

MAHARAH FOR HUMAN RESOURCES COMPANY
(A Saudi Joint Stock Company)
Condensed Consolidated Interim Financial Statements (Unaudited)
For the three-month and nine-month periods ended 30 September 2024
Together with the
Independent Auditor's Review Report

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024

| <u>INDEX</u> | <u>PAGE</u> |
|--|--------------------|
| Independent auditor's review report on the condensed consolidated interim financial statements (unaudited) | 1-2 |
| Condensed consolidated statement of financial position (unaudited) | 3 |
| Condensed consolidated statement of profit or loss and other comprehensive income (unaudited) | 4 |
| Condensed consolidated statement of changes in equity (unaudited) | 5 |
| Condensed consolidated statement of cash flows (unaudited) | 6-7 |
| Notes to the condensed consolidated interim financial statements (unaudited) | 8 - 20 |



KPMG Professional Services

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Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

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

Independent auditor's report on review of condensed consolidated interim financial statements

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

Introduction

We have reviewed the accompanying 30 September 2024 condensed consolidated interim financial statements of **Maharah Human Resources Company ("the Company") and its subsidiaries ("the Group")** which comprises:

- The condensed consolidated statement of financial position as at 30 September 2024;
- The condensed consolidated statement of profit or loss and other comprehensive income for the three and nine-month periods ended 30 September 2024;
- The condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2024;
- The condensed consolidated statement of cash flows for the nine-month period ended 30 September 2024; and
- The 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 IAS 34, 'Interim Financial Reporting' 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 the International Standard on Review Engagements (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.

Basis for Qualified Conclusion

The Group acquired an associate 'Saudi Medical Systems Company' during 2022 and is accounted for using the equity method. The investment balance in the condensed consolidated statement of financial position as at 30 September 2024 amounted to SR 418,659,849. The company has not performed the equity accounting for this investment for the three-months period ended 30 September 2024 and the investment is being carried at the same value at which it was being carried as at 30 June 2024. This is a departure from the requirements of the IAS 28 'Investment in associate and joint ventures.

We were not provided with access to the financial information, management, and the auditor of Saudi Medical Systems Company. In absence of this information, it was impracticable for us to quantify the effects of this departure on the Group's proportional share of Saudi Medical Systems Company's net assets, its proportional share of Saudi Medical Systems Company's income and expenses for the three- and nine-months period ended 30 September 2024, and the elements making up the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR70,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها (٧٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان.



Independent auditor's report on review of condensed consolidated interim financial statements (continued)

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

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes that causes us to believe that the accompanying 30 September 2024 condensed consolidated interim financial statements of **Maharah Human Resources Company ("Company") and its subsidiaries ("Group")** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

Emphasis of Matter - Comparative figures

We draw attention to Note (19) to the condensed consolidated interim financial statements, which indicates that the comparative information presented at as at 31 December 2023 as well as for the three-month and nine-month periods ended 30 September 2023 have been restated. Our conclusion is not modified in respect of this matter.

Other matters

- The condensed consolidated interim financial statements of the Group as at and for the three-month and nine-month periods ended 30 September 2023, except for the adjustments described in note (19), were reviewed by another auditor who expressed a modified conclusion on these condensed consolidated interim financial statements on 2 Jumada I 1445H corresponding to 16 November 2023 and the consolidated financial statements of the Group as at and for the year ended 31 December 2023, except for the adjustments described in note (19), have been audited by another auditor who expressed an unmodified opinion on these consolidated financial statements on 25 Ramadan 1445H (corresponding to 4 April 2024).
- A modified report was issued on the review of the condensed consolidated interim financial statements as at and for the three and nine-month periods ended 30 September 2023 dated 2 Jumada I 1445H (corresponding to 16 November 2023), since the investments in associates acquired in the third quarter of 2022 the purchase price allocation not completed up to the issuance date of the auditor's report on the review of the condensed consolidated interim financial statements as at 30 September 2023. The Group had made fair value adjustments by the end of 2023 and adjusted comparative figures for the financial year ended 31 December 2022.

KPMG Professional Services



Hani Bin Hamzah Bin Ahmed Bedairi
License No. 460

Riyadh in 10 Jumada I 1446H
Corresponding to: 12 November 2024

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

| | Note | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) (Restated Note 19) |
|---|------|----------------------------------|---|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | 66,352,972 | 78,978,507 |
| Murabaha time deposits | | -- | 10,000,000 |
| Accounts receivable | 6 | 331,961,620 | 269,280,216 |
| Contract assets | 7 | 132,705,177 | 80,075,305 |
| Prepayments and other current assets | | 258,508,825 | 159,740,300 |
| Investments at fair value through profit or loss | | 1,238,327 | 60,212,877 |
| Available visas | | 29,346,000 | 33,064,000 |
| Total current assets | | 820,112,921 | 691,351,205 |
| Non-current assets | | | |
| Property and equipment | 9 | 130,480,585 | 126,991,890 |
| Right-of-use assets | | 42,278,047 | 48,977,522 |
| Intangible assets and Goodwill | | 5,583,934 | 6,085,345 |
| Investment properties | | 36,917,639 | 37,295,810 |
| Investments at fair value through other comprehensive income | | 6,222,000 | 11,496,186 |
| Investments at fair value through profit or loss | | -- | 10,070,833 |
| Equity accounted investees | 10 | 767,632,173 | 785,585,868 |
| Contract assets – Noncurrent portion | 7 | 7,153,873 | 16,627,652 |
| Recruitment costs and visas in use – Noncurrent portion | | 29,477,521 | 12,858,898 |
| Total non-current assets | | 1,025,745,772 | 1,055,990,004 |
| Total assets | | 1,845,858,693 | 1,747,341,209 |
| LIABILITIES AND EQUITY | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Short-term loans | | 17,933,684 | -- |
| Long-term loans - current portion | 11 | 72,521,752 | 18,130,437 |
| Accounts payable, accruals, and other current liabilities | | 313,168,147 | 281,287,722 |
| Contract liabilities | | 88,866,195 | 102,008,410 |
| Retained deposits | | 56,254,611 | 72,739,845 |
| Zakat provision | | 8,389,663 | 14,345,688 |
| Total current liabilities | | 557,134,052 | 488,512,102 |
| Non-current liabilities | | | |
| Long-term loans – non-current portion | 11 | 490,085,958 | 544,477,273 |
| Employees' defined benefits liabilities | 12 | 98,407,795 | 95,227,910 |
| Retained deposits– non-current portion | | 48,904,561 | 22,794,346 |
| lease liabilities non-current portion | | 28,298,546 | 29,725,167 |
| Total non-current liabilities | | 665,696,860 | 692,224,696 |
| Total liabilities | | 1,222,830,912 | 1,180,736,798 |
| Equity | | | |
| Share capital | 13 | 475,000,000 | 475,000,000 |
| Statutory reserve | | 103,056,265 | 103,056,265 |
| Other reserves | | (22,201,476) | (20,619,811) |
| Treasury Shares | | (25,000,000) | (25,000,000) |
| Retained earnings | | 92,172,992 | 36,874,933 |
| Equity attributable to the Shareholders of the Company | | 623,027,781 | 569,311,387 |
| Non-controlling interests | 4 | -- | (2,706,976) |
| Total equity | | 623,027,781 | 566,604,411 |
| Total liabilities and equity | | 1,845,858,693 | 1,747,341,209 |

Mr. Mohamed Mosleh
AlKhatib
Financial Control

Mr. Mussab Al-
wohabe
VP-Finance

Mr. Abdulaziz Al
Kathiry
CEO

Mr. Abdullah
Al Amro
Chairman

The accompanying notes from 1 to 21 form an integral part of these condensed consolidated interim financial Statements

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

| | Notes | For the three-month period ended September 30 | | For the nine-month period ended September 30 | |
|--|-------|--|---|---|---|
| | | 2024 (Unaudited) | 2023 (Unaudited) (Restated Note 19) | 2024 (Unaudited) | 2023 (Unaudited) (Restated Note 19) |
| Revenues | | 558,403,429 | 471,489,432 | 1,614,025,616 | 1,396,111,218 |
| Cost of revenues | | (495,010,358) | (409,528,991) | (1,417,102,886) | (1,212,464,958) |
| Gross Profit | | 63,393,071 | 61,960,441 | 196,922,730 | 183,646,260 |
| General and administrative expenses | | (24,518,607) | (23,840,677) | (74,116,080) | (71,719,541) |
| Marketing expenses | | (9,860,656) | (10,021,731) | (19,631,736) | (17,685,167) |
| Impairment loss on trade receivables and contract assets | 6,7 | (4,276,003) | (8,435,358) | (4,611,155) | (12,270,255) |
| Operating profit | | 24,737,805 | 19,662,675 | 98,563,759 | 81,971,297 |
| Other income | | 7,955,117 | 3,738,170 | 18,403,447 | 10,721,551 |
| Finance cost | | (11,829,586) | (10,317,779) | (35,318,895) | (30,972,926) |
| Impairment of goodwill | | -- | (1,139,598) | -- | (1,139,598) |
| Share in results of equity accounted investees | 10 | 5,984,969 | 10,041,852 | 48,658,520 | 31,036,675 |
| Change in fair value of investments at FVTPL | | 278,384 | (2,777) | 1,202,793 | 632,579 |
| Profit for the period before zakat | | 27,126,689 | 21,982,543 | 131,509,624 | 92,249,578 |
| Zakat | | (2,760,987) | (2,028,242) | (6,659,407) | (5,528,242) |
| Profit for the period | | 24,365,702 | 19,954,301 | 124,850,217 | 86,721,336 |
| Attributable to: | | | | | |
| Shareholders of the Company | | 24,365,702 | 20,395,532 | 125,506,967 | 87,768,058 |
| Non-controlling interests | 4 | -- | (441,231) | (656,750) | (1,046,722) |
| | | 24,365,702 | 19,954,301 | 124,850,217 | 86,721,336 |
| Other comprehensive (loss) / income: | | | | | |
| Item that will be reclassified to consolidated statement of profit or loss: | | | | | |
| Foreign currency translation differences | | (3,411) | -- | (3,411) | -- |
| Item that will not be reclassified to consolidated statement of profit or loss: | | | | | |
| Change in fair value of investments at FVTOCI | | (5,417,000) | 2,883,223 | (5,274,186) | 2,883,223 |
| Share in other comprehensive income of equity accounted investees | | -- | -- | -- | -- |
| Re-measurements employees' defined benefits liabilities | 12 | -- | -- | 3,695,932 | 720,000 |
| Total comprehensive (loss) / income | | (5,420,411) | 2,883,223 | (1,581,665) | 3,603,223 |
| Total comprehensive income for the period | | 18,945,291 | 22,837,524 | 123,268,552 | 90,324,559 |
| Total comprehensive income for the period attributable to: | | | | | |
| Shareholders of the Company | | 18,945,291 | 23,278,755 | 123,925,302 | 91,371,281 |
| Non-controlling interests | 4 | -- | (441,231) | (656,750) | (1,046,722) |
| | | 18,945,291 | 22,837,524 | 123,268,552 | 90,324,559 |
| Earnings per share | | | | | |
| Basic and diluted earnings per share | 15 | 0.05 | 0.05 | 0.28 | 0.20 |
| Mr. Mohamed Mosleh AlKhatib | | Mr. Mussab Al-wohabe | Mr. Abdulaziz Al-Kathiry | Mr. Abdullah Al Amro | |
| Financial Control | | VP-Finance | CEO | Chairman | |

The accompanying notes from 1 to 21 form an integral part of these condensed consolidated interim financial Statements

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

| Equity attributable to the Shareholders of the Company | | | | | | | | |
|---|--------------------|--------------------|---------------------|---------------------|-------------------|--------------------|---------------------------|--------------------|
| Note | Share capital | Statutory reserve | Other Reserves | Treasury Shares | Retained earnings | Total | Non-controlling interests | Total equity |
| Balance as at 1 January 2024 (Audited) | 475,000,000 | 103,056,265 | (20,619,811) | (25,000,000) | 36,874,933 | 569,311,387 | (2,706,976) | 566,604,411 |
| Profit for the period | -- | -- | -- | -- | 125,506,967 | 125,506,967 | (656,750) | 124,850,217 |
| Other comprehensive loss | -- | -- | (1,581,665) | -- | -- | (1,581,665) | -- | (1,581,665) |
| Total comprehensive income for the period | -- | -- | (1,581,665) | -- | 125,506,967 | 123,925,302 | (656,750) | 123,268,552 |
| Purchase of Additional shares in subsidiaries | 4 | -- | -- | -- | (4,958,908) | (4,958,908) | 3,363,726 | (1,595,182) |
| Dividends | 14 | -- | -- | -- | (65,250,000) | (65,250,000) | -- | (65,250,000) |
| Balance as at 30 September 2024 (Unaudited) | 475,000,000 | 103,056,265 | (22,201,476) | (25,000,000) | 92,172,992 | 623,027,781 | -- | 623,027,781 |
| Balance as at 1 January 2023 (Audited) | 375,000,000 | 97,416,675 | (16,924,184) | -- | 143,618,633 | 599,111,124 | (745,861) | 598,365,263 |
| Adjustments | -- | (4,065,203) | 383,936 | -- | (36,586,833) | (40,268,100) | -- | (40,268,100) |
| Balance as at 1 January 2023 (Audited) (Restated) | 375,000,000 | 93,351,472 | (16,540,248) | -- | 107,031,800 | 558,843,024 | (745,861) | 558,097,163 |
| Profit for the period (Restated) | -- | -- | -- | -- | 87,768,058 | 87,768,058 | (1,046,722) | 86,721,336 |
| Other comprehensive income | -- | -- | 3,603,223 | -- | -- | 3,603,223 | -- | 3,603,223 |
| Total comprehensive income for the period (Restated) | -- | -- | 3,603,223 | -- | 87,768,058 | 91,371,281 | (1,046,722) | 90,324,559 |
| Increase in share capital | 13 | 100,000,000 | -- | (25,000,000) | (75,000,000) | -- | -- | -- |
| Dividends | 14 | -- | -- | -- | (82,500,000) | (82,500,000) | -- | (82,500,000) |
| Balance as at 30 September 2023 (Restated) (Unaudited) | 475,000,000 | 93,351,472 | (12,937,025) | (25,000,000) | 37,299,858 | 567,714,305 | (1,792,583) | 565,921,722 |

Mr. Mohamed
Mosleh AlKhatib
Financial Control

Mr. Mussab Al-
wohabe
VP-Finance

Mr. Abdulaziz
Al-Kathiry
CEO

Mr. Abdullah
Al Amro
Chairman

The accompanying notes from 1 to 21 form an integral part of these condensed consolidated interim financial Statements

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

| | For the nine-month period ended September 30 | |
|---|---|---------------------------|
| | 2024 | 2023 |
| | (Unaudited) | (Unaudited) |
| | | (Restated Note 19) |
| <u>OPERATING ACTIVITIES</u> | | |
| Profit for the period before zakat | 131,509,624 | 92,249,578 |
| Adjustments: | | |
| Employees' defined benefits liabilities charged | 20,016,612 | 20,152,442 |
| Expected credit Losses charged | 4,611,155 | 12,270,255 |
| Depreciation of property and equipment | 9,130,208 | 9,419,250 |
| Depreciation of investment properties | 378,171 | 376,791 |
| Amortization of right-of-use assets | 14,102,688 | 12,481,880 |
| Amortization of intangible assets | 510,345 | 391,927 |
| Share in results of Equity accounted investees | (48,658,520) | (31,036,675) |
| Change of fair value of investments at FVTPL | (1,202,793) | (632,579) |
| Finance costs | 35,318,895 | 30,972,926 |
| Impairment of goodwill | -- | 1,139,598 |
| Profit from Murabaha time deposits | (708,372) | (1,290,650) |
| Gain on disposal of property and equipment | (1,111,277) | (419,726) |
| Disposal of lease liabilities | (242,825) | -- |
| | 163,653,911 | 146,075,017 |
| Changes in: | | |
| Accounts receivable | (63,309,326) | (17,073,163) |
| Contract assets | (47,139,326) | (7,322,565) |
| Prepayments and other current assets | (55,083,266) | 56,739,611 |
| Available visas | 3,718,000 | (6,854,000) |
| Accounts payable, accruals and other current liabilities | 42,450,523 | 19,792,240 |
| Contract liabilities | (13,142,215) | (41,211,589) |
| Retained deposits | 9,624,981 | 2,269,278 |
| Cash generated from operating activities | 40,773,282 | 152,414,829 |
| Zakat paid | (12,615,432) | (10,838,467) |
| Employees' defined benefits obligations paid | (16,116,082) | (13,807,510) |
| Net cash flows generated from operating activities | 12,041,768 | 127,768,852 |
| <u>INVESTING ACTIVITIES</u> | | |
| Purchase of Murabaha time deposits | (50,100,000) | (124,548,239) |
| Proceeds from Murabaha time deposits | 60,912,261 | 93,433,905 |
| Purchase of property and equipment | (12,708,300) | (3,329,223) |
| Dividends Received | 6,204,444 | 7,755,555 |
| Additions to intangible assets | (8,934) | (29,422) |
| Proceeds from redemption of investments at FVTPL | 100,248,176 | 15,663,829 |
| Purchase of investments at FVTPL | (30,000,000) | -- |
| Proceeds from disposal of property and equipment | 1,200,674 | 569,607 |
| Net cash flows generated from (used in) investing activities | 75,748,321 | (10,483,988) |
| <u>FINANCING ACTIVITIES</u> | | |
| Proceeds from short term loans | 23,177,136 | -- |
| Payment of short-term loans | (5,243,452) | -- |
| Purchase additional shares in subsidiaries | (1,595,182) | -- |
| Dividends paid | (65,250,000) | (82,500,000) |
| Payment of lease liabilities | (17,676,639) | (14,295,041) |
| Payment for finance costs | (33,827,487) | (25,538,368) |
| Net cash flows used in financing activities | (100,415,624) | (122,333,409) |
| Net changes in cash and cash equivalents | (12,625,535) | (5,048,545) |
| Cash and cash equivalents at 1 January | 78,978,507 | 83,573,675 |
| Cash and cash equivalents at 30 September | 66,352,972 | 78,525,130 |


The accompanying notes from 1 to 21 form an integral part of these condensed consolidated interim financial Statements


CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (Continued)

| For the nine-month period ended September 30 | |
|---|-----------------------------------|
| 2024 | 2023 |
| (Unaudited) | (Unaudited) (Restated Note 19) |


Non-cash transactions

| | | |
|--|------------|------------|
| Additions to right-of-use assets and lease liabilities | 12,792,097 | 30,659,164 |
| Uncollected dividends included within prepayments and other current assets | 60,407,771 | -- |
| Re-measurements employees' defined benefits liabilities | 3,695,932 | 720,000 |
| Unpaid finance cost on long term loans | 3,658,614 | -- |
| Change in fair value of investments at FVTOCI | 5,417,000 | 2,883,223 |
| Uncollected interest on Murabaha term deposits | 103,889 | -- |


Financial Control
Mr. Mohamed Mosleh
AlKhatib


VP-Finance
Mr. Mussab
Al-wohabe

CEO
Mr. Abdulaziz Al-Kathiry


Chairman
Mr. Abdullah
Al Amro

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

1- GROUP ACTIVITIES AND INFORMATION

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

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

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

Maharah For Human Resources Company is referred to as the ("Company") or, together with its subsidiaries listed below as the ("Group").

2- BASIS OF PREPARATION

2-1 Statement of Compliance

These condensed consolidated interim financial statements for the nine month period ended 30 September 2024 have been prepared in accordance with the requirements of IAS (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements approved by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”), and should be read in conjunction with the Group’s last annual consolidated financial statements for the year ended 31 December 2023 ("Prior year financial statements").

These condensed consolidated interim financial statements do not include all of information and disclosures required to in the annual financial statements in accordance with requirements of International Financial Reporting Standards (IFRS Accounting Standards) issued by International Accounting Standards Board (“IASB”) as endorsed in the kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). However, these condensed consolidated interim financial statements include certain disclosures to explain some significant events and transactions to understand the changes in the group’s financial position and performance since the last annual consolidated financial statements.

The performance for the nine-month period ended on 30 September 2024 are not necessarily indicative of the results that can be anticipated for the year ending on 31 December 2024.

2-2 Basis of measurement

These condensed consolidated interim financial statements have been prepared under the historical cost basis, except:

- Financial instruments – investments at fair value through profit or loss and through other comprehensive income
- Employees’ defined benefits liabilities which are measured at present value using the projected unit credit method.

On 31 December 2019, the Capital Market Authority conducted a study on the appropriateness of continuing to use the cost model or allowing the use of the fair value model or revaluation options and made the following decisions:

- Listed companies are required to continue using the cost model to measure property and equipment (IAS16) and investment properties (IAS 40) in financial statements prepared for financial periods within fiscal years that begin before the calendar year 2022, and,
- Listed companies are allowed to choose the policy of using the fair value model for investment properties after initial measurement or the policy of using the revaluation model for property and equipment (IAS 16) after initial recognition in financial statements for financial periods within the fiscal year 2022 or later.
- The company did not choose the policy of using the fair value model for investment properties and continued to use the cost model

2-3 Functional and presentation currency

These condensed consolidated interim financial statements are presented in Saudi Riyal which is the Company’s functional and Group’s presentation currency.

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

3- USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management when applying the Group's accounting policies and the significant sources of uncertainties of the estimated were similar to those described in the Group's last annual consolidated financial statements.

4- BASIS OF CONSOLIDATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The group conducts a reevaluation to determine whether it exercises control over an investee or not when facts and circumstances indicate a change in control elements. Consolidation of the subsidiary begins when control over the subsidiary transferred to the group and ceases when the group loses such control. The assets, liabilities, income, and expenses of the acquired subsidiary are included in the condensed consolidated interim financial statements from the date control transfers to the group until the group ceases to exercise such control over the invested company.

Specifically, the Group exercises control over an investee only when, the Group has the following:

- Power 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 relation 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 results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the group. When necessary, adjustments are made to the financial statements of subsidiaries to be matched 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 transactions between companies' of the Group are eliminated upon consolidating the condensed consolidated interim financial statements.

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

| Name of subsidiary | Commercial Registration | Country of incorporation | Direct ownership (%) | |
|--|--------------------------------|---------------------------------|-----------------------------|-------------------------|
| | | | 30 September 2024 | 31 December 2023 |
| Growth Avenue Investment Company ("GAC") | 1010722193 | KSA | 100% | 100% |
| TPH Center for Domestic Workers ("TPH") | 729497 | UAE | 100% | 96% |

Subsidiaries owned by Growth Avenue Investment Company

| Name of subsidiary | Commercial Registration | Country of incorporation | Direct and indirect ownership (%) | |
|--|--------------------------------|---------------------------------|--|-------------------------|
| | | | 30 September 2024 | 31 December 2023 |
| Spectra Support Services Company ("Spectra") * | 1010393045 | KSA | 100% | 90% |
| Arabian Shifa Medical company * | 1010928711 | KSA | 100% | 85% |
| NABD for Logistics Services ("NABD") | 1010733797 | KSA | 100% | 100% |
| Professional Development Training Company | 1010753744 | KSA | 100% | 100% |
| Operations Sustainability Company Limited | 1010849985 | KSA | 100% | 100% |

*During the period ended 30 June 2024, Growth Avenue Company purchased the non-controlling interests in Spectra Support Services Company ("Spectra") and Arabian Shifa Medical company. As a result, there are no non-controlling interests in the group.

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

4- BASIS OF CONSOLIDATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

Subsidiaries owned by TPH Center for Domestic Workers

| Name of subsidiary | Commercial Registration | Country of incorporation | Direct and indirect ownership (%) | |
|---|----------------------------|-----------------------------|-----------------------------------|---------------------|
| | | | 30 September 2024 | 31 December 2023 |
| The Perfect Help LLC (“TPHL”) | 729497 | UAE | 100% | 100% |
| TPH Public Health Pest Control Services (“TBHC”) | 1338526 | UAE | 100% | 100% |
| MPL Building maintenance LLC (“MPL”) | 1344621 | UAE | 100% | 100% |
| Yalla Fix It One Person Company LLC (“Yalla”) | 1341927 | UAE | 100% | 100% |
| Musaned Cleaning Services Company (“Musaned”) | 1304819 | UAE | 100% | 100% |

The following are subsidiaries that have non-controlling interest in relation to the parent company who prepare the consolidated financial statements.

| Name of Subsidiary | Country of Incorporation | Proportion of ownership interests held by NCI | | Proportion of voting rights by NCI | |
|---|-----------------------------|--|---------------------|---------------------------------------|---------------------|
| | | 30 September 2024 | 31 December 2023 | 30 September 2024 | 31 December 2023 |
| Spectra Support Services Company (Spectra) | KSA | -- | 10% | -- | 10% |
| TPH Center for Domestic Workers | UAE | -- | 4% | -- | 4% |
| Arabian Shifa Medical company | KSA | -- | 15% | -- | 15% |

| Name of Subsidiary | Country of Incorporation | Comprehensive income allocated to NCI | | Non-controlling equity | |
|---|-----------------------------|--|----------------------|------------------------|---------------------|
| | | 30 September 2024 | 30 September 2023 | 30 September 2024 | 31 December 2023 |
| Spectra Support Services Company (Spectra) | KSA | (611,416) | (351,404) | -- | 253,301 |
| TPH Center for Domestic Workers | UAE | (45,334) | (310,051) | -- | (1,623,609) |
| Arabian Shifa Medical company | KSA | -- | (385,267) | -- | (1,336,668) |
| | | (656,750) | (1,046,722) | -- | (2,706,976) |

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

5- MATERIAL ACCOUNTING POLICIES INFORMATION

5-1 New Standards, Amendment to Standards and Interpretations:

There are new standards and number of amendments to standards which are effective from 1 January 2024, and have been explained in Group's annual Consolidated Financial Statements, but they do not have a material effect on the Group's Condensed Consolidated Interim Financial Statements as at 30 September 2024. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

6- ACCOUNT RECEIVABLES

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|---|---|-------------------------------|
| Account receivables | 376,859,728 | 313,471,478 |
| Amounts due from related parties (note 8) | 3,834,792 | 3,877,625 |
| Total account receivables | 380,694,520 | 317,349,103 |
| Less: expected credit losses | (48,732,900) | (48,068,887) |
| | 331,961,620 | 269,280,216 |

Movement in the expected credit losses for account receivables for the period / year:

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|---|---|-------------------------------|
| Balance at the beginning of the period / year | 48,068,887 | 35,649,063 |
| Charged for the period / year | 627,922 | 15,864,908 |
| Write off amounts for the period / year | -- | (3,445,084) |
| Recovered amounts for the period / year | 36,091 | -- |
| Balance at the end of period / year | 48,732,900 | 48,068,887 |

The aging of accounts receivable balance not impaired is shown below:

| | Past due but not impaired | | | | | |
|--------------------------------------|----------------------------------|------------------------------|------------------------|-------------------------|-------------------------|-------------------------------|
| | Total | Less than 90 days | 91-180 Days | 181-270 Days | 271-360 days | More than 360 days |
| 30 September 2024 (Unaudited) | 331,961,620 | 265,517,638 | 18,780,341 | 9,377,363 | 7,390,288 | 30,895,990 |
| 31 December 2023 (Audited) | 269,280,216 | 217,712,540 | 8,439,837 | 445,995 | 2,673,323 | 40,008,521 |

7- CONTRACT ASSETS

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

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|------------------------------|---|-------------------------------|
| Contract assets | 152,327,546 | 105,188,220 |
| Less: expected credit losses | (12,468,496) | (8,485,263) |
| Total | 139,859,050 | 96,702,957 |
| Current portion | 132,705,177 | 80,075,305 |
| Non-current portion | 7,153,873 | 16,627,652 |

Movement in the expected credit losses for contract assets for the period / year:

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|---|---|-------------------------------|
| Balance at the beginning of the period / year | 8,485,263 | 4,993 |
| Charged for the period / year | 3,983,233 | 8,480,270 |
| Balance at the end of period / year | 12,468,496 | 8,485,263 |

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

8- RELATED PARTIES TRANSACTIONS

Related parties of the Group include shareholders who have control or significant influence, key management personnel, and affiliated companies over which the shareholders have control or significant influence. Transactions with related parties are conducted under terms approved by the Company's Board of Directors. The Group and its related parties engage with each other in the normal course of business. Transactions and balances between the Company and its subsidiaries, as well as between subsidiaries, have been eliminated in the preparation of the condensed consolidated interim financial statements.

The following are details of transactions with related parties:

| | Nature of the transaction | Type of relationship | Transaction for the nine-month period ended 30 September | |
|-------------------------------------|---|----------------------|--|---------------------|
| | | | 2024 (Unaudited) | 2023 (Unaudited) |
| Board of directors | | Remunerations | 2,476,098 | 2,992,480 |
| | Board of directors | Payments | 2,759,968 | 2,870,000 |
| Care Shield Holding Company Limited | Associate | Manpower services | 8,794,613 | 5,488,696 |
| | | Collections | 8,770,650 | 5,006,950 |
| Saudi Medical Systems | Associate | Manpower services | 8,107,030 | 921,480 |
| | | Collections | 8,232,821 | -- |
| Yellow Mix Foundation | A party related to a member of the Board of Directors | Manpower services | -- | 127,478 |
| | | Collections | 40,320 | 94,743 |
| Sajaya Medical Care Company | A party related to a member of the Board of Directors | Manpower services | 337,526 | 300,981 |
| | | Collections | 360,890 | 138,355 |
| Other (*) | A party related to a member of the Board of Directors | Manpower services | 203,496 | 305,913 |
| | | Collections | 59,230 | 333,957 |

| <u>Due from related party (Note 6)</u> | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|---|--|---------------------------------------|
| KABI Technology company (Previously Bloovo limited company) | 1,648,460 | 1,648,460 |
| Saudi Medical Systems | 873,390 | 999,181 |
| Care Shield Holding Company Limited | 956,813 | 932,850 |
| Sajaya Medical Care Company | 189,493 | 212,857 |
| Yellow Mix Foundation | 16,159 | 56,479 |
| Other (*) | 150,477 | 27,798 |
| Total | 3,834,792 | 3,877,625 |

| <u>Due to related party</u> | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|------------------------------------|--|---------------------------------------|
| Board of directors (**) | 3,299,825 | 3,583,695 |

(*) Other parties include Abdulaziz Eida Muftah Alkithari Foundation for spare parts, Arabia Jazal Company and Gulf Elite company.

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

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

8- RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

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

| | For the three-month period ended 30 September | | For the nine-month period ended 30 September | |
|--|--|--------------------|---|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Salaries and short-term benefits | 1,678,243 | 1,532,944 | 8,174,702 | 6,623,708 |
| Long-term benefits | -- | -- | 480,792 | 480,792 |
| Total key management compensation | 1,678,243 | 1,532,944 | 8,655,494 | 7,104,500 |

9- PROPERTY AND EQUIPMENT

- As of 30 September 2024, the total cost of property and equipment amounted to **SAR 227.8 million** (31 December 2023: SAR 218.6 million), and the accumulated depreciation amounted to **SAR 97.4 million** (31 December 2023: SAR 91.6 million).
- As of 30 September 2024, the net book value of property and equipment amounted to **SAR 130.5 million** (31 December 2023: SAR 127 million).

10- EQUITY ACCOUNTED INVESTEEES

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

| | | Ownership percentage | | 30 September 2024 | 31 December 2023 |
|-------------------------------------|-------------------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|
| | Country of incorporation | 30 September 2024 | 31 December 2023 | (Unaudited) | (Audited) |
| Saudi Medical Systems Company | KSA | 40% | 40% | 418,659,849 | 452,299,413 |
| Care Shield Holding Limited Company | KSA | 41,36% | 41,36% | 345,871,707 | 330,113,463 |
| Silias Trading & Marketing Company | KSA | 20% | 20% | 3,100,617 | 3,172,992 |
| | | | | 767,632,173 | 785,585,868 |

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

| | 30 September 2024 | 31 December 2023 |
|---|------------------------------|-----------------------------|
| | (Unaudited) | (Audited) |
| As at the beginning of the period / year | 785,585,868 | 753,064,575 |
| The Group's Share of: | | |
| Share of profits of equity accounted investees | 61,259,804 | 55,585,021 |
| Amortization of the fair value of acquired assets | (12,601,284) | (16,907,467) |
| Amounts included in the condensed consolidated statement of profit or loss | 48,658,520 | 38,677,554 |
| Share in other comprehensive income of equity accounted investees | -- | 1,599,294 |
| Dividends | (66,612,215) | (7,755,555) |
| As at the end of the period / year | 767,632,173 | 785,585,868 |

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

11- LONG TERM LOANS

During 2022, the Group signed credit facility agreements (Shariah Compliance) with local banks for the purposes of financing capital expenditures, business expansion, acquisitions and financing operating expenses. The used of the facilities limit amounted to 562.6 million Saudi riyals. The facility agreements include a grace period ranging from two years to four years, depending on the type of facility used by the group, and a profit margin ranging from 0.07% to 3% in addition to SAIBOR, with a repayment period between three to five years after the end of the grace period.

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|---------------------|--|---|
| Current portion | 72,521,752 | 18,130,437 |
| Non-current portion | 490,085,958 | 544,477,273 |
| | 562,607,710 | 562,607,710 |

12- EMPLOYEES' DEFINED BENEFITS LIABILITIES

The movement in the employees' defined benefits liabilities for the period /year is as follows:

| | 30 September 2024 (Unaudited) | 31 December 2023 (Audited) |
|---|--|---|
| As at the beginning of the period / year | 95,227,910 | 83,877,102 |
| Current Service cost | 20,016,612 | 24,806,863 |
| Finance cost | 2,975,287 | 2,982,071 |
| Benefits paid during the period / year | (16,116,082) | (19,599,778) |
| Amounts recognized in consolidated statement of other comprehensive income | | |
| (Gain) / loss on re-measurements of employees' defined benefits liabilities | (3,695,932) | 3,161,652 |
| As at the end of the period / year | 98,407,795 | 95,227,910 |

13- SHARE CAPITAL

Authorized and issued share capital is divided into 475 million shares of SAR 1 per share (31 December 2023: 47.5 million shares valued at SAR 10 per share).

On 19 Dhul-Qadah 1444H (corresponding to 8 June 2023) the extraordinary general assembly approved the recommendation of the Board of Directors dated 14 Shaaban 1444H (corresponding to 6 March 2023) to increase the company's capital in order to support its financial position and financed by capitalizing SAR 100 million from the company's retained earnings. The company's capital increased by granting bonus shares, one share for every five shares resulted in 7.5 million shares and Allocating 2.5 million shares of the capital increase representing 5.3% of the total new capital as a treasury share for the purpose of establishing the Company's employee share program (long-term incentive plan).

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

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

14- DIVIDENDS

The Board of Directors with the mandate granted to it, in their meeting held on 20 Ramadan 1445H (corresponding to 30 March 2024), resolved to declare interim dividend for the second half of 2023 amounting to SAR 33.75 million (SAR 7.5 halala per share). These dividends were paid on 13 Shawwal 1445H, corresponding to 22 April 2024. Additionally the Board of Directors with the mandate granted to it, in their meeting held on 6 Safar 1446H (corresponding to 10 August 2024), resolved to declare interim dividend for the first half of 2024 amounting to SAR 31.5 million (SAR 7 halala per share). These dividends were paid on 21 Safar 1446H, corresponding to 25 August 2024.

The total dividend distribution during the period amounted to SAR 65,250,000. (30 September 2023: SAR 82,500,000).

15- EARNING PER SHARE

Basic earnings per share attributable to the shareholders of the Company is calculated based on the weighted average number of outstanding shares during the period.

| | For the three-month period ended September 30 | | For the nine-month period ended September 30 | |
|--|--|--------------------|---|--------------------|
| | 2023 | | 2023 | |
| | 2024 | (Unaudited) | 2024 | (Unaudited) |
| | (Unaudited) | (Restated Note 19) | (Unaudited) | (Restated Note 19) |
| Net income for the period attributable to shareholders of the Parent Company | 24,365,702 | 20,395,532 | 125,506,967 | 87,768,058 |
| Weighted average number of shares | 450,000,000 | 450,000,000 | 450,000,000 | 450,000,000 |
| Basic earnings per share | 0.05 | 0.05 | 0.28 | 0.20 |

Weighted average number of shares was retrospectively adjusted to reflect the impact of donation shares and their adjustment, Additionally, the effect of treasury shares has been excluded from these bonus shares.

The diluted earnings per share are the same as the basic earnings per share as the company has no diluted instruments.

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

16- SEGMENT INFORMATION

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

The following present revenue and profit information for the Group's operating segments for the three- and nine-months periods ended 30 September 2024, and 2023:

| | For the three-months period ended 30 September 2024 (Unaudited) | | | | | | |
|--|---|--------------------|------------------|--------------------|-------------------|--------------|-------------------|
| | Facility | | | | | | |
| | Corporate | Individual | Management | Other | Total | Eliminations | Total |
| Revenues | 415,544,289 | 106,890,993 | 28,853,027 | 42,327,977 | 593,616,286 | (35,212,857) | 558,403,429 |
| Cost of revenues | (364,953,975) | (97,169,420) | (24,323,839) | (43,775,981) | (530,223,215) | 35,212,857 | (495,010,358) |
| Gross profit / (Loss) | 50,590,314 | 9,721,573 | 4,529,188 | (1,448,004) | 63,393,071 | -- | 63,393,071 |
| General and administrative expenses | (12,295,426) | (7,673,628) | (2,866,303) | (1,683,250) | (24,518,607) | -- | (24,518,607) |
| Marketing expenses | (2,676,301) | (6,734,477) | (213,534) | (236,344) | (9,860,656) | -- | (9,860,656) |
| Expected credit losses charged | (1,913,743) | (820,176) | (1,542,084) | -- | (4,276,003) | -- | (4,276,003) |
| Profit / (loss) from Operations | 33,704,844 | (5,506,708) | (92,733) | (3,367,598) | 24,737,805 | -- | 24,737,805 |

| | For the three-months period ended 30 September 2023 (Unaudited) (Restated Note 19) | | | | | | |
|-------------------------------------|--|--------------|--------------|--------------|---------------|--------------|---------------|
| | Facility | | | | | | |
| | Corporate | Individual | Management | Other | Total | Eliminations | Total |
| Revenues | 334,273,183 | 107,032,135 | 32,485,634 | 16,754,091 | 490,545,043 | (19,055,611) | 471,489,432 |
| Cost of revenues | (285,951,328) | (94,927,266) | (29,657,605) | (18,048,403) | (428,584,602) | 19,055,611 | (409,528,991) |
| Gross profit / (Loss) | 48,321,855 | 12,104,869 | 2,828,029 | (1,294,312) | 61,960,441 | -- | 61,960,441 |
| General and administrative expenses | (12,542,833) | (4,885,034) | (2,488,995) | (3,923,815) | (23,840,677) | -- | (23,840,677) |
| Marketing expenses | (3,088,569) | (6,716,441) | (562,276) | 345,555 | (10,021,731) | -- | (10,021,731) |
| Expected credit losses charged | (3,863,539) | (4,571,819) | -- | -- | (8,435,358) | -- | (8,435,358) |
| Profit / (loss) from Operations | 28,826,914 | (4,068,425) | (223,242) | (4,872,572) | 19,662,675 | -- | 19,662,675 |

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

16- SEGMENT INFORMATION (Continued)

| For the nine-months period ended 30 September 2024 (Unaudited) | | | | | | |
|--|--------------------|-------------------|------------------------|--------------------|--------------------|-------------------------------|
| | Corporate | Individual | Facility Management | Other | Total | Eliminations* Total |
| Revenues | 1,185,079,087 | 318,746,139 | 84,174,269 | 114,715,877 | 1,702,715,372 | (88,689,756) 1,614,025,616 |
| Cost of revenues | (1,028,493,074) | (282,740,846) | (79,322,617) | (115,236,105) | (1,505,792,642) | 88,689,756 (1,417,102,886) |
| Gross profit / (loss) | 156,586,013 | 36,005,293 | 4,851,652 | (520,228) | 196,922,730 | -- 196,922,730 |
| General and administrative expenses | (37,683,269) | (21,822,080) | (8,748,523) | (5,862,208) | (74,116,080) | -- (74,116,080) |
| Marketing expenses | (7,310,865) | (10,971,841) | (879,852) | (469,178) | (19,631,736) | -- (19,631,736) |
| Expected credit losses charged | (775,194) | (332,226) | (3,503,735) | -- | (4,611,155) | -- (4,611,155) |
| Profit / (loss) from Operations | 110,816,685 | 2,879,146 | (8,280,458) | (6,851,614) | 98,563,759 | -- 98,563,759 |

| For the nine-months period ended 30 September 2023 (Unaudited) (Restated Note 19) | | | | | | |
|---|---------------|---------------|------------------------|--------------|-----------------|-------------------------------|
| | Corporate | Individual | Facility Management | Other | Total | Eliminations Total |
| Revenues | 985,281,077 | 334,951,374 | 98,904,702 | 26,537,134 | 1,445,674,287 | (49,563,069) 1,396,111,218 |
| Cost of revenues | (836,681,146) | (298,074,457) | (93,473,432) | (33,798,992) | (1,262,028,027) | 49,563,069 (1,212,464,958) |
| Gross profit / (Loss) | 148,599,931 | 36,876,917 | 5,431,270 | (7,261,858) | 183,646,260 | -- 183,646,260 |
| General and administrative expenses | (36,285,428) | (16,501,378) | (8,322,817) | (10,609,918) | (71,719,541) | -- (71,719,541) |
| Marketing expenses | (7,181,287) | (9,430,297) | (562,276) | (511,307) | (17,685,167) | -- (17,685,167) |
| Expected credit losses charged | (7,698,436) | (4,571,819) | -- | -- | (12,270,255) | -- (12,270,255) |
| Profit / (loss) from Operations | 97,434,780 | 6,373,423 | (3,453,823) | (18,383,083) | 81,971,297 | -- 81,971,297 |

* These eliminations represent revenue transactions between Maharah Company and its subsidiaries as of 30 September 2024.

- Given that the Group's activities rely on labor recruitment services and supplying labor services, and there is no direct connection to the Group's assets and liabilities, the Group's management considers it impractical to disclose information related to the total assets and liabilities associated with business segments.

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

16- SEGMENT INFORMATION (Continued)

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

For the three-months period ended 30 September 2024 (Unaudited)

| | KSA | UAE | Total |
|--|-------------------|--------------------|-------------------|
| Revenues | 549,470,666 | 8,932,763 | 558,403,429 |
| Cost of revenues | (490,586,208) | (4,424,150) | (495,010,358) |
| Gross profit | 58,884,458 | 4,508,613 | 63,393,071 |
| General and administrative expenses | (22,338,532) | (2,180,075) | (24,518,607) |
| Marketing expenses | (4,927,214) | (4,933,442) | (9,860,656) |
| Expected credit losses charged | (4,276,003) | -- | (4,276,003) |
| Profit / (loss) from Operations | 27,342,709 | (2,604,904) | 24,737,805 |

For the three-months period ended 30 September 2023 (Unaudited) (Restated Note 19)

| | KSA | UAE | Total |
|--|-------------------|--------------------|-------------------|
| Revenues | 458,892,079 | 12,597,353 | 471,489,432 |
| Cost of revenues | (402,547,354) | (6,981,637) | (409,528,991) |
| Gross profit | 56,344,725 | 5,615,716 | 61,960,441 |
| General and administrative expenses | (22,033,241) | (1,807,436) | (23,840,677) |
| Marketing expenses | (4,192,304) | (5,829,427) | (10,021,731) |
| Expected credit losses charged | (3,863,539) | (4,571,819) | (8,435,358) |
| Profit / (loss) from Operations | 26,255,641 | (6,592,966) | 19,662,675 |

For the nine-months period ended 30 September 2024 (Unaudited)

| | KSA | UAE | Total |
|--|--------------------|--------------------|--------------------|
| Revenues | 1,580,008,724 | 34,016,892 | 1,614,025,616 |
| Cost of revenues | (1,389,987,496) | (27,115,390) | (1,417,102,886) |
| Gross profit | 190,021,228 | 6,901,502 | 196,922,730 |
| General and administrative expenses | (68,869,826) | (5,246,254) | (74,116,080) |
| Marketing expenses | (13,645,202) | (5,986,534) | (19,631,736) |
| Expected credit losses charged | (4,611,155) | -- | (4,611,155) |
| Profit / (loss) from Operations | 102,895,045 | (4,331,286) | 98,563,759 |

For the nine-months period ended 30 September 2023 (Unaudited) (Restated Note 19)

| | KSA | UAE | Total |
|--|-------------------|--------------------|-------------------|
| Revenues | 1,355,612,728 | 40,498,490 | 1,396,111,218 |
| Cost of revenues | (1,182,806,997) | (29,657,961) | (1,212,464,958) |
| Gross profit | 172,805,731 | 10,840,529 | 183,646,260 |
| General and administrative expenses | (66,441,917) | (5,277,624) | (71,719,541) |
| Marketing expenses | (10,404,668) | (7,280,499) | (17,685,167) |
| Expected credit losses charged | (7,698,436) | (4,571,819) | (12,270,255) |
| Profit / (loss) from Operations | 88,260,710 | (6,289,413) | 81,971,297 |

As At 30 September 2024 (Unaudited)

| | KSA | UAE | Total |
|--|---------------|------------|---------------|
| Net book value of property and equipment | 129,554,117 | 926,468 | 130,480,585 |
| Total Assets | 1,815,992,750 | 29,865,943 | 1,845,858,693 |
| Total Liabilities | 1,203,541,359 | 19,289,553 | 1,222,830,912 |

As At December 31 2023 (Audited) (Restated Note 19)

| | KSA | UAE | Total |
|--|---------------|------------|---------------|
| Net book value of property and equipment | 125,540,617 | 1,451,273 | 126,991,890 |
| Total Assets | 1,717,652,898 | 29,688,311 | 1,747,341,209 |
| Total Liabilities | 1,145,417,114 | 35,319,684 | 1,180,736,798 |

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

17- CONTINGENT LIABILITIES

The Group's banks have issued, on its behalf, letters of guarantees of SAR 13.7 million on 30 September 2024, (SAR 58 million on 31 December 2023) on the execution of contracts, during the normal business cycle.

18- THE FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the Group's financial instruments that are measured at fair value.

| | Level 1 | Level 2 | Level 3 | Total |
|---|------------------|------------|------------------|------------------|
| <u>As At 30 September 2024 (Unaudited)</u> | | | | |
| Investments at fair value through profit or loss | 1,238,327 | -- | -- | 1,238,327 |
| Investments at fair value through other comprehensive income | -- | -- | 6,222,000 | 6,222,000 |
| <u>As At 31 December 2023</u> | | | | |
| Financial assets at fair value through profit or loss | 60,212,877 | 10,070,833 | -- | 70,283,710 |
| Financial assets at fair value through other comprehensive income | -- | -- | 11,496,186 | 11,496,186 |

19- RESTATEMENT ON COMPARATIVE FIGURES

- Financial assets at fair value through profit or loss as at 31 December 2023 amounting to SR 60,212,877 has been reclassified from Non- current assets to the Current asset.
- Contract asset as at 31 December 2023 amounting to SR 16,627,652 has been reclassified from Current asset to Non-current asset
- Retained deposits balance as at 31 December 2023 amounting to SR 22,794,346 has been reclassified from Current liabilities to Non-current liabilities.

| Condensed consolidated statement of financial position | As issued previously | Reclassification | Restated |
|---|----------------------|------------------|------------|
| <u>Current assets</u> | | | |
| Financial assets at fair value through profit or loss | -- | 60,212,877 | 60,212,877 |
| Contract assets | 96,702,957 | (16,627,652) | 80,075,305 |
| <u>Non-current assets</u> | | | |
| Financial assets at fair value through profit or loss | 70,283,710 | (60,212,877) | 10,070,833 |
| Contract assets – Noncurrent portion | -- | 16,627,652 | 16,627,652 |
| <u>Current liabilities</u> | | | |
| Retained deposits | 95,534,191 | (22,794,346) | 72,739,845 |
| <u>Non-current liabilities</u> | | | |
| Retained deposits– non-current portion | -- | 22,794,346 | 22,794,346 |

- Reclassification between cost of revenues and marketing expenses to be aligned with current period classification with no impact on the net profit, total comprehensive and equity for the period ended 30 September 2023.

| | | | |
|---|----------------------|------------------|------------------------|
| <u>Condensed consolidated statement of profit or loss</u> | | | |
| <u>For the three-months period ended 30 September 2023 (Unaudited)</u> | | | |
| | As issued previously | Reclassification | Restated |
| Cost of revenues | (414,676,302) | 5,147,311 | (409,528,991) |
| Marketing Expenses | (4,874,420) | (5,147,311) | (10,021,731) |
| <u>For the nine-months period ended 30 September 2023 (Unaudited)</u> | | | |
| | As issued previously | Reclassification | Restated |
| Cost of revenues | (1,217,612,269) | 5,147,311 | (1,212,464,958) |
| Marketing Expenses | (12,537,856) | (5,147,311) | (17,685,167) |

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(All amounts are in Saudi Riyal unless otherwise stated)

19- RESTATEMENT ON COMPARATIVE FIGURES (CONTINUED)

- e) As disclosed in the consolidated annual financial statements of the group for the year ended 31 December 2023, the Group carried out the study on purchase price allocation that resulted in adjustments to Comparative figures for fiscal year ended 31 December 2022, to adjust the temporary values for the group's share of the net assets of the acquired associate companies and adjust the group's share of these associate companies' results for the year 2022. These adjustments had a financial impact resulting in amendments to the comparative figures for the three- and nine-months period ended 30 September 2023, as follows:

| For the three-months period ended 30 September 2023 (Unaudited) | As issued previously | Restatements | Restated |
|--|-----------------------------|---------------------|-------------------|
| Share in results of equity accounted investees (*) | 14,242,280 | (4,200,428) | 10,041,852 |
| For the nine-months period ended 30 September 2023 (Unaudited) | As issued previously | Restatements | Restated |
| Share in results of equity accounted investees (*) | 43,637,959 | (12,601,284) | 31,036,675 |

(*) Recognition of the group's share from the amortization of fair value of acquired assets in the associate companies for the three- and nine-months period ended 30 September 2023.

Condensed consolidated statement of cash flows (Unaudited)

| For the nine-months period ended 30 September 2023 (Unaudited) | As issued previously | Restatements | Restated |
|---|-----------------------------|---------------------|-------------------|
| Share in results of equity accounted investees | 43,637,959 | (12,601,284) | 31,036,675 |

- f) Weighted average number of shares was retrospectively adjusted for comparative periods following the stock split, where the nominal value of the share was reduced from SAR 10 to SAR 1, and the company increased its share capital by issuing bonus shares to shareholders. Further, the impact of treasury shares was excluded from these bonus shares.

| For the three-months period ended 30 September 2023 (Unaudited) | As issued previously | Restated |
|--|-----------------------------|--------------------|
| Net income for the period attributable to shareholders of the Parent Company | 24,595,960 | 20,395,532 |
| Weighted average number of shares | 45,000,000 | 450,000,000 |
| Basic earnings per share | 0.55 | 0.05 |

| For the nine-months period ended 30 September 2023 (Unaudited) | As issued previously | Restated |
|--|-----------------------------|--------------------|
| Net income for the period attributable to shareholders of the Parent Company | 100,369,342 | 87,768,058 |
| Weighted average number of shares | 45,000,000 | 450,000,000 |
| Basic earnings per share | 2.23 | 0.20 |

20- SUBSEQUENT EVENTS

During October 2024, the Group entered into several agreements to reschedule certain long-term loans from local banks, totaling SAR 362.6 million as of 30 September 2024. As a result, the grace period for these loans was extended by an additional 18 months.

Except events mentioned above there are no significant subsequent events after the period ended that would require disclosure or adjustment in the Group's condensed consolidated interim financial statements.

21- APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements approved by the board of directors on 7 Jumada Al-Awwal 1446H (corresponding to 9 November 2024).