

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

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

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

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

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Report on review of condensed interim consolidated financial statements

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

Introduction:

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

Scope of review:

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

Conclusion:

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

Other matter:

The consolidated financial statements of the group for the year ended December 31, 2021, were reviewed by another auditor who expressed an unmodified opinion of those consolidated financial statements on Shaban 12, 1443H, (corresponding on March 15, 2022). Further, the company condensed interim consolidated financial statement for the six-month period ended June 30, 2021 were reviewed by another auditor who expressed an unmodified review conclusion on those condensed interim financial statements on Dhul-Hijja 29, 1442H (corresponding August 8, 2022).

Allied Accountants Professional services company



Mohammed Bin Farhan Bin Nader

License No. 435

Riyadh, Kingdom of Saudi Arabia

Muharram 15, 1444 H corresponding to (August 13, 2022)



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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
AS OF JUNE 30, 2022

	Notes	June 30, 2022 Saudi Riyal (Unaudited)	December 31, 2021 Saudi Riyal (Audited)
ASSETS			
Current assets			
Cash and cash equivalents		101,544,193	89,418,996
Murabaha time deposits		25,000,000	50,000,000
Accounts receivable	4	191,179,079	182,003,390
Contract assets	4	91,684,446	69,002,663
Prepayments and other current assets		240,101,706	250,084,559
Available visas		23,684,000	28,752,000
Total current assets		673,193,424	669,261,608
Non-current assets			
Accounts receivable, Long term	4	4,475,620	4,161,608
Property and equipment		124,845,522	125,379,127
Right-of-use assets		30,150,794	26,772,276
Intangible assets	6	8,172,808	7,642,586
Financial assets at fair value through profit or loss	8	96,979,515	99,574,659
Financial assets at fair value through other comprehensive income	9	13,985,656	-
Investment property	7	37,743,190	37,952,874
Investment in an associate		-	14,065,841
Other non-current assets		45,428,335	51,375,741
Total non-current assets		361,781,440	366,924,712
Total assets		1,034,974,864	1,036,186,320
LIABILITIES			
Current liabilities			
Accounts payable, accruals, and other current liabilities		185,188,015	175,655,310
Contract liabilities		93,996,806	90,498,609
Retained deposits		100,166,221	93,361,120
Zakat provision	10	8,560,562	16,606,102
Total current liabilities		387,911,604	376,121,141
Non-current liabilities			
Employees' defined benefits liabilities		81,122,583	75,140,482
Lease liabilities – non-current portion		19,480,664	13,972,841
Total non-current liabilities		100,603,247	89,113,323
Total liabilities		488,514,851	465,234,464
EQUITY			
Share capital	11	375,000,000	375,000,000
Statutory reserve		82,005,235	82,005,235
Other reserves		(14,622,161)	(11,357,161)
Retained earnings		103,796,807	126,790,673
Equity attributable to the Shareholders of the Parent Company		546,179,881	572,438,747
Non-controlling interests	1	280,132	(1,486,891)
Total equity		546,460,013	570,951,856
Total liabilities and equity		1,034,974,864	1,036,186,320

Chief executive officer

Vice President for
Finance and Investment

Executive Director of
Finance

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

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2022

	Notes	For the three-months period ended June 30		For the Six-months period ended June 30	
		2022	2021	2022	2021
		Saudi Riyal (Unaudited)	Saudi Riyal (unaudited)	Saudi Riyal (Unaudited)	Saudi Riyal (unaudited)
Revenues	14	409,286,132	322,615,186	790,561,387	644,228,752
Cost of revenues		<u>(353,238,977)</u>	<u>(268,760,141)</u>	<u>(685,488,366)</u>	<u>(535,202,276)</u>
Gross Profit		56,047,155	53,855,045	105,073,021	109,026,476
General and administrative expenses		(22,118,167)	(14,583,513)	(44,728,905)	(31,458,331)
Marketing expenses		(3,150,568)	(1,682,040)	(6,508,257)	(4,360,800)
Expected credit Losses (Reversal)	4	<u>(592,798)</u>	4,350,742	<u>(708,791)</u>	2,228,973
Operating profit		30,185,622	41,940,234	53,127,068	75,436,318
Other income		1,347,347	1,553,225	2,865,702	3,392,312
Finance cost		(567,528)	(398,508)	(722,428)	(573,836)
Share in results of an associate company	9	-	(1,198,354)	(80,185)	(1,096,379)
Net gain on financial assets at FVTPL	8	<u>(1,567,725)</u>	224,957	<u>2,799,879</u>	304,109
Profit before zakat		29,397,716	42,121,554	57,990,036	77,462,524
Zakat	10	<u>(3,322,395)</u>	<u>(3,554,489)</u>	<u>(7,468,394)</u>	<u>(7,828,298)</u>
Profit for the period		<u>26,075,321</u>	<u>38,567,065</u>	<u>50,521,642</u>	<u>69,634,226</u>
Net income for the period attributable to:					
Shareholders of the Parent Company		27,187,235	38,714,417	52,006,134	70,031,158
Non-controlling interests		<u>(1,111,914)</u>	<u>(147,352)</u>	<u>(1,484,492)</u>	<u>(396,932)</u>
		<u>26,075,321</u>	<u>38,567,065</u>	<u>50,521,642</u>	<u>69,634,226</u>
Basic and diluted earnings per share:					
Net income per share attributable to Shareholders of the Parent Company	13	<u>0.72</u>	<u>1.03</u>	<u>1.39</u>	<u>1.87</u>

Chief executive officer

Vice President for
Finance and Investment

Executive Director of
Finance

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND SIX-MONTHS PERIODS ENDED JUNE 30, 2022**

	For the three-months period ended June 30		For the Six-months period ended June 30	
	2022 Saudi Riyal (Unaudited)	2021 Saudi Riyal (Unaudited)	2022 Saudi Riyal (Unaudited)	2021 Saudi Riyal (Unaudited)
Profit for the period	26,075,321	38,567,065	50,521,642	69,634,226
<u>Other comprehensive loss:</u>				
Item that will not be reclassified to consolidated statement of profit or loss:				
Re-measurements employees' defined benefits liabilities	<u>(3,265,000)</u>	<u>(3,809,630)</u>	<u>(3,265,000)</u>	<u>(4,100,000)</u>
Other comprehensive loss for the period	<u>(3,265,000)</u>	<u>(3,809,630)</u>	<u>(3,265,000)</u>	<u>(4,100,000)</u>
Total comprehensive income for the period	<u>22,810,321</u>	<u>34,757,435</u>	<u>47,256,642</u>	<u>65,534,226</u>
Total comprehensive income for the period attributable to:				
Shareholders of the Parent Company	23,922,235	34,904,787	48,741,134	65,931,158
Non-controlling interests	<u>(1,111,914)</u>	<u>(147,352)</u>	<u>(1,484,492)</u>	<u>(396,932)</u>
	<u>22,810,321</u>	<u>34,757,435</u>	<u>47,256,642</u>	<u>65,534,226</u>

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MAHARAH FOR HUMAN RESOURCES COMPANY
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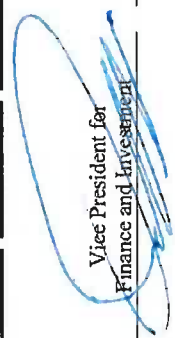
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	Equity attributable to the Shareholders of the Parent Company						Non-controlling interests		Total equity
	Share capital	Statutory reserve	Other Reserves	Retained earnings	Total	Saudi Riyal		Saudi Riyal	
						Saudi Riyal	Saudi Riyal		
For the Six-months period ended June 30, 2021									
Balance as at January 1, 2021	375,000,000	67,512,731	(9,446,161)	125,989,840	559,056,410	(3,526,949)		555,529,461	
Profit for the period	-	-	-	70,031,158	70,031,158	(396,932)		69,634,226	
Other comprehensive loss for the period	-	-	(4,100,000)	-	(4,100,000)	-		(4,100,000)	
Total Comprehensive income for the period	-	-	(4,100,000)	70,031,158	65,931,158	(396,932)		65,534,226	
Interim dividends	-	-	-	(75,000,000)	(75,000,000)	-		(75,000,000)	
Balance as at June 30, 2021	375,000,000	67,512,731	(13,546,161)	121,020,998	549,987,568	(3,923,881)		546,063,687	
For the Six-months period ended June 30, 2022									
Balance as at January 1, 2022	375,000,000	82,005,235	(11,357,161)	126,790,673	572,438,747	(1,486,891)		570,951,856	
Profit for the period	-	-	-	52,006,134	52,006,134	(1,484,492)		50,521,642	
Other comprehensive loss for the period	-	-	(3,265,000)	-	(3,265,000)	-		(3,265,000)	
Total Comprehensive income for the period	-	-	(3,265,000)	52,006,134	48,741,134	(1,484,492)		47,256,642	
Movement in non-controlling interest	-	-	-	-	-	3,251,515		3,251,515	
Interim dividends	-	-	-	(75,000,000)	(75,000,000)	-		(75,000,000)	
Balance as at June 30, 2022	375,000,000	82,005,235	(14,622,161)	103,796,807	546,179,881	280,132		546,460,013	

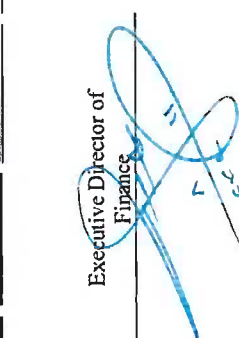
Chief executive officer



Vice President for Finance and Investment



Executive Director of Finance



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

MAHARAH FOR HUMAN RESOURCES COMPANY
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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	For the Six-months period ended June 30	
	2022 Saudi Riyal	2021 Saudi Riyal
OPERATING ACTIVITIES:		
Profit for the period before zakat	57,990,036	77,462,524
Adjustments for non-cash items:		
Employees' defined benefits liabilities charged	10,697,483	9,822,358
Expected credit Losses (Reversal)	708,791	(2,228,973)
Depreciation of property and equipment	6,625,918	7,514,261
Depreciation of investment properties	245,520	-
Depreciation of right-of-use assets	6,767,097	4,552,704
Amortization of intangible assets	312,911	185,208
Share in results of an associate company	80,185	1,096,379
Net gain on financial assets at FVTPL	(2,799,879)	(304,109)
Finance costs	722,428	573,836
Profit from Murabaha time deposits	(476,169)	(678,636)
Reversal of accrued salaries no longer payable	(353,629)	(1,083,560)
Gain on disposal of property and equipment	(54,188)	(206,254)
	<u>80,466,504</u>	<u>96,705,738</u>
Changes in working capital:		
Accounts receivable	(10,249,136)	27,663,255
Contract assets	(22,630,575)	(1,914,938)
Prepayments and other current assets	17,078,840	17,875,680
Available visas	5,068,000	1,956,000
Accounts payable, accruals and other current liabilities	8,369,706	(15,620,581)
Contract liabilities	3,498,197	(6,435,516)
Retained deposits	6,805,101	(2,150,515)
Cash generated from operations	<u>88,406,637</u>	<u>118,079,123</u>
Zakat paid	(15,513,934)	(13,436,472)
Employees' defined benefits obligations paid	(8,269,211)	(5,980,359)
Net cash flows from operating activities	<u>64,623,492</u>	<u>98,642,292</u>
INVESTING ACTIVITIES:		
Movements in Murabaha time deposits, net	25,476,169	260,678,636
Purchase of property and equipment	(5,949,605)	(5,082,980)
Additions to investment property	(35,836)	(3,157,517)
Additions to intangible assets	(23,583)	-
Proceeds from disposal financial assets at FVTPL	5,395,023	-
Non-Controlling interest	3,381,141	-
Proceeds from disposal of property and equipment	234,086	216,614
Additions to financial assets at FVTPL	-	(99,944,280)
Net cash flows from investing activities	<u>28,477,395</u>	<u>152,710,473</u>
FINANCING ACTIVITIES:		
Dividends paid	(75,000,000)	(75,000,000)
Payment of lease liabilities	(5,975,690)	(4,443,687)
Net cash flows used in financing activities	<u>(80,975,690)</u>	<u>(79,443,687)</u>
Net changes in cash and cash equivalents	12,125,197	171,909,078
Cash and cash equivalents at January 1,	89,418,996	57,909,641
Cash and cash equivalents at June 30,	<u>101,544,193</u>	<u>229,818,719</u>
Non - Cash transaction		
Right-of-use assets and Lease liabilities	10,572,313	3,617,738
Transfer investment in associate company to financial assets at FVTOCI	13,985,656	-
Good arising on acquisition	819,550	-

Chief executive officer

Vice President for
Finance and Investment

Executive Director of
Finance

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

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

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022**

1 GROUP ACTIVITIES AND INFORMATION

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

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

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

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

Spectra

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

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

GAC

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

Subsidiary owned by GAC

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

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

(**) On 10 Jumada Althani 1443H (corresponding to January 13, 2022), the Company acquired 85% ownership of Arabian Shifa Medical company. Arabian Shifa Medical company is a limited liability company registered in Riyadh, KSA under commercial registration numbered 1010928711 and dated 23 Rabi Alawal 1439H (corresponding to December 11, 2017). Arabian Shifa Medical company is licensed in medical operations of hospitals, providing home medical care services, mobile clinics, pain relief centers, telemedicine centers (Note 16).

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

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

1 GROUP ACTIVITIES AND INFORMATION (CONTINUED)

Subsidiary owned by GAC (CONTINUED)

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

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

Musanid

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

TPH Center for Domestic Workers

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

Subsidiary owned by TPH

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

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

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

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

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

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

1 GROUP ACTIVITIES AND INFORMATION (CONTINUED)

Subsidiary owned by TPH (Continued)

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

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

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

Name of Subsidiary	Country of incorporation	Proportion of ownership interests held by NCI		Proportion of voting rights by NCI		Profit / loss allocated to NCI Saudi Riyal		Accumulated NCI at the end of the reporting period Saudi Riyal	
		June 30	December 31	June 30	December 31	June 30	June 30	June 30	December 31
		2022	2021	2022	2021	2022	2021	2022	2021
Spectra Support Services Company ("Spectra")	KSA	10%	10%	10%	10%	(1,069,105)	-	1,839,207	2,908,311
Musanid Cleaning Services Company ("Musanid")	UAE	-	15%	-	15%	-	(396,932)	-	(4,395,202)
TPH Center for Domestic Workers ("TPH")	UAE	4%	-	4%	-	(39,933)	-	(1,053,995)	-
Arabian Shifa Medical company	KSA	15%	-	15%	-	(375,454)	-	(505,080)	-
						(1,484,492)	(396,932)	280,132	(1,486,891)

2 BASIS OF PREPARATION

2-1 Statement of Compliance

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

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

The results for the period are not indicative of the annual results for the Company.

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

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

2 BASIS OF PREPARATION (CONTINUED)

2-1 Statement of Compliance (Continued)

Basis of measurement and functional currency

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

2-2 Basis of consolidation of interim condensed financial statements

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

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

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

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reference to the Conceptual Framework – Amendments to IFRS 3

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

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

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

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

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

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

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

4 ACCOUNT RECEIVABLES AND CONTRACT ASSETS

	June 30, 2022 Saudi Riyal	December 31, 2021 Saudi Riyal
Account receivables		
Account receivables	266,442,565	258,040,194
Amounts due from related parties (note 5)	2,318,017	3,215,061
Total account receivables	268,760,582	261,255,255
Less: expected credit loss	(73,105,883)	(75,090,257)
Net account receivables	195,654,699	186,164,998
Less: Non – current portion (*)	4,475,620	4,161,608
Current portion (**)	191,179,079	182,003,390

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

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

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

	June 30, 2022 Saudi Riyal	December 31, 2021 Saudi Riyal
Account receivables	256,510,325	247,260,451
Less: expected credit loss	(65,331,246)	(65,257,061)
Net current portion	191,179,079	182,003,390

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4 ACCOUNT RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

Movement in the expected credit losses is shown below:

	For the Three-months period ended June 30		For the Six-months period ended June 30	
	2022	2021	2022	2021
	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal
At the beginning of the period	75,315,017	73,355,887	75,090,257	70,770,668
Relate to business combination (Note 16)	-	-	72,564	-
(Reversal) Charged for the period	607,803	(5,012,176)	759,999	(2,426,957)
Write off amounts	(2,816,937)	-	(2,816,937)	-
As at the end of period	73,105,883	68,343,711	73,105,883	68,343,711

The ageing of unimpaired accounts receivable is shown below:

	Total	Neither past due nor impaired	Past due but not impaired			
			Less than 90 days	90-180 Days	180-360 days	More than 360 days
	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal
June 30, 2022	195,654,699	80,542,526	56,670,608	26,564,347	10,625,739	21,251,479
December 31, 2021	186,164,998	76,636,029	53,921,954	25,275,916	10,110,366	20,220,733

Contract assets

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

	June 30, 2022	December 31, 2021
	Saudi Riyal	Saudi Riyal
Contract assets	91,690,945	69,060,370
Less: expected credit loss provision	(6,499)	(57,707)
Total	91,684,446	69,002,663

Movement in the provision for expected credit losses is shown below:

	For the Three-months period ended June 30		For the Six-months period ended June 30	
	2022	2021	2022	2021
	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal
At the beginning of the period	21,504	1,846,371	57,707	2,309,821
(Reversal) Charged for the period	(15,005)	661,434	(51,208)	197,984
As at the end of period	6,499	2,507,805	6,499	2,507,805

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5 RELATED PARTIES TRANSACTIONS AND BALANCES

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

	For the Three-months period ended		For the Six-months period ended	
	2022 Saudi Riyal	2021 Saudi Riyal	2022 Saudi Riyal	2021 Saudi Riyal
Salaries and other short-term benefits	2,973,310	3,700,496	5,654,434	6,979,718
End of service benefits	593,810	200,425	930,247	425,555
Total key management compensation	3,567,120	3,900,921	6,584,681	7,405,273

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

	Nature of the transaction	Type of relationship	Transaction for the Six-months period ended June 30	
			2022 Saudi Riyal	2021 Saudi Riyal
Directors	Board of directors	Remunerations	1,465,000	1,524,445
		Payments	-	2,987,500
KABI Technology company (Previously Bloovo limited company)	Associate	Rents	321,221	1,220,594
		Collection	-	759,980
Yellow Mix Foundation	Affiliate	Manpower services	100,594	-
		Collection	71,559	-
Mozn Systems for Communication and Information Technology	Affiliate	Manpower services	390,899	463,240
Zawaya investment company	Affiliate	Manpower services	219,927	270,129
		Collection	301,210	-
Arabian Shifa Medical company	Affiliate/ subsidiary	Manpower services	-	38,364
		Collection	-	19,182
Other	Affiliate	Manpower services	197,557	201,923
		Collection	179,747	164,246

	June 30, 2022 Saudi Riyal	December 31, 2021 Saudi Riyal
Due from related party (Note 4)		
KABI Technology company (Previously Bloovo limited company)	1,648,460	1,327,239
Mozn Systems for Communication and Information Technology	390,899	-
Yellow Mix Foundation	40,961	11,927
Zawaya investment company	219,927	-
Arabian Shifa Medical company	-	1,574,725
Other (*)	17,770	301,170
Total	2,318,017	3,215,061

	June 30, 2022 Saudi Riyal	December 31, 2021 Saudi Riyal
Due to related party		
Board of directors (***)	4,394,999	2,929,999

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5 RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

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

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

On 10 Jumada Althani 1443H (corresponding to 13 January 2022), the Company acquired 85% ownership of Arabian Shifa Medical Company (see Note 16 for details).

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

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

6 INTANGIBLE ASSETS

	June 30, 2022	December 31, 2021
	Saudi Riyal	Saudi Riyal
Intangible assets – Goodwill *	<u>5,269,787</u>	4,450,237
Intangible assets – Other	<u>2,903,021</u>	3,192,349
	<u>8,172,808</u>	<u>7,642,586</u>

* The goodwill are as follows:

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

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

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

(***) On 10 Jumada Althani 1443H (corresponding to January13, 2022), GAC (a "subsidiary") has acquired an 85% ownership of Arabian Shifa Medical company. The total consideration amounted to SR 85,000. The acquisition was accounted for using the purchase method of accounting. Fair value of net liabilities acquired amounted to SR 734,550 which resulted to a goodwill of SR 819,550. Arabian Shifa Medical company is licensed in medical operations of hospitals, providing home medical care services, mobile clinics, pain relief centers, telemedicine centers (Note 16).

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

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7 INVESTMENT PROPERTY

As at June 30, 2022 the investment property of the group includes Land and Building amounted SR 37,7 million (December 31, 2021: SR 37,9 million) Management has intention to hold this property for the purpose of rental income. These properties are carried at cost less impairment, if any.

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

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

Financial assets at FVTPL comprises of the following:

	June 30, 2022	December 31, 2021
	Saudi Riyal	Saudi Riyal
Investment funds – Liquidity (A)	39,645,217	40,389,291
Investment funds – Sukuk (B)	39,422,166	39,545,245
Quoted equity securities (C)	17,912,132	19,640,123
Total	96,979,515	99,574,659

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

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

(C) These represent investments in equity securities in various companies listed on the Saudi Stock Exchange (Tadawul).

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

	For the Three-months period ended June 30		For the Six-months period ended June 30	
	2022	2021	2022	2021
	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal
Cost				
As at the beginning of the period	98,028,898	30,000,000	98,571,697	30,000,000
Additions	-	99,944,280	-	99,944,280
Disposals	(4,852,224)	-	(5,395,023)	-
As at the end of the period	93,176,674	129,944,280	93,176,674	129,944,280
Revaluation adjustments				
As at the beginning of the period	5,370,566	3,507,908	1,002,962	3,428,756
Net profit during the period	(1,567,725)	224,957	2,799,879	304,109
As at the end of the period	3,802,841	3,732,865	3,802,841	3,732,865
Net book value	96,979,515	133,677,145	96,979,515	133,677,145

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9 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

10 ZAKAT PROVISION

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

	For the Three-months period ended June 30		For the Six-months period ended June 30	
	2022 Saudi Riyal	2021 Saudi Riyal	2022 Saudi Riyal	2021 Saudi Riyal
As at the beginning of the period	20,372,670	20,750,532	16,606,102	16,476,723
Provision for the period	3,322,395	3,554,489	7,468,394	7,828,298
Paid during the period	(15,134,503)	(13,456,472)	(15,513,934)	(13,456,472)
As at the end of the period	8,560,562	10,848,549	8,560,562	10,848,549

Zakat assessments

The Parent Company

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

Subsidiaries

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

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

11 SHARE CAPITAL

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

12 DIVIDENDS

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

The Company's Board of Directors, in their meeting held on 3 Sha'aban 1442H (corresponding to March 16, 2021), resolved to declare interim dividends for the second half of 2020 amounting to SR 75 million (SR 2 per share) which was paid on 23 Sha'aban 1442H (corresponding to April 5, 2021). The Board of Directors presented it to the shareholders and approved in their Annual General meeting held on 5 Dhul-Qadah 1442H (corresponding to June 15, 2021). The Board of Directors presented this to the shareholders and approved it at the annual general assembly meeting held on 5 DhulQidah 1442H (corresponding to June 15, 2021).

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13 EARNING PER SHARE

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

14 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:

For the Three-months period ended June, 30 2022					
	Corporate	Individual	Facility Management	Other	Total
	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal
Revenues	260,841,810	128,217,419	38,250,610	744,119	428,053,958
Cost of revenues	(223,531,815)	(104,263,076)	(41,161,362)	(3,050,550)	(372,006,803)
Gross profit	37,309,995	23,954,343	(2,910,752)	(2,306,431)	56,047,155
General and administrative expenses	(9,552,782)	(7,415,850)	(2,896,962)	(2,252,573)	(22,118,167)
Marketing expenses	(1,572,067)	(1,405,480)	(147,487)	(25,534)	(3,150,568)
Expected credit losses	(117,995)	(226,160)	(248,643)	-	(592,798)
Operating profit	26,067,151	14,906,853	(6,203,844)	(4,584,538)	30,185,622
For the Three-months period ended June, 30 2021					
	Corporate	Individual	Facility Management	Other	Total
	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal
Revenues	230,329,418	92,285,768	-	-	322,615,186
Cost of revenues	(197,165,433)	(71,594,708)	-	-	(268,760,141)
Gross profit	33,163,985	20,691,060	-	-	53,855,045
General and administrative expenses	(8,316,540)	(6,266,973)	-	-	(14,583,513)
Marketing expenses	(847,549)	(834,491)	-	-	(1,682,040)
(Reversal) expected credit losses	2,888,862	1,461,880	-	-	4,350,742
Operating profit	26,888,758	15,051,476	-	-	41,940,234
For the Six-months period ended June, 30 2022					
	Corporate	Individual	Facility Management	Other	Total
	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal
Revenues	497,499,572	249,946,398	78,145,706	993,223	826,584,899
Cost of revenues	(432,598,916)	(202,952,659)	(82,129,271)	(3,831,032)	(721,511,878)
Gross profit	64,900,656	46,993,739	(3,983,565)	(2,837,809)	105,073,021
General and administrative expenses	(20,243,946)	(14,541,107)	(5,978,849)	(3,965,003)	(44,728,905)
Marketing expenses	(3,339,215)	(2,799,604)	(338,879)	(30,559)	(6,508,257)
Expected credit losses	(460,148)	-	(248,643)	-	(708,791)
Operating profit	40,857,347	29,653,028	(10,549,936)	(6,833,371)	53,127,068
For the Six-months period ended June, 30 2021					
	Corporate	Individual	Facility Management	Other	Total
	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal
Revenues	463,267,667	180,961,085	-	-	644,228,752
Cost of revenues	(395,574,182)	(139,628,094)	-	-	(535,202,276)
Gross profit	67,693,485	41,332,991	-	-	109,026,476
General and administrative expenses	(19,149,914)	(12,308,417)	-	-	(31,458,331)
Marketing expenses	(2,398,510)	(1,962,290)	-	-	(4,360,800)

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(Reversal) expected credit losses	1,261,048	967,925	-	-	2,228,973
Operating profit	47,206,109	28,030,209	-	-	75,436,318

14 SEGMENT INFORMATION (CONTINUED)

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

The amounts shown are amounts contain the internal transactions between the company's segments.

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

	KSA Saudi Riyal	UAE Saudi Riyal	Total Saudi Riyal
For the Three-months period ended June, 30 2022			
Revenues	397,621,130	11,665,002	409,286,132
Cost of revenues	(342,736,212)	(10,502,765)	(353,238,977)
Gross profit	54,884,918	1,162,237	56,047,155
General and administrative expenses	(20,417,028)	(1,701,139)	(22,118,167)
Marketing expenses	(2,445,504)	(705,064)	(3,150,568)
Expected credit losses	(592,798)	-	(592,798)
Operating profit	31,429,588	(1,243,966)	30,185,622

	KSA Saudi Riyal	UAE Saudi Riyal	Total Saudi Riyal
For the Three-months period ended June, 30 2021			
Revenues	313,367,892	9,247,294	322,615,186
Cost of revenues	(261,666,504)	(7,093,637)	(268,760,141)
Gross profit	51,701,388	2,153,657	53,855,045
General and administrative expenses	(12,032,177)	(2,551,336)	(14,583,513)
Marketing expenses	(1,153,108)	(528,932)	(1,682,040)
(Reversal) expected credit losses	4,350,742	-	4,350,742
Operating profit	42,866,845	(926,611)	41,940,234

	KSA SR	UAE SR	Total SR
For the Six-months period ended June, 30 2022			
Revenues	765,608,719	24,952,668	790,561,387
Cost of revenues	(664,082,655)	(21,405,711)	(685,488,366)
Gross profit	101,526,064	3,546,957	105,073,021
General and administrative expenses	(40,985,092)	(3,743,813)	(44,728,905)
Marketing expenses	(5,218,810)	(1,289,447)	(6,508,257)
Expected credit losses	(708,791)	-	(708,791)
Operating profit	54,613,371	(1,486,303)	53,127,068

	KSA SR	UAE SR	Total SR
For the Six-months period ended June, 30 2021			
Revenues	625,574,642	18,654,110	644,228,752
Cost of revenues	(520,649,937)	(14,552,339)	(535,202,276)
Gross profit	104,924,705	4,101,771	109,026,476
General and administrative expenses	(26,552,131)	(4,906,200)	(31,458,331)
Marketing expenses	(3,231,859)	(1,128,941)	(4,360,800)
(Reversal) expected credit losses	2,228,973	-	2,228,973
Operating profit	77,369,688	(1,933,370)	75,436,318

As at June, 30 2022

	KSA Saudi Riyal	UAE Saudi Riyal	Total Saudi Riyal
Net book value of property and equipment	122,046,538	2,798,984	124,845,522
Total Assets	1,001,224,535	33,750,329	1,034,974,864
Total Liabilities	462,848,925	25,665,926	488,514,851

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

	As at December, 31 2021		
	KSA Saudi Riyal	UAE Saudi Riyal	Total Saudi Riyal
Net book value of property and equipment	122,115,735	3,263,392	125,379,127
Total Assets	1,023,501,600	12,684,720	1,036,186,320
Total Liabilities	409,253,306	55,981,158	465,234,464

15 CONTINGENT LIABILITIES

The Group's banks have issued, on its behalf, guarantees amounting to SR 5 million (31 December 2021: SR 6.4 million) in respect of contract performance, in the normal course of business

16 BUSINESS COMBINATION

Arabian Shifa Medical company ("Shifa")

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

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

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

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

Spectra

Effective 25 Dhu Al-Hijjah 1442H (corresponding to August 4, 2021), the Company completed the procedures for acquiring 90% of the ownership of Spectra Support Services Company ("Spectra"), a related party, for a consideration of SR 17.1 million. The carrying value of Spectra's net assets amounted to SR 31.3 million. On

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

17 SUBSEQUENT EVENTS

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

18 COMPARATIVE FIGURES

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

19 APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated financial statements approved by the board of directors on Muharram 15, 1444 H corresponding to (August 13, 2022).