities, management and monitoring of communication and information networks, and digital authentication services.

1-4 Saneem For Investment Company

Its main activities include investing the funds of companies affiliated with holding companies, investment activities for the account of the relevant units, including venture capital companies and investment clubs.

1-5 Business Solutions Center Private Limited Company

Its main activities include providing business solutions services.

SAUDI MANPOWER SOLUTIONS COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2025

2. BASIS OF PREPARATION

2-1 Statement of compliance

The accompanying condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard- 34 (IAS-34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These condensed consolidated interim financial statements do not include all the information and disclosures required for a complete set of annual consolidated financial statements prepared in accordance with International Financial Reporting Standards, and therefore they should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2024.

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

Basis of measurement

These condensed consolidated interim financial statements are prepared under the historical cost convention except where IFRSs require other measurement basis as disclosed in accounting policies in the Group's consolidated financial statements for the year ended December 31, 2024.

Functional currency

The condensed consolidated interim financial statements are presented in Saudi Riyal which represent the functional and presentation currency of the Company.

2-2 Use of Judgments and Estimates

The Group makes judgments and estimates about the future. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including anticipation of future events that are believed to be appropriate under the circumstances. In the future, actual results may differ from these estimates and assumptions.

The significant estimates made by management in applying the Group's accounting policies and the main sources of estimation of uncertainty are the same as those used in preparing the financial statements for the year ended December 31, 2024.

2-3 Summary of significant accounting policies

The accounting policies used in preparing condensed consolidated interim financial statements are in line with those followed in the preparation of notes to the Group's consolidated financial statements for the year ended December 31, 2024.

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements have been consistently applied for all periods presented.

2-4 Basis of consolidation

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there is a change to the elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control over the subsidiary.

Assets, liabilities, income and expenses for the acquired subsidiary during the year are included within the interim condensed consolidated financial statements effective from the date the group gains control until the date the group ceases the control over the investee.

SAUDI MANPOWER SOLUTIONS COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2025

2. BASIS OF PREPARATION (Continued)

2-4 Basis of consolidation (Continued)

Control is established when the Company:

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

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

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

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

2-5 NEW STANDARDS AND AMENDMENTS

The Group noted that the amendments issued by the International Accounting Standards Board effective on 1 January 2024, do not have any material impact on the Group's condensed consolidated interim financial statements. The Group also has not made early adoption of any issued, or standard interpretations or amendments which are yet effective.

3. PROPERTY AND EQUIPMENT, NET

During the period ended June 30, 2025, the Group made additions to property and equipment amounting to SR 1.22 million (December 31, 2024: SR 13.48 million) and further has capitalized from projects under construction amounting to SR 0.17 million (December 31, 2024: SR 45.63 million).

4. RIGHT OF USE ASSETS, NET

During the period ended June 30, 2025, the Group acquired buildings on lease amounting to SR 8.95 million (December 31, 2024: SR 39.97 million). The lease term of these contracts varies from 3 to 15 years.

5. ISLAMIC MURABAHA TIME DEPOSITS

The Islamic Murabaha time deposits are held until maturity dates with local banks. These time deposits of SR 210.23 million (December 31, 2024: SR 243.99 million) include an amount of SR 10 million (December 31, 2024: SR 10 million) related to a guarantee for the Group's license issued by the Ministry of Human Resources and Labour development (MHRSD). Variable murabaha rates are determined as of June 30, 2025, and December 31, 2024, based on prevailing market rates.

As of June 30, 2025, Islamic murabaha time deposits includes accrued interest amounting to SR 5.23 million (December 31, 2024: SR 3.99 million).

6. INTANGIBLE ASSETS, NET

During the period ended June 30, 2025, the Group made additions to intangibles amounting to SR 1.38 million (December 31, 2024: SR 2.42 million). As of June 30, 2025, intangible assets include capital work in progress amounting to SR 4.05 million (December 31, 2024: SR 2.67 million). These intangible assets include technology softwares.

SAUDI MANPOWER SOLUTIONS COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2025

7. TRADE RECEIVABLES, NET

	June 30, 2025 (Un-audited) SR	December 31, 2024 (Audited) SR
Trade receivables	416,738,670	350,996,293
Less: allowance for impairment of trade receivables	(45,289,940)	(38,669,526)
	371,448,730	312,326,767

The movement in allowance for impairment of trade receivables is as follows:

	June 30, 2025 (Un-audited) SR	December 31, 2024 (Audited) SR
Opening balance	38,669,526	35,876,833
Allowance for the period / year	6,805,265	2,792,693
Write-offs during the period / year	(184,851)	-
Balance at the end of the period / year	45,289,940	38,669,526

8. VISAS IN USE

	June 30, 2025 (Un-audited) SR	December 31, 2024 (Audited) SR
Opening balance	29,418,192	24,824,342
Transfer from Available visas during the period / year (Note 11)	19,044,000	36,294,000
Amortization during the period / year	(16,323,004)	(27,190,733)
Charged to recruiting agents and customers	(2,368,225)	(4,509,417)
Balance at the end of the period / year	29,770,963	29,418,192
Less: Current portion	(22,009,437)	(21,958,168)
Non-current portion	7,761,526	7,460,024

9. RECRUITMENT FEE

	June 30, 2025 (Un-audited) SR	December 31, 2024 (Audited) SR
Opening balance	64,972,304	54,261,307
Additions during the period / year	35,230,504	87,069,043
Amortization during the period / year	(35,967,827)	(68,124,356)
Charged to recruiting agents and customers	(5,714,563)	(8,233,690)
Balance at the end of the period / year	58,520,418	64,972,304
Current portion	(44,218,339)	(46,665,875)
Non-current portion	14,302,079	18,306,429

10. PROVISION FOR ADVANCES TO SUPPLIERS

During the period, the company has identified that some of its advances to suppliers as doubtful. The Company has fully provided for the advance balances to these suppliers.

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11. AVAILABLE VISAS

The following is the movement of available visas:

	June 30, 2025 (Un-audited) SR	December 31, 2024 (Audited) SR
Opening balance	27,092,717	31,724,717
Purchased visas during the period / year, net	15,960,000	31,662,000
Transfer to visas in use (Note 8)	(19,044,000)	(36,294,000)
Balance at the end of the period / year	24,008,717	27,092,717

12. INVESTMENT IN A JOINT VENTURE

In 2024, Saneem for Investment Company, a wholly-owned subsidiary of Saudi Manpower Solutions Company, has entered into a joint venture under the name Waed Khadmat Al Munzal For Marketing – a limited liability company. The joint venture is jointly owned by Saneem for Investment Company (holding 50% ownership) and Urban Home Experts Pte Ltd. with a capital of 1 million Saudi riyals. During the period, the Company has recorded its share of loss amounting to SR 7.51 million.

13. ZAKAT

Group Zakat status

The Company has submitted its zakat returns for all years up to 2024 and obtained the zakat certificates for these years. Zakat returns for the years 2019 – 2024 are still under review by Zakat, Tax and Customs Authority. The final assessments are not yet raised till the date of issuing these condensed consolidated interim financial statements.

Zakat status of subsidiary companies

Terhab Customer Experiences Limited Company

The company has submitted its zakat returns for all years until 2024 and has obtained final zakat certificates for these years, and the assessment hasn't been raised for these years to date.

Saudi Logistics Services Company Limited

The company has submitted its zakat returns for all years until 2024 and has obtained final zakat certificates for these years, and the assessment hasn't been raised for these years to date.

Saneem Investment Company

The company has submitted its zakat returns for all years until 2024 and has obtained the final zakat certificate for these years and the assessment hasn't been raised for these years to date.

Romoz Al-Tatweer for Telecom and Information Technology Company

The company has submitted its zakat returns for all years until 2022 and has obtained zakat certificates for these years and received final assessment until 2021. Assessment for the year 2022 hasn't been raised.

The movement in zakat provision is represented in the following:

	June 30, 2025 (Un-audited) SR	December 31, 2024 (Audited) SR
Opening balance	16,432,224	13,054,365
Zakat charged during the period / year	6,810,000	15,977,384
Paid during the period / year	(14,317,427)	(12,599,525)
Balance at the end of the period / year	8,924,797	16,432,224

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14. REVENUE

In the following table, revenue has been classified by sector type:

	Six months period ended	
	June 30, 2025 (Un-audited) SR	June 30, 2024 (Un-audited) SR
Individuals	309,016,421	276,651,854
Oil, Gas and Petrochemical	164,643,488	169,672,390
Construction	102,114,979	144,258,460
Facilities management	71,944,971	54,784,162
Hospitality	76,643,787	55,957,855
Retail	62,478,995	48,701,127
Health care	52,341,461	53,864,045
Industrial	16,344,151	17,161,928
others	156,271,554	132,768,614
Total	1,011,799,807	953,820,435

In the following table, revenue has been classified by Customers' type:

	Six months period ended	
	June 30, 2025 (Un-audited) SR	June 30, 2024 (Un-audited) SR
Corporates - Private	533,779,972	484,000,786
Individuals	309,016,421	276,651,854
Corporates, government & semi-government	169,003,414	193,167,795
Total	1,011,799,807	953,820,435

In the following table, revenue has been classified by service type:

	Six months period ended	
	June 30, 2025 (Un-audited) SR	June 30, 2024 (Un-audited) SR
Business	702,783,386	677,168,581
Individuals	193,497,510	172,215,981
Hourly service	115,518,911	104,435,873
Total	1,011,799,807	953,820,435

In the following table, revenue has been classified by contract's term:

	Six months period ended	
	June 30, 2025 (Un-audited) SR	June 30, 2024 (Un-audited) SR
One year and less	774,010,387	844,102,190
More than one year	237,789,420	109,718,245
Total	1,011,799,807	953,820,435

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15. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Earnings per share are represented as follows:

	From April 1 to June 30		From January 1 to June 30	
	2025	2024	2025	2024
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Net profit for the period	29,528,439	35,817,360	70,014,010	74,088,245
Weighted average number of outstanding shares	400,000,000	400,000,000	400,000,000	400,000,000
Basic and diluted earnings per share	0.074	0.090	0.175	0.185

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16. SEGMENTAL INFORMATION

a. Basis of Segmentation

The group operations include recruitment, providing manpower and logistics services, and support to the workers, government sector, and the private sector. The group operating segments are mainly divided into corporate, individual, and other sectors.

The following summary describes the operations of each reportable segment that met the quantitative thresholds for reportable segments in 2025 and 2024.

Reportable segments	Operations
Corporate	Providing services of expatriate and Saudi labour to companies whose contracts extend for two years.
Individuals	Providing home labour services to individual customers whose contract duration ranges from one month to two years. In addition, it also includes hourly work i.e. cleaning services provided to individual customers by the hour/visit, with each cleaning visit typically lasting four hours.
Others	Include storage facilities for all type of goods, accommodation services, transportation services, wholesale activities for prepaid cards, customer software programming, providing network and information communications management and monitoring services, establishing infrastructure for hosting companies and investment activities for the concerned units private accounts.

Due to the group's reliance on manpower services and its lack of direct connection to the group's assets and liabilities, it is not possible or practical to disclose information related to the total assets and business segment-related liabilities.

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16. SEGMENTAL INFORMATION (Continued)

b. Information about reportable segments

For the six months period ended June 30, 2025

(Un-audited)

	Reportable segments		Others	Total	Eliminations	Total
	Corporate	Individuals				
Revenue	659,654,367	309,016,421	97,950,644	1,066,621,432	(54,821,625)	1,011,799,807
Cost of revenue	(586,480,489)	(262,181,666)	(76,213,929)	(924,876,084)	49,230,334	(875,645,750)
Gross profit	73,173,878	46,834,755	21,736,715	141,745,348	(5,591,291)	136,154,057
General and administrative expenses (undistributed)				(31,065,264)	29,120	(31,036,144)
Selling and marketing expenses (undistributed)				(18,390,090)	7,779,855	(10,610,235)
Allowance for impairment of trade receivables (undistributed)				(6,805,265)	-	(6,805,265)
Provision for advance to suppliers (undistributed)				(5,906,943)	-	(5,906,943)
Operating profit for the period				79,577,786	2,217,684	81,795,470
Finance cost for employees' defined benefit obligation and lease liabilities (undistributed)				(4,818,765)	1,331,506	(3,487,259)
Other income and expenses, net (undistributed)				9,572,554	(3,549,190)	6,023,364
Share of loss from investment in joint a venture				(7,507,565)	-	(7,507,565)
Zakat (undistributed)				(6,810,000)	-	(6,810,000)
Net profit for the period				70,014,010	-	70,014,010

For the six months period ended June 30, 2024

(Un-audited)

	Reportable segments		Others	Total	Eliminations	Total
	Corporate	Individuals				
Revenue	627,435,352	276,651,854	102,169,072	1,006,256,278	(52,435,843)	953,820,435
Cost of revenue	(561,572,369)	(253,449,933)	(75,295,773)	(890,318,075)	48,541,439	(841,776,636)
Gross profit	65,862,983	23,201,921	26,873,299	115,938,203	(3,894,404)	112,043,799
General and administrative expenses (undistributed)				(26,080,498)	-	(26,080,498)
Selling and marketing expenses (undistributed)				(15,459,767)	6,356,156	(9,103,611)
Allowance for impairment of trade receivables (undistributed)				(41,062)	-	(41,062)
Operating profit for the period				74,356,876	2,461,752	76,818,628
Finance cost for employees' defined benefit obligation and lease liabilities (undistributed)				(4,081,896)	791,716	(3,290,180)
Other income and expenses, net (undistributed)				10,474,231	(3,253,468)	7,220,763
Zakat (undistributed)				(6,660,966)	-	(6,660,966)
Net profit for the period				74,088,245	-	74,088,245

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16. SEGMENTAL INFORMATION (Continued)

b. Information about reportable segments (Continued)

For the three months period ended June 30, 2025
(Un-audited)

	Reportable segments		Others	Total	Elimination	Total
	Corporate	Individuals				
Revenue	337,894,727	155,205,549	49,132,868	542,233,144	(28,430,695)	513,802,449
Cost of revenue	(301,703,186)	(132,245,996)	(38,787,918)	(472,737,100)	25,597,971	(447,139,129)
Gross profit	36,191,541	22,959,553	10,344,950	69,496,044	(2,832,724)	66,663,320
General and administrative expenses (undistributed)				(15,500,588)	16,377	(15,484,211)
Selling and marketing expenses (undistributed)				(9,243,366)	3,929,784	(5,313,582)
Allowance for impairment of trade receivables (undistributed)				(4,406,417)	-	(4,406,417)
Provision for advance to suppliers (undistributed)				(5,906,943)	-	(5,906,943)
Operating profit for the period				34,438,730	1,113,437	35,552,167
Finance cost on employees' defined benefit obligations and lease liabilities				(2,393,596)	659,880	(1,733,716)
Share of loss from investment in joint a venture				(3,756,817)	-	(3,756,817)
Other income and expenses, net (undistributed)				3,895,122	(1,773,317)	2,121,805
Zakat (undistributed)				(2,655,000)	-	(2,655,000)
Net profit for the period				29,528,439	-	29,528,439

For the three months period ended June 30, 2024
(Un-audited)

	Reportable segments		Others	Total	Elimination	Total
	Corporate	Individuals				
Revenue	313,219,550	138,937,651	51,306,636	503,463,837	(26,846,090)	476,617,747
Cost of revenue	(282,498,337)	(128,239,221)	(38,873,595)	(449,611,153)	25,264,306	(424,346,847)
Gross profit	30,721,213	10,698,430	12,433,041	53,852,684	(1,581,784)	52,270,900
General and administrative expenses (undistributed)				(13,519,758)	-	(13,519,758)
Selling and marketing expenses (undistributed)				(7,787,429)	3,267,512	(4,519,917)
Allowance for impairment of trade receivables (undistributed)				2,456,407	-	2,456,407
Operating profit for the period				35,001,904	1,685,728	36,687,632
Finance cost on employees' defined benefit obligations and lease liabilities				(1,964,246)	393,022	(1,571,224)
Other income and expenses, net (undistributed)				6,110,185	(2,078,750)	4,031,435
Zakat (undistributed)				(3,330,483)	-	(3,330,483)
Net profit for the period				35,817,360	-	35,817,360

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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The related parties consist of subsidiaries, affiliates, Board of Directors and key management personnel of the Group. In the ordinary course of business, the Group transacts with its related parties. Such transactions relate to services rendered and received and expenses incurred on behalf of related parties. The transactions are dealt with on mutually agreed terms and the terms and conditions of these transactions are approved by the Group's management.

Key management personnel compensation

	Six months period ended	
	June 30, 2025	June 30, 2024
	(Un-audited)	(Un-audited)
	SR	SR
Short-term employees' benefits	4,642,540	4,341,863
BOD and related committees' remuneration	2,040,000	1,738,400
Employees' end-of-service benefits	179,223	150,566

Payable balance to key management personnel as of period end amounted to SR 6.98 million (December 31, 2024: SR 9.10 million).

Other related parties' transactions

The material transactions with related parties and the approximate amounts related thereto are as follows:

Related parties	Nature of relation	Nature of transaction	Six months period ended	
			June 30, 2025	June 30, 2024
			(Un-audited)	(Un-audited)
			SR	SR
Al-holoul Almutakamela Holding Company	Shareholder	Rental income	170,543	341,086
		Payment on behalf	274,975	619,819
Saudi Facilities Management Company	Affiliate	Manpower services and others	26,309,645	25,164,307
		Rental income	189,288	378,576
		Payment on behalf	9,495	98,879
		Facility services (Operation and maintenance costs)	7,210,994	8,110,673
Saudi Medical Services Company	Affiliate	Manpower services and others	3,696,600	4,042,381
		Rental income	252,507	505,013
		Medical services expenses	312,480	-
		Payment on behalf	12,667	44,209
Areeb Human Resources Company	Affiliate	Manpower services and others	341,916	161,156
		Rental income	154,371	308,742
		Payment on behalf	134,505	157,433
Fnoon Services for Operation and Maintenance Establishment	Other related party	Manpower services	-	381,521
Alsafi Danone limited Company	Other related party	Manpower services	-	6,565,552
Alfa Company Operation Services Limited	Other related party	Manpower services	-	1,000,195
Modern Electronic Company (Sony)	Other related party	Manpower services	-	171,179
Board member of major shareholder	Other related party	Rent expense	300,000	300,000
Waed Khadmat Al Munzal For Marketing	Other related party	Payment on behalf	1,000,000	-

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The balance due from related parties is as follows:

	June 30, 2025 (Un-audited) SR	December 31, 2024 (Audited) SR
Saudi Facilities Management Company	11,547,751	4,550,585
Saudi Medical Service Company	5,098,894	4,899,727
Waed Khadmat Al Munzal For Marketing	1,000,000	-
Areeb Human Resources Company	602,780	1,137,218
Al-holoul Almutakamela Holding Company	86,435	391,154
	18,335,860	10,978,684

18. CONTINGENCIES AND COMMITMENTS**Guarantees**

On June 30, 2025, the Group has a letter of guarantee of SR 10 million (December 31, 2024: SR 10 million) which is related to the Company's license issued by the Ministry of Human Resources and Social Development (Note 5).

Legal claims

The Group faces legal claims during the normal course of business, which are being defended. While the final outcomes of these claims cannot be determined with certainty, management does not expect a material adverse impact on the Group's condensed consolidated interim financial statements.

Capital commitments

The Group has capital commitments of SR 1.90 million as at June 30, 2025 (December 31, 2024: SR 1.91 million) for projects under construction.

19. CONTRACTUAL RESERVES

On 9 Dhul Qa'dah 1444 AH (corresponding to May 29, 2023), an extraordinary general assembly was held where it approved the conversion of the previous statutory reserve into a contractual reserve while continuing to allocate 10% of its net profits to form a contractual reserve until this reserve reaches 30% of the capital.

20. OTHER RESERVES

This reserve includes remeasurement gain / (loss) on employees' end of service benefits and fair value gain / (loss) on investment at fair value through other comprehensive income.

21. CASH FLOW SUPPLEMENTAL INFORMATION

	June 30, 2025 (Un-audited) SR	June 30, 2024 (Un-audited) SR
Addition of right of use assets against lease liabilities	8,945,179	37,659,067
Used visa charged to recruiting agents and customers	2,368,225	2,472,624
Recruitment fee charged to recruiting agents and customers	5,714,563	1,426,440
Transfer from project under construction to property and equipment	173,900	47,463,633
Transfer from available visas to visas in use	19,044,000	20,834,000

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22. DIVIDENDS

The Board of Directors, approved on 26 March 2025, the distribution of cash dividends to shareholders for the second half of the 2024, amounting to SR 52 million. The dividend was settled before the period end.

23. RECLASSIFICATIONS

Certain comparative figures have been reclassified and presented for the purpose of better presentation. However, the effect of those reclassifications was not significant. The key reclassifications were as follows:

Reclassification from	Reclassification to	Amount SR
<i>Consolidated interim statement of financial position</i>		
Prepayments and other assets – Contract assets	Contract assets	17,255,231
Prepayments and other assets – Others	Contract assets	214,172

24. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements have been approved by the Board of Directors on August 7, 2025 corresponding to 13 Safar 1447 H.