



# An ambitious strategy that boosts growth



شركة مهارة  
للموارد البشرية  
Maharah Human  
Resources Company





The Custodian of the Two Holy Mosques

**King Salman bin Abdulaziz Al Saud**



His Royal Highness

Crown Prince and Prime Minister

**Mohammed bin Salman  
bin Abdulaziz Al Saud**



## Dear Shareholders and Partners,

On behalf of myself and all Board members, it is my pleasure to present to you our 2022G annual report. The report includes our milestones of success and real achievements, spanning another chapter of performance that balances between keeping and developing the current work paths in accordance with the company strategy and its pivotal application pillars. We constantly endeavor to expand and diversify our investment projects portfolio, by targeting entry level into new sectors to achieve more sustainable returns and profits for all our shareholders and partners. Our achievements are demonstrated with facts and figures that pinpoint further growth and development and confirm the position and presence of "Maharah" as a leader in the human resources market in the Kingdom and the region.

During 2022 and in line with our strategic plan, we strived to enter into new sectors such as the governmental and petrochemical sectors such as "SABIC" and Saudi Bin Ladin Group Company, attracting strategic customers. We also continued to

provide an array of extraordinary services such as those provided by the Training Academy which renders the labor force with training programs and courses, the first of its kind in the region. In addition to our achievements in various and promising investments portfolio, Maharah has come a long way in implementing its geographical expansion strategy via entering into new markets and realizing growth through the acquisition of companies at the local and regional levels. Our employment methodology has been re-organized; the roles and duties have been re-structured, and the concept of equal opportunity has been applied in line with the experiences, qualifications and competencies and has been aligned with due financial and professional rights, in accordance with accurate and local and global standard comparisons.

Leveraging our leading and distinct presence and position in the human resources sector in the Kingdom, we continued to activate and develop our communication relationships with the legislators and stakeholders to provide all forms of support

required to develop and support a vital and important human resources sector in the Kingdom. We also continued to develop and activate our relationships with all shareholders and partners, informing them of all developmental and investment activities and events, while providing them with the most important information and data that are related to the company performance at all levels. We are committed to applying the highest criteria to enhance governance and compliance.

As part of our future vision, we have contracted with one of the finest international specialized companies to set up a strategy for the next five years. We are now very close to celebrating the tenth anniversary of the establishment of our prominent lofty edifice locally and regionally. Therefore, we aspire to develop the company bidding paths and continue our growth and successful investment in the future based on an ambitious strategy

Finally, I would like to take this opportunity to express my sincere thanks and gratitude to all our shareholders and partners, for their precious trust, which has significantly contributed to our success in realizing great achievements at the internal and external levels alike. I would also like to extend my sincere appreciation to our Board of Directors for their continuous support and valuable directions in all stages of our work at all levels. Special thanks to all the employees of the company at their different functional levels and roles, as they have been vitally very loyal in implementing all the vision and plans of the company.

Chairman of the Board of Directors

**Suleiman bin Abdulaziz Almajed**





### Dear Shareholders and Partners,

I am pleased to present to you our annual report for the year 2022, the administrative, financial, and operational performance results that are reflected in a set of figures and facts that pinpoint our outstanding achievements and success. We are adding another year of growth and excellence to our track record that spans real stories of success and milestones of our distinct march, while we are getting very close to celebrate our tenth anniversary.

While seeking to diversify the sources of manpower, and to avoid any emergencies that are beyond control, we succeeded in entering into new human labor markets, enabling us to provide qualified and experienced manpower with greater resiliency and ability to meet the requirements of the entire diversified segments of our customers. With this, we aim at avoiding any emergent global closure due to a pandemic or a political event. In this context, we are leveraging our pioneer experience that we gained from the Covid pandemic and its repercussions, which resulted in complete and intermittent closure across most of the markets worldwide. The average monthly workforce arrival to the Kingdom was at its highest levels in 2022G.

During 2022, we worked on expanding our customers base in the business and individuals sectors. We also worked to expand geographically to all the cities across the Kingdom and satisfy the service needs of our customers. We also focused on attracting strategic customers in the business sector, and accordingly, we signed strategic contracts to provide qualified manpower. In addition, we worked on implementing our strategic plan to capture investment opportunities in promising sectors that align with our services. In 2022, the company launched the Saudi support services, which enhanced our position as a leader in the field of providing manpower services. Furthermore, we designed specialized training programs that aim at upgrading the manpower skill level that serve our customers in the individuals sector. Programs that target acquiring new skills by our manpower were launched by the Academy which we have established. In the next phase, we will study the methods and opportunities of providing the services of the academy to various potential customers, whether human resource providers or otherwise.

We continued to implement our ambitious strategy to invest in the transformation of human capital, through developing a mechanism for attracting human resources, with the help of a reputable advisory firm specialized in the human resources field. In 2022, we worked on developing the performance measurement system which is based on the balanced scoreboard and conducting a set of developmental programs and qualification courses for the leaders of the company. We have activated the annual incentives program that is based on achieving the targets.

In pursuit to support all our work teams in our branches across the Kingdom, we work on building headquarters that have advanced administrative and operational service facilities, aiming to enhance the mental image of our brand internally and among all the diversified segments of our customer. We are also implementing our ambitious policy to accommodate our workforce in residential facilities that are provided with integrated services.

Furthermore, we will continue to fuel our investment in the development of digital infrastructure, through the implementation of (8) initiatives as part of our ambitious digital transformation strategy to automate all operational and financial procedures and support them with the latest digital technologies, spanning software and applications.

We aim to ensure efficiency and flexibility in developing the concept of financial technologies that contribute to enabling the company teams to innovate various service packages and programs, which are in commensurate with the requirements of all segments of our customers. In addition, we aim to enable our customers to access these packages and programs and make maximum use of them as well. Maharah will also continue to optimize its website and operational efficiency, while working intensively to develop the "Khidma Plus" application to enable all customers to enjoy the distinct solutions and services spanning flexible offers and packages.

I would like to extend my sincere thanks and gratitude to all our shareholders, partners and the Board for their constant support and trust, which contributes to achieving the highest levels of excellence and efficiency in all our work streams. My thanks go to all employees of the company, for their good and sincere implementation of the directions of the management under all the circumstances and at all times.

Chief Executive Officer

**Abdulaziz bin Aidah Alkathiri**

## Our Promise

### An ambitious strategy that boosts growth

As we are on the cusp of celebrating the tenth anniversary of Maharah, we are proud to play an efficient, competent, and pioneer role in reshaping the "human resources" market, via developing strategic plans for the growth and readiness for the continuity of our business and enriching our services and solutions. We are also expanding our customer base and investment projects portfolios, employing our big ability to build a wide range of local and international strategic partnerships, and acquiring a group of companies and projects that are integrated with the nature of our activity. In addition, we have expanded in other sectors such as the governmental and the petrochemical sectors and has signed many constructive long-term contracts with a group of major companies as well as governmental and private business groups.

At Maharah, our promise is not only looking ahead, but also a careful and precise planning and studying, drawing the investment policies utilizing our human capital. These policies will be implemented at an optimum skilful level, in line with the finest outcomes of technical development, including technologies, digital communication means and their advanced applications. Driven by the continuous governmental efforts to organize the human resources sector that represents one of the most important business and life environments, Maharah targets to upgrade the quality of its services and integration of its solutions and instill the quality-of-life concept and apply it in all sectors of the society in the Kingdom.

We are moving forward under the leadership of strategic pioneers, and thinkers, while laying steadfast foundations for integrated business paths. We aim at founding a family business inspiring environment that combines the best competencies and experts in planning, management, operation, and investment, based on values of cooperation, integrity, efficiency and empowering. In addition, we aim to enable our employees to achieve our strategic goals and create value and profitability for both the shareholders and partners with efficiency, distinction, and perfection.



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# “Promising Growth Paths”





## Maharah in 2022G

Growth Path Investment Company, 100% owned by Maharah completed the acquisition of (85%) of the shares of Arabian Shafaa Medical Company

**13** January

Dr. Abdullah Alamro was appointed as the Managing Director

**26** April

The equities of TPH "Domestic Manpower Services", an affiliate of Maharah Human Resources Company, have been structured.

**27** April

The Ministry of Human Resources and Social Development renewed the company license for ten years.

**9** June

A contract to provide manpower services was signed with Saudi Bin Landin Company

**16** August

Growth Path Investment Company owned by Maharah, acquired 40% of shareholders' equities in the Saudi Health Systems Company

**18** August

A framework agreement to provide Saudi support and manpower services was signed with the Saudi Basic Industries Company (SABIC) for ten years Growth Path Investment Company, 100% owned by Maharah, completed the acquisition of (85%) of the shares of Arabian Shifaa Medical Company.

**15** September

Growth Path Investment Company, owned by Maharah, acquired (41.36%) of the Health Care Shield Company Limited (Kingdom Hospital and Consulting Clinics).

**27** September

Allocation of the employees' long term incentive program shares after obtaining the required approvals from the relevant authorities.

**13** December

## Performance Highlights



**26%**

Return on Euiqty Ratio



SAR **1.7** billion  
Company  
Revenue



**4.11**

Share Profit



SAR **1.7**  
Total Assets



**9%**

Net Income  
Rate



**154** billion

Net Income  
Realized



**39%**

Current Assets to  
Total Assets Ratio



**28%**

Increase  
of Revenue Rate



**6%**

Increase  
of Net Income Rate

## Our Story



**1000+**

customers in the various  
business sectors



**160,000+**

houses availing  
Maharah services



**90+**

customers in the  
individuals' sector



**130,000+**

workers have been  
recruited.

Maharah has been established as a Saudi public joint stock company, under the Ministerial resolution no. (80/q), dated 02/04/1434H corresponding to 12/02/2013G and commercial registration no. (1010364538), with a capital of SAR (375,000,000), divided into (37,5000,000) ordinary shares of a nominal value of SAR (10) per share. It plays a pioneer role in providing the business market and the Saudi society with skilful national and alien manpower in more than 280 professions, enabling us to provide innovative human resources management solutions for a wide array of customers in a variety of fields.

We use our best endeavours to improve the human resources sector in the Kingdom through securing the manpower services for both the governmental and private sectors.

The needs of the local market are also fulfilled via an integrated system of services, including but are not limited to the services that are provided to the business sector, the individuals sector, Saudization sector and Eistiqtab platform.

Since Inception, Maharah recruited manpower from different nationalities for its clients from the individual and business sectors. More than 130,000 male and female workers of different professions and specialties have arrived to the Kingdom since Maharah has been established.

We work on developing our business mechanism in a manner that aligns with our strategic vision which focuses on the deep study of the growth of demand and quality of products and services, being a priority and not a choice, for most of the customers. Maharah

management believes that the fundamentals of investment and financial growth are mainly reliant on the average growth of its technical progress, which has become an economic prosperity driver, for the companies, foundations, and governments. Therefore, we take the initiative to provide all the technical support and enabling means and related advanced experiences, high qualifications, and highly advanced infrastructure in order to achieve our ambitious strategic goals. We keep pace with the amazingly accelerating digital transformation requirements, especially in relation to the relevant governmental resolutions, the advanced technical solutions and programs that require speed in transformation and efficiency in absorbing and applying them, as well as aligning all the company operational, servicing and investment activities therewith.

## Vision

Leading the human resources sector via providing comprehensive and integrated solutions that guarantee success of our customers and the rights of the employees as well as supporting the national development.

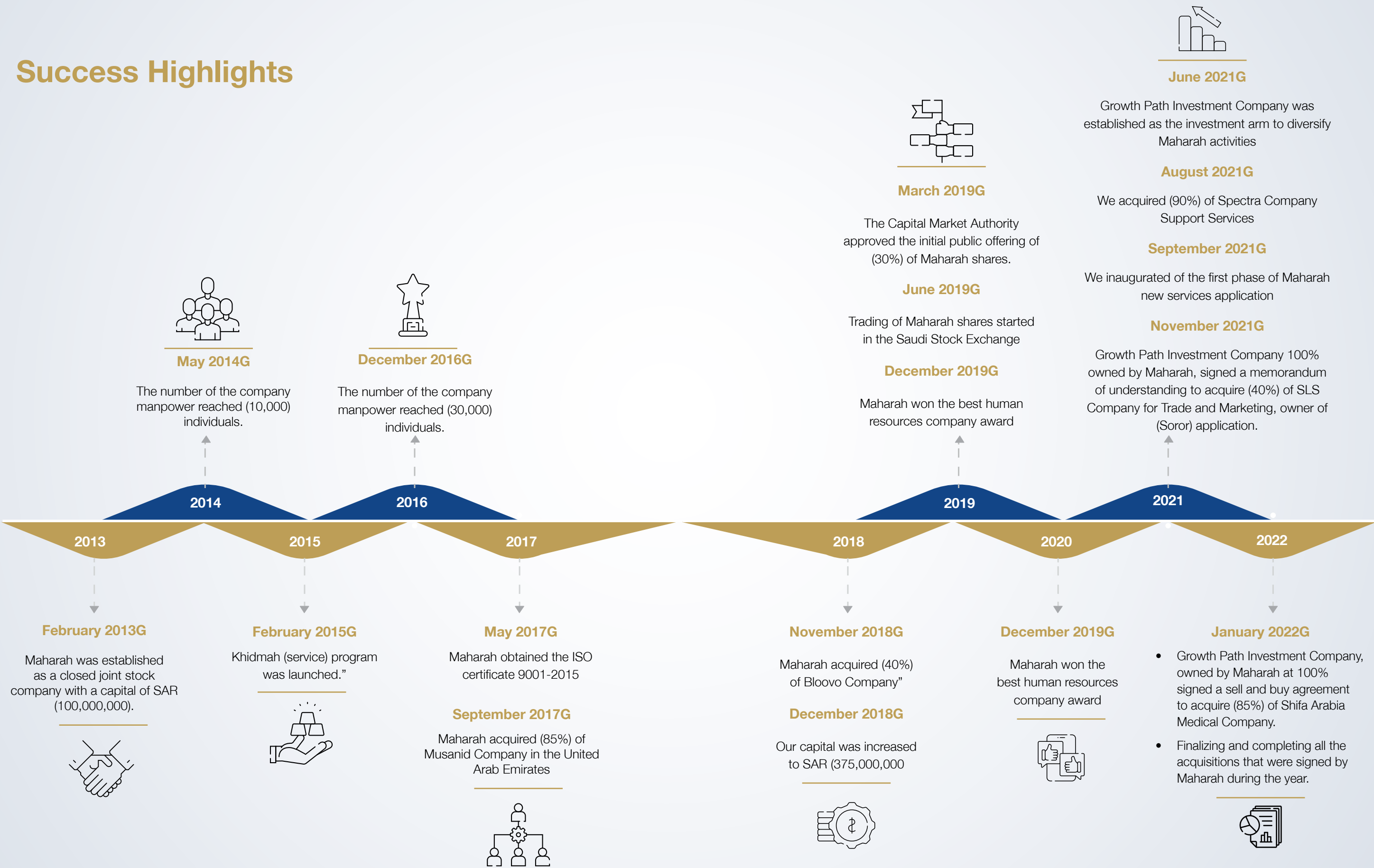
## Mission

To seek to provide innovative and integrated human resources solutions and services to our customers, via an institutional work system, first-class technical systems, and strategic partnerships to serve our employees, customers, and society.

## Our Values

- Innovation and creativity
- Quality and Excellence
- Focus on the client
- Integrity and transparency
- Teamwork spirit

# Success Highlights

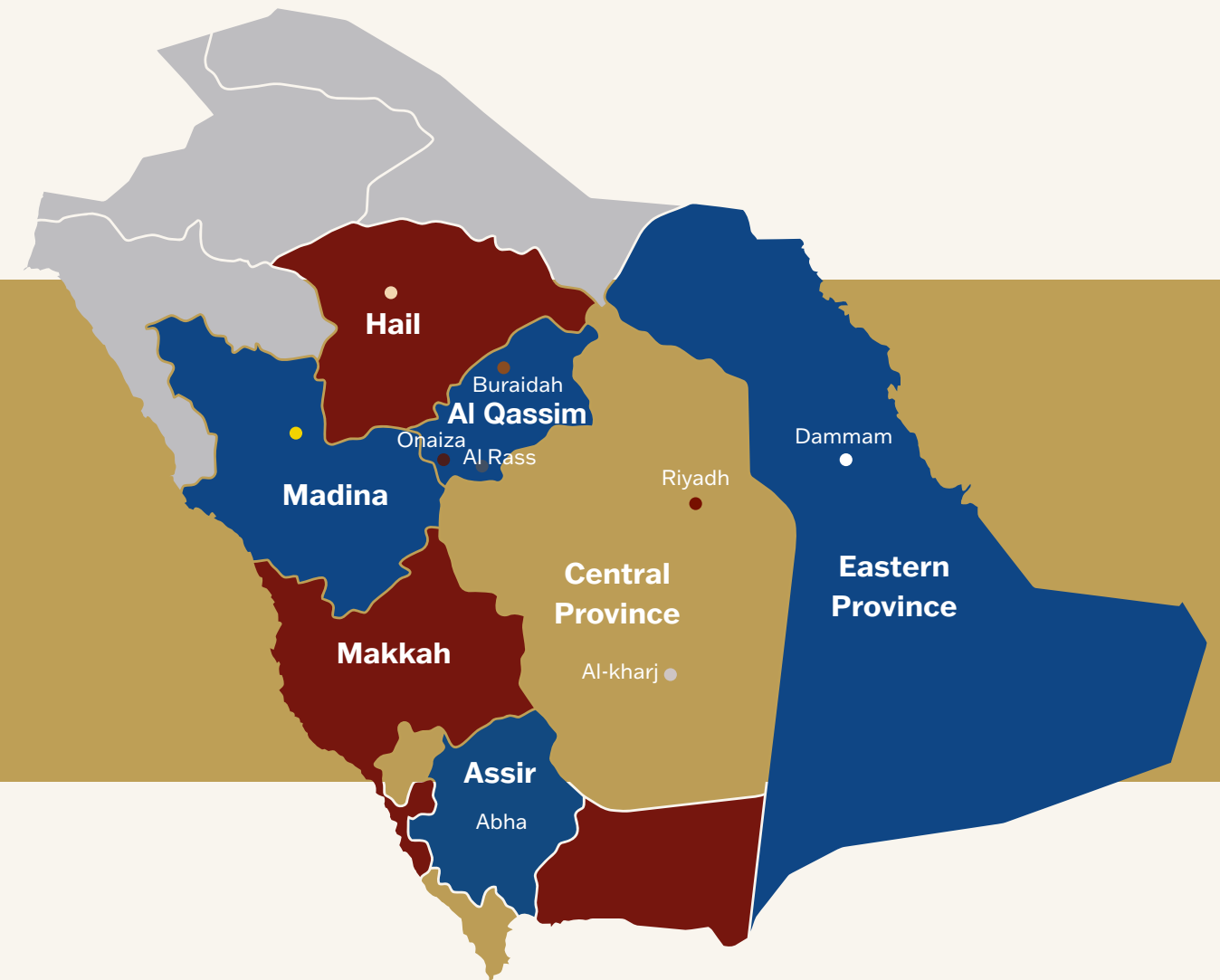




## Geographical Distribution and Outreach

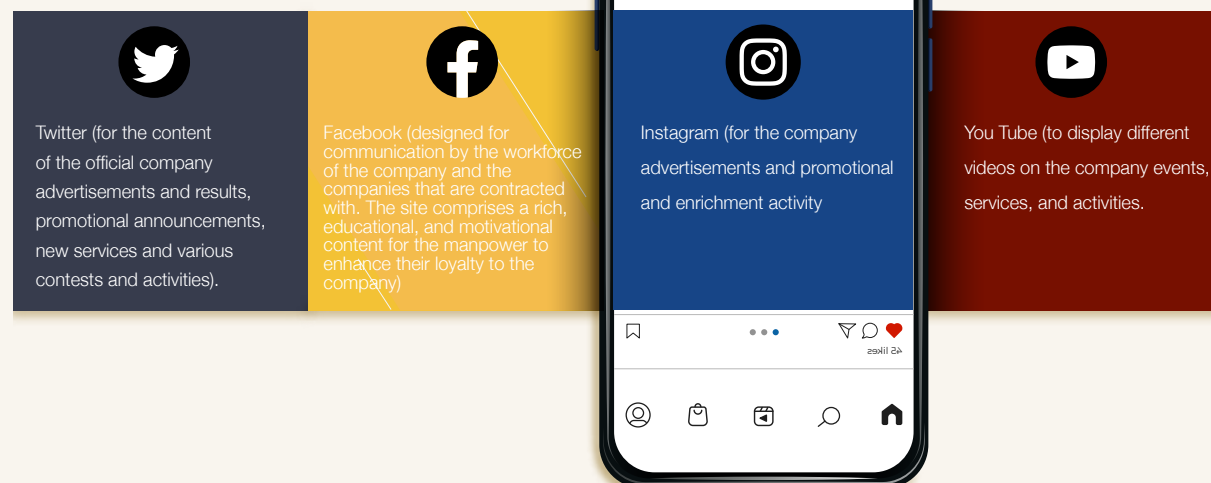
Through its head office located in the city of Riyadh in Al Yasmeen District, Olaya Street, and its (22) branches across the Kingdom, Maharah works is working on developing its programs and products, with the support and efforts of its employees. It also works on upgrading its digital systems to be always closer and more capable to continue serving its customers, fulfilling their needs, and achieving the highest level of their satisfaction at all times. Seeking to further enhance its ability to improve the customers experience, Maharah also augments and develops its presence in the social media channels to receive more comments from customers in relation to the design and preferences of the new benefits and products.

In addition, we work on facilitating provision of services to our customers through our website and the electronic application which supports three operating systems. We have presence in the United Arab Emirates (Abu Dhabi and Dubai) through the branches of our subsidiaries.



## Efficient Digital Presence

As Maharah constantly seeks to communicate with its customers and support them with the latest solutions, services, and programs, it works therefore on developing its presence on the following digital social media channels:



- **Riyadh**
  - Allakassosi Branch - King Faisal Specialist Hospital
  - Alrawda Branch - Alrawda District
  - Almorooj Branch - Almorooj District
  - Alyasmeen Branch - Alyasmeen District
  - University Branch - King Saud University
  - Khurais Branch - Alrayyan District
  - Altraawon Branch - Altraawon District
  - Alsowaldi Branch - Shabra District
- **Jeddah - Taif**
  - Almarwa Branch - Almarwa District
  - Alfaiha Branch - Alfaiha District
  - Alnozha Branch - Alnozha District
  - Altaif Branch - Shahr District
  - Al-Naeem Branch - Al-Naeem District
- **Eastern Province - Damman**
  - Dammam Branch - Alshateea District
- **Hail Branch - Alwosaita District**
- **Almadinah Almonwarah - Alareed District**
- **Onaiza Branch - Alrayyan District**
- **Abha Branch - Hejla District**
- **Alrass Branch - Alhozam District**
- **Sultanah Branch - King Abdulaziz Road**
- **Alrabiea Branch - Salhia District**
- **Alkharj Branch - Alburj District**



## Efficient Digital Presence

Maharah enhances its pioneer presence via participating in a number of occasions and events and sponsoring a number of various events. Maharah was honoured by the relevant parties for the extraordinary role it played in supporting their business. In particular, we were honored is as follows:



- By the Holy Quran Society “Maknoon” following contribution to providing furniture for “Dar Maimounah Bin Alharith” in the city of Riyadh.



- By the Children with Disabilities Association after supporting my Mubadarati (my initiative) program



- By the Capital Market Authority after sponsoring the Authority annual celebration.



- We had the appreciation and recognition of Ehtwa'a Non-Profit Organization after participating in the winter clothing campaign.





# Professional Management is the Mirror of Leadership





## Overview of the Human Resources Market

The economic development in the Kingdom has been stable in recent years, which was driven by steady GDP growth, fast population growth, a stable political environment, beneficial economic reforms, and an improvement in social circumstances. Per the recent statistics released by the competent authorities, more than 9 million people work in the private sector in Saudi Arabia, including more than 40% concentrated in the central region, in addition to the presence of more than three million domestic workers. In line with the Kingdom Vision 2030, more than 25 million people are anticipated to work in the private sector by 2030, a considerable rise in the number of employees. This large rise in the workforce is a consequence of the initiatives that have been implemented, as well as the massive projects that lie within the vision's scope. Construction, building, trade and services currently account for more than 50% of the employment.

In the cycle of economic growth in the Kingdom, the human resource is a critical component. With a GDP of more than three trillion Saudi Riyals in 2022, the Saudi economy has grown to be among the largest in the world.

One of the most significant operations of the sector of personal services, and workers' and business services is the work of human resource businesses. During the last 10 years, the sector assisted to employ a large number of people in both the business and individual sectors. Since the Ministry of Human Resources and Social Development announced the licensing of significant human resources companies, these businesses are now subject to the rules and laws that the Ministry has enacted in order to support, enable the sector and monitor its compliance. These businesses operate under licenses provided by the Ministry. Human

resources companies play an important part in the Kingdom labor market regulation since many people work in this industry, and as a whole, they generate around 0.4% of the country's GDP via job creation.

Since 2012, the Ministry of Human Resources and Social Development has granted 43 giant human resources companies, operation permits that are valid until 2022 on the local market. These businesses provide services to a variety of industries and sectors in the Kingdom, including the construction, retail, commercial, healthcare, and hospitality sectors. They cater to both the business and individual sectors. The present boom in all of these industries helps to fuel the expansion of the human resources industry and the need for a skilled labor force that can fulfill the demands and needs of this stage. Companies that provide human resources also provide services to their individual clients by leasing domestic labor under different long- and short-term plans and contracts. They

offer cleaning services, care of the elderly, babysitting, private driver and personal assistants services, as well as other occupations to attract workers from different countries. Companies that provide human resources help the Ministry of Human Resources in its efforts to regulate the labor market, while upholding the rights of both clients and employees.

During 2022, the licensed significantly major human resources companies began to provide support services to Saudis, in compliance with the Kingdom directions to lower unemployment rates among job-seeking citizens. The Ministry of Human Resources and Social Affairs entrusted these companies with the task of supporting the Saudis in order to boost their position as human resource companies that offer different human resource solutions and support the services of various nationalities and professions that are required in the Saudi labor market.





## Strategic Priorities in 2023G

In pursuit of completion of an operational, investment and administrative march of excellence, pivoted on a successful interim strategy, Maharah works on enhancing its presence and pioneer position in the Saudi human resources markets. It adopts an overarching developmental strategy, through which it inaugurates a new phase of growth and expansion in its services and solutions to cover most of the key business sectors in a high level of quality and efficiency. This developmental strategy synchronizes with the company celebration of its stories of success during the past first ten years of its life, narrating a wide array of quality achievements during which Maharah has realized further growth and development and has generated real benefits for all the partners, shareholders, and employees alike. We also work on realizing a set of quality strategic objectives in another year of success and sustainable growth. These objectives are summarized as follows:

### Financially:

- Realizing financial sustainability via increasing our market share
- Seeking constantly to tap the best investment opportunities that align with the company strategy.
- Ensuring that growth in revenues and profits is realized
- Achieving attractive returns for the shareholders

### Customers Services:

- Improving customers' satisfaction and experience excellence
- Enhancing the mental image that customers have about the company
- Improving the quality of provided services

### Operational Environment

- The company, and its affiliates, and subsidiaries have realized an integrated harmonious performance of t
- Operational distinction with minimum strategic and operational risks has been realized

### Education and Growth

- The company is constantly developing the labour force and retaining the competencies in an attractive work environment
- The company operational and administrative environment has been enabled to maximize the benefit of applying the digital transformation strategy efficiently.

## Continuing with our growth

Marah is very near to completing the tenth year of its operations, during which it has continued to develop its business from the technical, financial and investment perspectives. It has adopted policies and advanced programs, solutions, and applications to enrich its services and solutions and anchor its pioneer presence. We have always sought to become the preferred choice for the elite companies and major projects in the sectors that we are constantly targeting, such as contracting, construction, healthcare, hospitality, petrochemicals, pharmaceuticals as well as other sectors in the Saudi market.

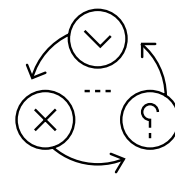
## Drivers of achieving the strategic priorities for 2023G



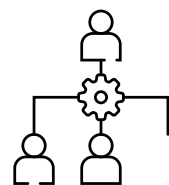
A large customers' base



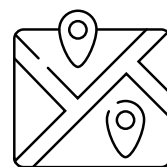
A robust financial adequacy



Multiple services and solutions that align with the changing requirements based on established experiences



Advanced technical systems



A wide geographical outreach



# Promising Growth





## Strategy Management and Business Development

Maharah has an experienced and competent distinct strategic planning team, which represents, in a constantly changing market, its most prominent competitive advantage in terms of performance and achievement. Our team is skillful in converting developmental ideas and studies into projects, activities, and policies, and identifying strengths, weaknesses, available opportunities and forecasted risks. The team also provides important information and data

that is closely related to the developmental and investment related strategic decisions that determine the feasibility of establishing or launching a project or adding new products and programs after studying them. It also assesses precisely the size and types of financial resources and the required financing sources to ensure maximum benefit for the company and its shareholders.

In the past five years, Maharah succeeded in implementing a strategic plan to develop its business and make maximum use of its pioneer position and financial adequacy. It enriched its key investment tools, including a powerful human capital and skilful competencies and invested in the future within the boundaries of a realistic framework. The company's strategy has focused on three main fundamentals as follows:

1 First Fundamental	2 Second Fundamental	3 Third Fundamental
Strengthening the Infrastructure	Developing Current Services	Looking for New Perspectives
Developing and Reengineering Internal Operations	Improving Existing Services and Maintaining Market Leadership	Provision of New Services and Capturing Investment Opportunities
<ul style="list-style-type: none"> <li>Providing support to subsidiaries and affiliates</li> <li>Supporting the development of human capital</li> <li>Technical transformation and focus on digital channels</li> <li>Activating governance and internal control</li> <li>Supporting activation of monitoring of company performance indicators</li> </ul>	<ul style="list-style-type: none"> <li>Vertical expansion in the individuals' sector</li> <li>Providing new services to individuals sector customers</li> <li>Qualifying Maharah as an authorized supplier for major companies in the Kingdom</li> <li>Focusing on major contracts</li> <li>Activating provision of Saudis support services to third parties</li> </ul>	<ul style="list-style-type: none"> <li>Capturing new investment opportunities of value and offering attractive returns</li> <li>Establishing companies and activating alignment with the parent company</li> <li>Working on the development of strategic partnerships</li> </ul>

## A Promising strategy and a sustainable growth

Maharah has been mature, significantly flexible, and unique in all the financial and operational indicators of its performance in 2022G, which align with its position and real competitive presence as the premium supplier of human resources solutions and services in the Saudi market. In line with its carefully predetermined priorities, Maharah has launched and implemented a set of successful initiatives, while fully adhering to professional standards and specifications. It has also provided all means of support to its project management teams to ensure success of these initiatives as well as efficiency in the optimum utilization of the required resources for each of these initiatives. Any technical aspects have been fully addressed and the efficiency and quality of the services, solutions, and products it provides has been enhanced.

In addition, a package of new services that covers the growing market requirements in terms of quality and efficiency has been created, in line with the targets of the Kingdom's Vision 2030. Several specialized packages and services such as hospitality and babysitters' services, and flexible packages that suit the various needs of the individuals' sector were also launched. The company has, furthermore, expanded provision of the national labour support services and the labour services for the government sector through the electronic market platform for the Government Expenditure and Projects Efficiency Authority. New sectors were targeted in 2022G, and major framework agreements were signed for providing labour services.

Maharah has expanded the scope of its acquisition activity and entered into strategic partnerships that secure the provision of a wide and renewable array of integrated services and solutions. Accordingly, it has expanded the base of its customers in the most important business sectors operating in the markets of both the private and public sectors in the Kingdom of Saudi Arabia. In this regard, and for the purpose of setting and launching its strategy for 2023G, Maharah contracted with one of the most prestigious international companies and centers operating in human resources, celebrating its tenth anniversary of a march that has been marked with major achievements that have cemented its unique leading position as the provider of choice for all human resources services in the Kingdom of Saudi Arabia.

## Strategic acquisitions

In 2022, Maharah announced that it has completed the acquisition of 41.36% share in the Care Shield Holding Company via its investment arm (Growth Path Investment Company), as part of its strategy to expand, grow and invest in the promising opportunities in the various sectors. The Care Shield Holding Company owns Kingdom Hospital and Consulting Clinics and is one of the most prominent healthcare service providers in the city of Riyadh. The hospital is located north of Riyadh and is built on an area of more than 40.000 square meters, with a capacity of more than 170 beds and more than 80 clinics. The Care Shield Holding Company is registered in the Kingdom of Saudi Arabia and is licensed to manage private hospitals, and medical and diagnostic centers, and provision



of medical services as well. It owns the Consulting Clinics Company Limited and the Modern Clinics Pharmacy Company.

In the same year, Maharah also completed the acquisition of 40% of the Saudi Health Systems Company, which is

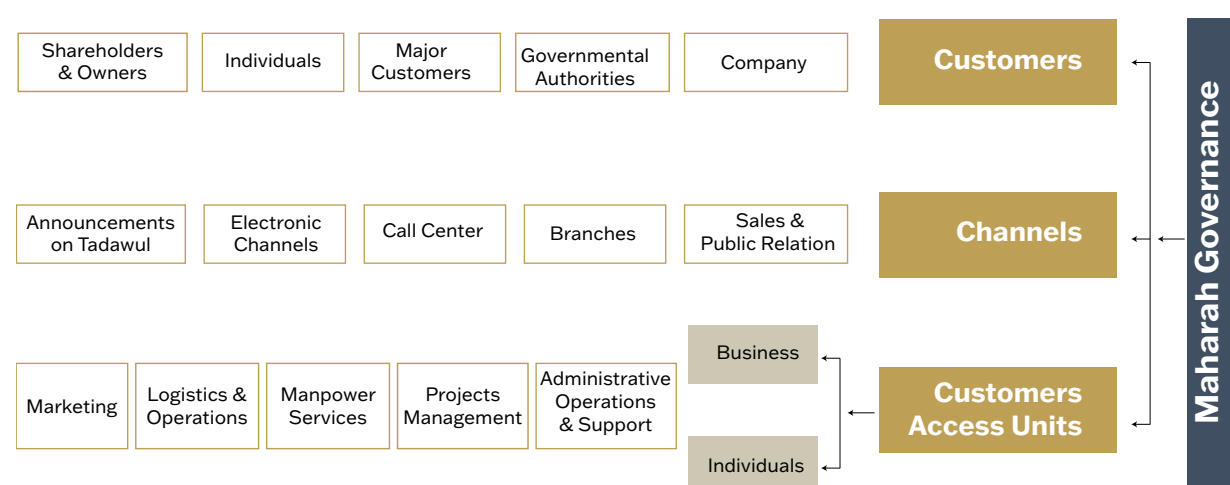
specialized in hospital catering services. With these strategic acquisitions made recently, we target to diversify income sources and realize rewarding returns for our shareholders, as these acquisitions serve the third pillar of our strategic plan, called "Identifying Growth Prospects".

## Operational Model

Maharah applies an integrated operational model based on an elaborate governance system, through which it ensures the implementation of its current and developmental strategies and plans professionally and effectively.

### Value Chain

In order to provide successful and distinct services in its various business channels, Maharah adopts a series of precisely defined values that ensure the implementation and development of its business strategies and plans in a flexible, professional, and effective manner.



## Key performance indicators

Maharah successfully continued to develop business paths and support them with all the available resources to enhance its efforts in carrying out its strategy efficiently. It targeted to achieve nine (9) strategic goals in 2022G and follow up the performance in accordance with (22) performance indicators such as revenues, total profits, and deviation percentage from the approved budget, etc. In pursuit of realizing the financial targets in line with the approved budget, the indicators were distributed to the following categories:

- Financial
- Customers
- Operations
- Learning and growth



## Digital transformation strategy

In parallel with the change in the business environments and their administration rules that rely on the advanced information technology programs and applications, we succeeded in applying the strategic methodologies in all our administrative and operational systems. These systems were developed via investment in the outcomes of Maharah deep study of the market requirements, and the growing tendencies and desires of its customers. Hence, we have been significantly resilient in launching our digital transformation strategy and have moved forward to drive effective structural changes and align them quickly with the company institutional management mentality and strategy.

### Our vision for the digital transformation strategy

- Developing a business model for the company in the human resources field, tapping digital transformation.

### Our mission in the digital transformation strategy

- Providing our customers with various services utilizing the digital technologies that serve our employees, customers, and society.

### Our strategy pillars for digital transformation

- Setting up the infrastructure
- Digital growth
- New digital perspectives

### Objectives of our strategy for digital transformation

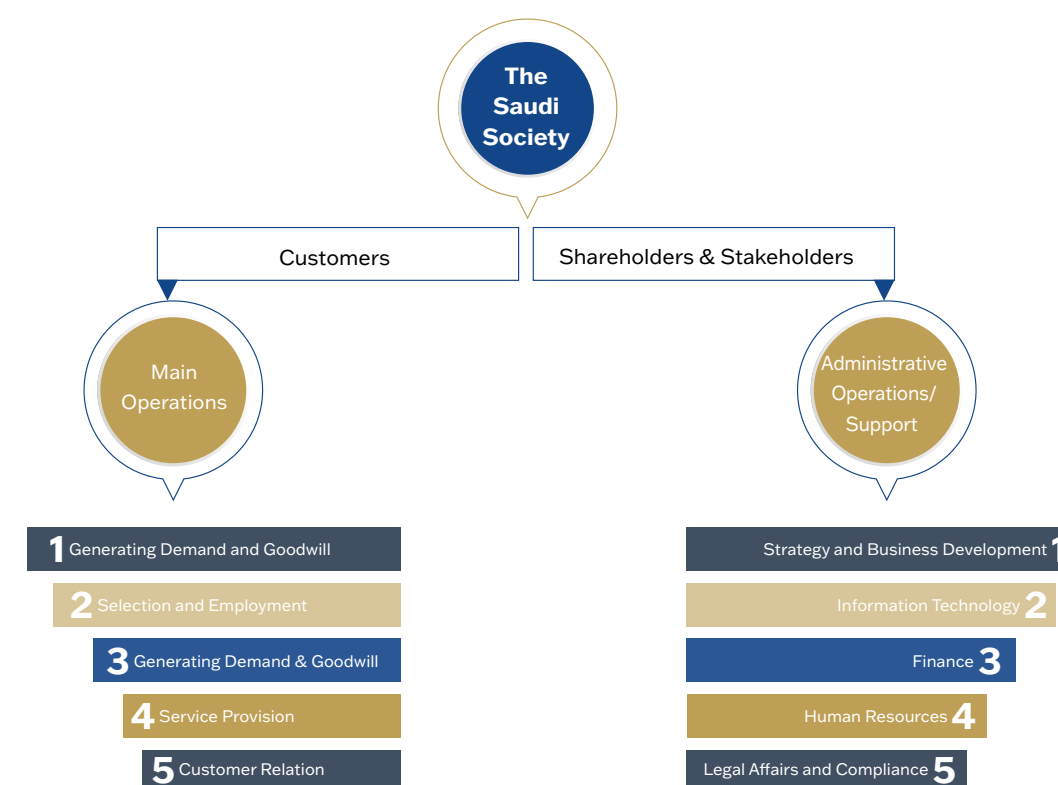
- Strengthening the business environment
- Achieving growth in revenues and profits
- Enriching the customers' experience
- Providing a diversity of services

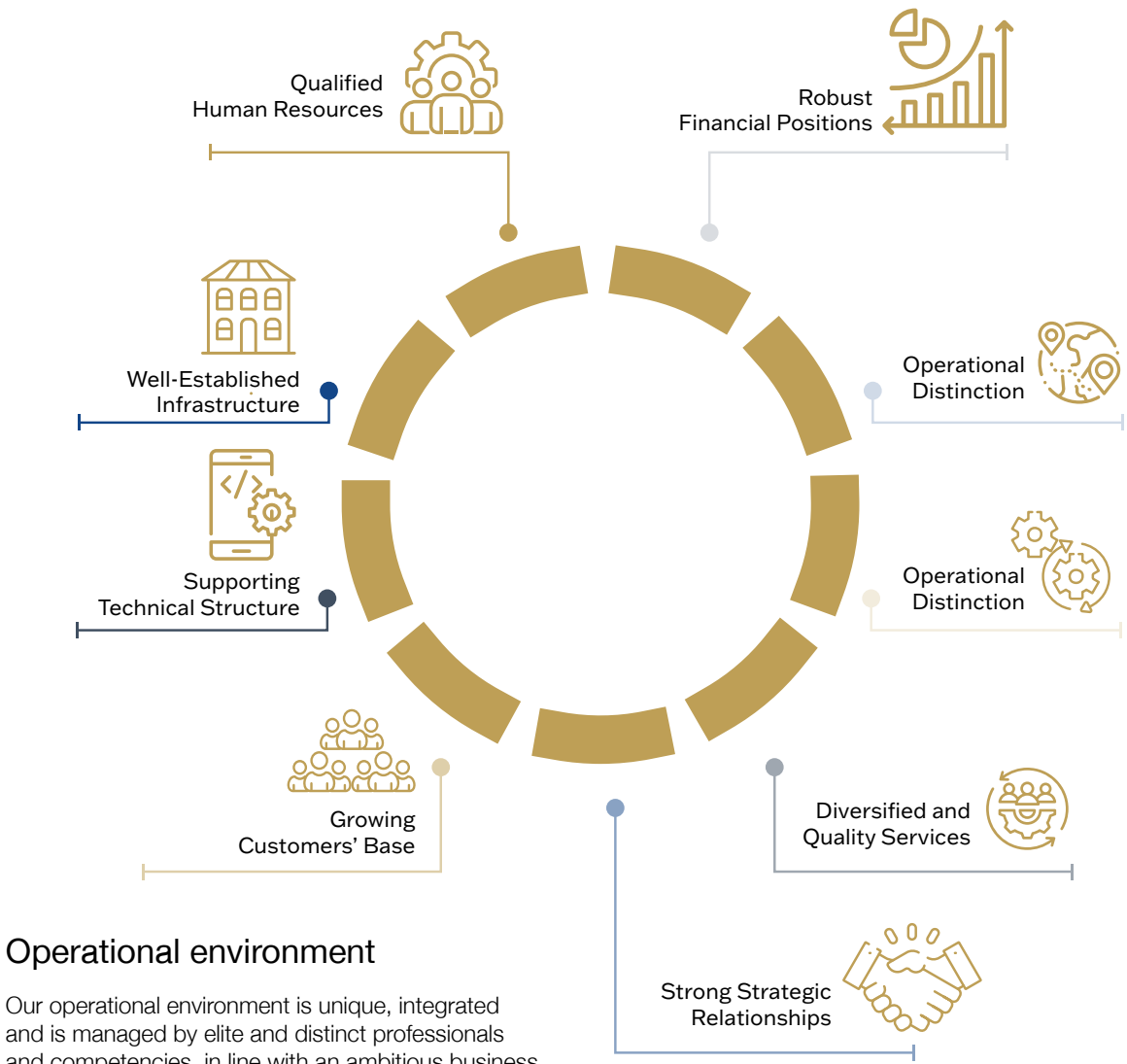
### Our organizational capabilities

- Investing in advanced technologies
- Databases
- Attracting and developing talents
- Developing business approaches and methodologies

### Our strategic digital initiatives

- Preparing for the digital age
- Marketing Maharah digitally
- Developing future forecasts
- Investment in smart things
- Digital setup and training
- Investment in robots
- Investment in financial technologies
- Investment in cloud services





Operational environment

Our operational environment is unique, integrated and is managed by elite and distinct professionals and competencies, in line with an ambitious business strategy through which the highest degrees of integrated corporate governance are applied. We have distinct presence and pioneer position that enhances our packages of comprehensive and professional solutions and services in ill our business sectors.

Competitive advantages

Competent human resources

Maharah applies a promising program for the sustainable development of its human capital, by attracting elite and distinct competencies and experiences, and supporting them with a range of training and qualification courses in an attractive competitive work environment.

Robust infrastructure

We aim to provide the best human resources services to all segments of our customers, while also working on supporting our infrastructure, including, operational and service facilities as well complexes to accommodate the labor force of our branches spread across the Kingdom.

Advanced technology environment

Maharah aims to reach to all its customers, facilitate communication with them, and make them enjoy the company services in line with the best international standards of quality and efficiency. Therefore, it supports its operational environment and diversified works with the latest-of-the-art digital technology in the globe, including advanced systems and equipment.

Wide customers base

Maharah utilizes its deep expertise and long experience in the requirements of the human resources market in the Kingdom of Saudi Arabia and GCC countries to develop its customers base on a continuous basis. It also aims to attract more segments via targeting the updated business environments as major investment projects are implemented in the Kingdom and the region.

Growing geographical outreach

Relying on its leadership, strong experience, and advanced infrastructure, we seek to expand our footprint in order to be close to our customers across the Kingdom. We enhance our footprint in all available digital communication channels, to achieve customer satisfaction, being the hub of its daily activity.

Sophisticated operational excellence

We work tirelessly to improve all of our business channels and develop the administrative and operational work, in line with an accurate governance for all internal and external business relations. We also work to optimize the use of all available resources and continue to provide all support and enabling forms to all of our business units and labor force in order to realize the highest levels of sustainable operational efficiency.

Goal	Indicator
Realizing operational distinction	<ul style="list-style-type: none"><li>Percentage of delayed projects at more than 10%</li><li>Percentage of measures documented in line with the scheduled plan</li></ul>
Mitigating strategic and operational risks	<ul style="list-style-type: none"><li>Percentage of closing high risks review remarks</li><li>Percentage of updating the risk register in line with the agreed upon time plan</li></ul>

Goal	Indicator
Developing and retaining human resources in an attractive work environment	<ul style="list-style-type: none"><li>Average training hours for Maharah employees</li><li>Employees' satisfaction and corporate loyalty indicator</li><li>Employees' resignation rate</li></ul>
Realizing distinction and digital transformation	<ul style="list-style-type: none"><li>Applying the digital transformation initiatives in the specified period and approved plan</li><li>Percentage of technical requirements applied (change ratio)</li></ul>

Goal	Indicator
Increasing market share	<ul style="list-style-type: none"><li>Growth in manpower against market growth</li></ul>
Developing and diversifying provided services	<ul style="list-style-type: none"><li>Number of the suggested and new developmental products</li><li>Extent of compliance with the new products application plan within the specified period</li></ul>
Realizing growth in revenues and profits	<ul style="list-style-type: none"><li>Revenues</li><li>Total Profit</li><li>Deviation percentage from the approved budget</li></ul>

Goal	Indicator
Enhancing customers' satisfaction and experience and the mental image	<ul style="list-style-type: none"><li>Customers' satisfaction</li><li>Mental image average</li><li>Mental image improvement plan completion ratio</li><li>Customers' satisfaction measurements development plan completion ratio</li></ul>
Improving quality of provided services	<ul style="list-style-type: none"><li>Average complaints closing life (working days)</li><li>Complaints per 100.000 processes in the individuals' sector</li><li>Customers' retention ratio</li></ul>



Executive departments

Maharah management strives constantly to provide all means of support and empowerment for all its executive departments. These means represent the key vital pillar that enables the company to continue developing its business and expand its customers base and investment portfolios, which will contribute to the sustainability and strengthening of its position and pioneer role in the human resources industry locally and regionally. We apply internal business strategies and plans that organize the performance of each of our executive departments, in line with active professional governance relationships. These departments will hence be able to apply the Board directions, instructions and plans as part of the duties assigned to them, in line with the company law and internal by-laws, while adopting the best and highest professional, administrative, investment, technical, and operational practices.

- 1 Compliance, Governance and Risks Department

-2 Legal Department

-3 Internal Audit Department

-4 Strategy and Business Development Department

-5 Joint Services Department

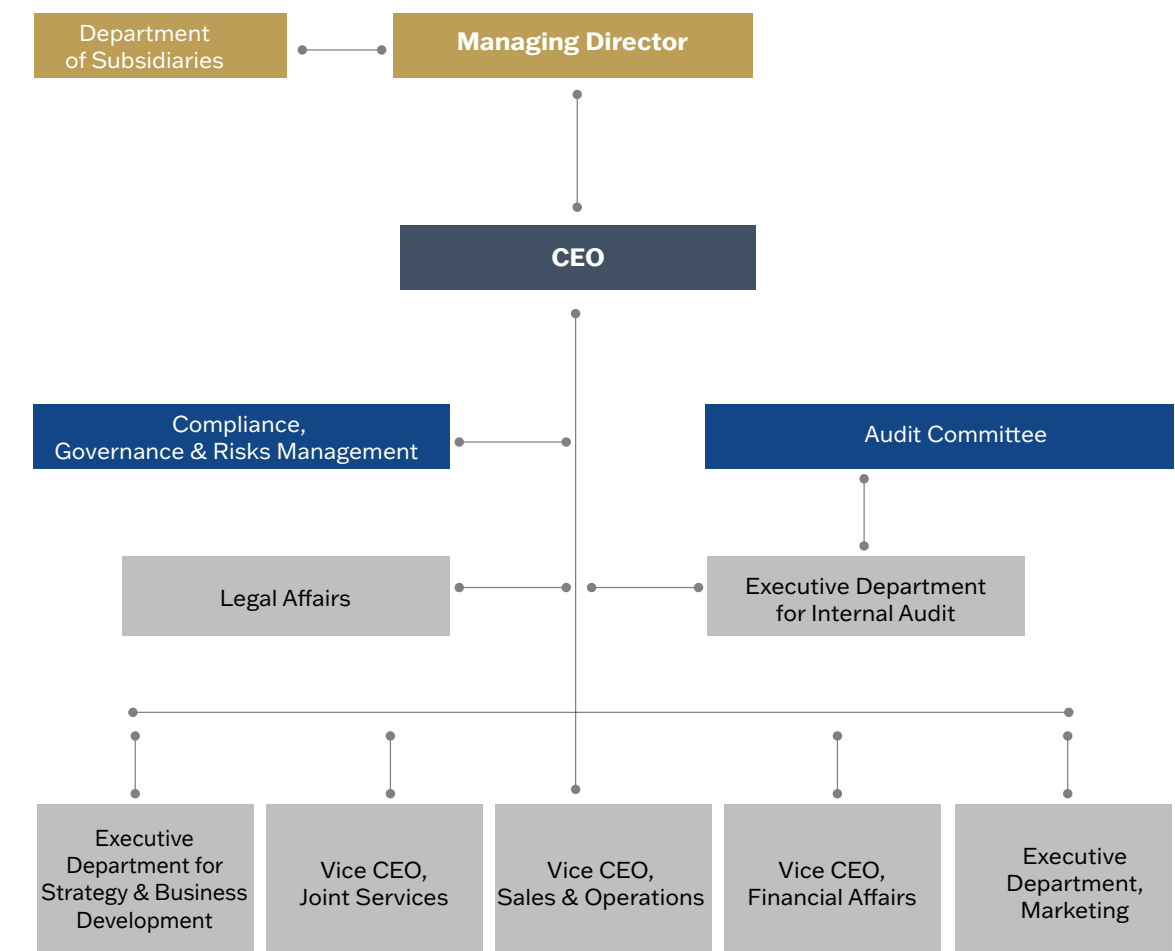
-6 Sales and Operations Department
- 7 Human Resources Department

-8 Manpower Department

-9 Financial Affairs Department

-10 Marketing Executive Department

-11 Information Technology Department



Our services and solutions

As a leader in the human resources sector, Maharah provides a diversified set of flexible and sustainable solutions and services that suit its different customers in both the business and individuals sectors.

First: Business sector

Maharah business sector provides the cadres and manpower that meet the needs of the business markets in the various sectors (medical, industrial, contracting, hospitality, commercial, banks, retail-sale and governmental). The business sector is keen to qualify and train manpower to contribute to providing high-end integrated services for the benefit of the service requesters. The sector is also keen to provide solutions for the human resources departments in the various companies and sectors in an innovative and creative manner. Since inception, Maharah has provided more than (120,000) employees for the various professions in all the sectors in the Kingdom of Saudi Arabia.

Manpower services

Maharah allows its customers in the business sector the opportunity to have access to an integrated array of human resources solutions and services, including professional and skillful and ordinary manpower, under long term contracts that extend to around two years. These services and solutions cover a number of business sectors such as the retail sector, hospitality and entertainment sector, industrial and operational sector, commercial sector, banks as well as the governmental sector.

We have a consolidated work team that understands the needs of the companies and provides the solutions that contribute to their success. The team analyses and studies the effect of regulatory and economic changes on employment, identify the experiences and qualifications required for the business market, and conduct questionnaires on customers and manpower.

Retail sector

We provide our customers with the human resources that suit the companies working in the retail sector. The business model allows for an effective service for the retail sector companies to achieve growth and ability to expand and increase the customers operational efficiency.

Hospitality and entertainment sector

We provide distinct, suitable and skillful human resources professionals that satisfy the needs of our customers in the fields of hotels, resorts and restaurants.

Healthcare sector

Maharah provides a set of manpower solutions and services, including various medical specialties such as consultants, physicians, nurses, and technicians. It also provides specialized competencies for all medical professions, by which it has been able to create a satisfactory value for hospitals and medical institutions.

Industrial and operational sector

We support our customers in the industrial and operational institutional sectors with distinct human resources solutions and competencies. The effective service model allows the industrial organizations to achieve growth, and a thriving business in an effective manner.

Commercial sectors and banks

We attract the suitable, experienced, and competencies with sub-specialties that satisfy

the requirements of governmental and banking facilities, such as consultants, engineers and system analysts and others to contribute effectively to the completion of projects and realizing the vision of its institutional partners.

Governmental sector

Our deep experience in the market is utilized to provide the governmental authorities with a wide array of integrated human resources solutions and services, in a manner that fulfil their growing needs. This accordingly enhances Maharah pioneer position and presence in the local and regional markets and provides support for the ambitious development plans related to the Kingdom vision 2030.

The contracted employee will have a group of benefits as follows:

- Health care for the employee and his family through contracting with the best insurance companies
- Banking facilities, as we contract with the Saudi banks to facilitate personal loans procedures for the seconded employees
- Exclusive discounts on products via contracting with the biggest stores in the Kingdom.
- Training and development, as we work on training and developing employees to motivate them and get them more involved at worksite.
-

Esnad Maharah

This is a licensed service that has been launched by Maharah to provide our customers with the Saudi labor force and is overseen by the Ministry of Human Resources. This service contributes to regulating and raising the competence of the labor market by benefitting from the Saudi cadres and increasing the Saudization percentage in the companies.

This initiative has been launched based on our belief that the human capital is the most important constituent in the companies and commercial activities. Therefore, Maharah supports its clients as a responsible human resources partner to mitigate the load of attracting and managing the labor force. Esnad Maharah provides a diversified set of services as follows:

- Provision of national cadres to companies in the various fields, while also linking the employees to the client Ajeer account. The companies benefit from increasing the Saudization rate and Nitaqat range of the organization.
- Attracting personnel and managing the human resources operations including salaries, leaves, social insurances, end of service award, wage protection systems, medical insurance, and any other requests from employees during their tenure of employment.
- Seasonal employment to cover urgent manpower needs for 90 days or less.
  - Attracting, training, and developing competencies, in line with the client's needs.

Through this service, our customers are provided with a set of benefits, the most important of which is reducing the size of internal resources and repurposing them to achieve more important tasks within the company, speed and quality in completing employment procedures and following up with all departments and upgrading manpower skill level and productivity. Moreover, a specialized supervisor is assigned to each project to satisfy the needs of clients and employees, ensure legal compliance, handle human resource cases, and once a position become vacant, warrant providing the client with a substitute within short periods of time.

Second: individuals sector

We provide the domestic workers services, per the clients' needs and desires, through our branches and electronic application in the Kingdom. The following professions are provided:

- Private drivers
  - Domestic workers
- Cooks
  - Personal care providers (for the elderly and the handicapped)

Th service packages provided for individuals are diversified and include full time service that includes stay in the client's home and part-time service without stay in the client home. The company provides residential services through its centers that are spread across most of the regions in the Kingdom and back them with distinct logistic support by the company fleet to ensure smooth transportation of workers.

Full-time or part-time services

- Full-time: the worker stays at the client's home
- Part time: (Khidma program): The worker works a specific number of hours without stay in the client's home

Diversified packages:

- The resident package (two years)
  - The resident package (one year)
- The resident package (six months)
  - The resident package (three months)
- The resident package (one month)

“Maharah Services” application

(+500,000) beneficiary clients

Maharah is keen to expand its services that it provides to clients via the home service delivery and through the electronic application which offers a set of solutions and services and provides trained

domestic workers of different nationalities and professions. The application allows submitting the request, selecting the worker, payment and signing the contract. The worker is then delivered to

the client's home and support is provided by an integrated work team trained to provide the best and quick level of service. Maharah also provides specialized services per the client's needs and requirements.

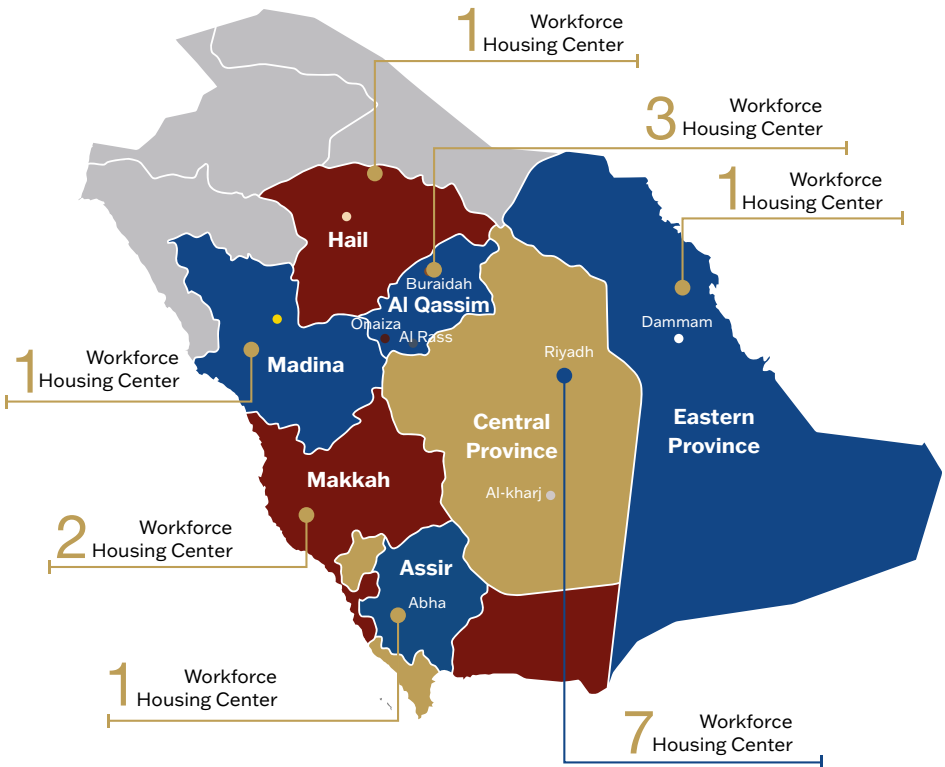
Third: workers accommodation

Maharah is committed to provide its manpower, Khedma program related manpower and other manpower, with a safe environment including equipped accommodation facilities before loaning them to the business sector.

Maharah has (16) accommodation facilities that are distributed across the regions of the Kingdom. These facilities are located as follows: six

in Riyadh, three in Qassim, two in Makkah Almokarramah, one in Kharij, one in Hail, one in Dammam, one in Assir and one in Almadinah Almonwarah. All bedrooms are fully equipped with each room has a kitchen annexed to it and internet access service. The facilities are also provided with equipped training halls.

“Maharah Services” application provides quick high-quality services to obtain domestic workers and allows concluding the contract and payment directly without the need to visit the company. The application also provides the delivery service to the client's home. The Clients Happiness Center works around the clock to receive requests, inquiries, and comments.



#### Fourth: transportation fleet

Maharah has a transportation fleet that is comprised of vehicles dedicated to transport manpower working on hourly basis (part-time manpower stay at the company accommodation), and vehicles dedicated for the manpower working on monthly basis (full-time manpower stay at the client's home).

All vehicles allotted for the transportation of manpower are equipped with real-time tracking system that provides immediate information to the company. The system calculates the road length and identify the ideal traffic route per the locations of the relevant clients. The system also serves as an effective tool for the company to

control vehicles, drivers, and costs. To ensure continuity of service, we have emergency vehicles in the event any other vehicles are involved in a traffic accident, or in the event of any circumstances that may hinder service provision to clients.

#### Fifth: Enhancing manpower services

In 2022G, Maharah continued to provide its flexible services under its strategic vision. The vision pinpoints that Maharah is always ready to encounter ordinary and emergent circumstances, with the support of effective technologies and the combined efforts of the work team who has been highly dexterous and flexible in ensuring business continuity in an integral manner.

##### Investment in the most important assets

Maharah is keen to qualify and train its manpower and develop their capabilities and skills. The entire manpower are subject to

specialized awareness, guidance, and educational courses at the time they arrive to the Kingdom. Various specialized training programs are conducted for the full-time or part-time domestic workers to develop their skills by specialized cadres. The training programs include the cooking arts that align with the Saudi kitchen and instructions for domestic cleaning and safety, care of children, handicapped and the elderly as well as the hospitality norms, in line with the local traditions.

Maharah also provides a set of various services to all of its manpower segments, through its

"Manpower Care Unit," including receiving inquiries, comments and suggestions via the different communication means such as the unified telephone number of the company, which provides its services in several languages as well the smart mobiles applications. "My Maharah" application is dedicated to the manpower services and through which Maharah employees can review their employment contracts, salaries, leaves, direct self-services, and assessment of their performance. In addition, Maharah Manpower Happiness Center receives the request and inquires of workers in several languages.

#### Six: Sustainable operational distinction

Maharah continued to provide the business sectors with qualified and trained cadres and workers in 2022G. The sectors operational results have shown that the industrial and contracting sectors remained at the forefront of the sectors that were provided with manpower by Maharah, followed by the hospitality sector and retail sector, respectively.

#### Seventh: Comprehensive legal protection

In pursuit to provide a sustainable and safe environment, Maharah utilizes all available legal means, potentials, and experiences as well as the implementing regulations issued by the various relevant ministries and governmental authorities, in line with its internal by-laws, to warrant the rights of its manpower in all sectors. It works constantly to support all of its departments with the legal advisory services and conduct awareness

and educational workshops thereto. We aim to develop and organize business routes and enhance our relationship with our manpower and the different segments of our clients, in general. The company, in addition keeps pace with all the initiatives, decisions, activities, and events of the governmental authorities such as the Ministry of Human Resources and Social Development and the Ministry of Justice to align its business strategy and operational

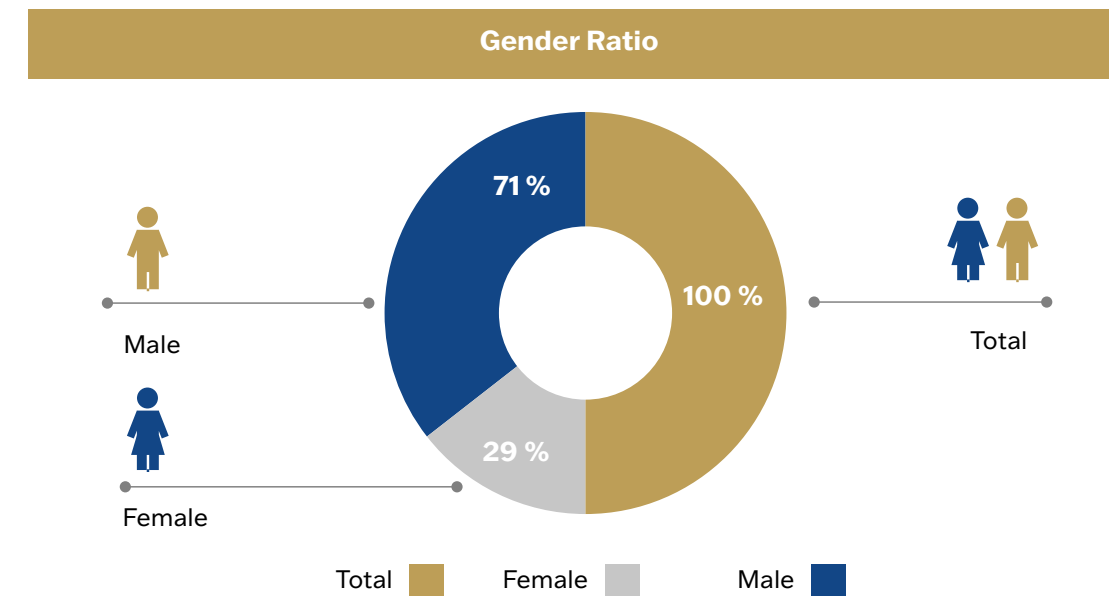
plans therewith on a step-by-step basis. The company also works continuously to support and empower the teams representing it before the judicial authorities of all levels and jurisdictions with the available resources and activate the amicable and ideal settlements between the manpower and the company clients, when necessary.

### Our human resources

We believe that investment in the human capital is a successful investment that anticipates a better future, and therefore, we will continue to attract the best national

competencies and experiences in the different specialties. We aim at providing a positive work environment that ensures job stability and security that motivate

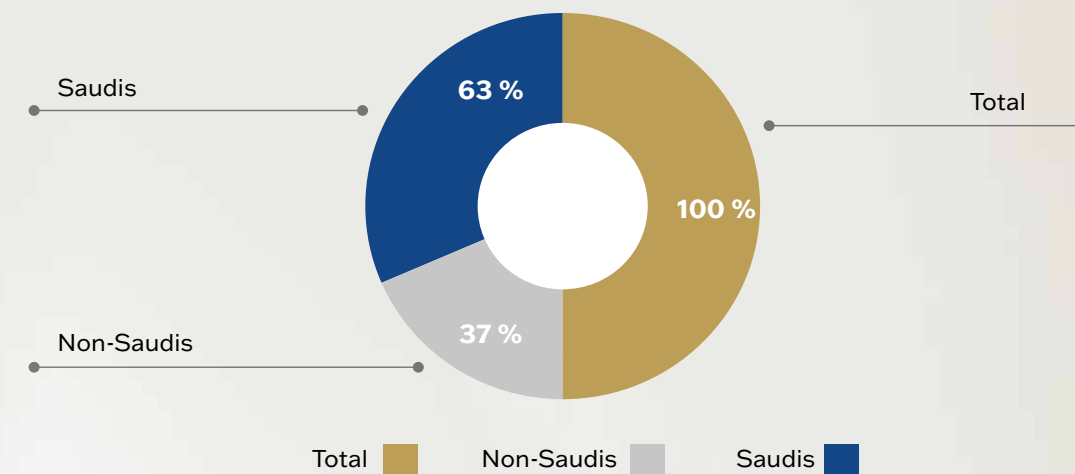
the employees to work hard and to be loyal at the various functional roles and duties.







The Ratio of Saudis and Non-Saudis



Integrated transformation journey

Maharah carries on with its ambitious journey to implement its human capital transformation program, as it targets upgrading employees performance and maximizing their achievement opportunities, enhancing their loyalty values, and maximizing their production rates at all functional and business levels in the company. Being constantly

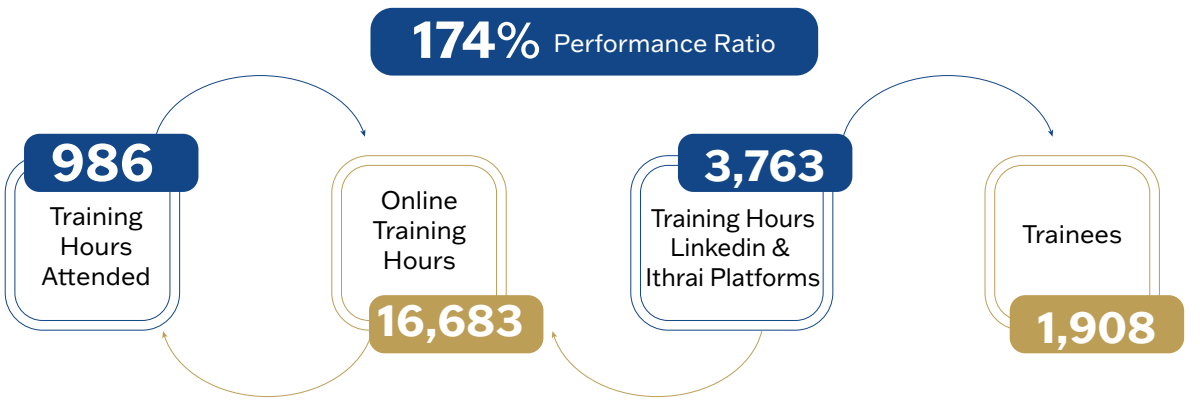
keen to maintaining the highest degrees of quality and distinction in all the services tapped by the employees during their tenure, Maharah works on enhancing the skills and experiences of its employees and providing them with all types of moral and career support as well as maintaining an ideal work environment that motivates creativity and innovation.

Moreover, we provide a number of initiatives through which we work to strengthen internal communication and inter departmental relations, in dedication of our golden concept (Maharah is one family). We aim to realize higher returns at all business levels in the different business environments in the company, its subsidiaries, and affiliates alike.

Competitive, attractive and motivating work environment

Initiative	Description
Remote work	The remote work route has been activated for all employees, three times a month
Flexible work	The flexible work policy for the company personnel has been applied
Housing allowance payment facilities	A mechanism for the payment of the housing allowance in advance for six months have been adopted
Remote training	It has been agreed with (LinkedIn and Ithrai) platforms to provide remote training courses for all employees

Sustainable talents development route



In line with our sustainable development strategy, we implement a set of training and qualification programs in a flexible work environment that motivates creativity and innovation, seeking to keep pace with the latest business

updates. These programs support the knowledge base, professional experiences, and exchange of knowledge among all employees in a flexible and efficient manner. The 'Internal Maher' system provides the company employees

with human resources, financial and procurement services as well. The operational system which is linked to the clients systems is also provided.

Maharah social solidarity initiative

the volume of disbursed amounts **500,000** Saudi Riyals

Maharah continues to develop a solidarity (takaful) fund that aims to enhance the bonds of brotherhood, cooperation and solidarity at all functional levels and roles in all channels in the company. Maharah aims at enhancing the values of loyalty of all its employees, through disbursement of carefully studied solidarity grants that would enable employees to overcome their financial challenges and mitigate their suffering. We are working on developing and expanding the circle of beneficiaries in the company, as needed, in an ascending continuous order to achieve the following goals:

- Instilling a new culture within the company
- Enhancing the values of loyalty to the company
- Constantly improving the work environment
- Providing further appropriate initiatives and programs to the employees and their families.
- Promoting a healthy lifestyle for the employee and his family.

Advanced technical capabilities and competencies

Maharah succeeded in introducing and setting a vital and effective route for the development of performance through a sustainable program to increase the ultra-developed technical knowledge in the field of information technology. It

relies on a sophisticated digital infrastructure that it fully owns, including its entire human and technical elements comprising installations, programs, and applications. This infrastructure provides the technical and advisory solutions and support

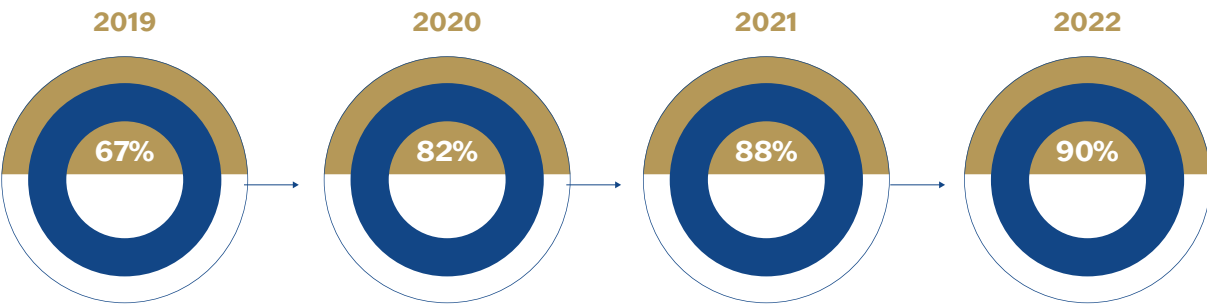
services in information technology at all times for all the company sectors and departments. It plays a vital strategic role in protecting all events of the company from electronic attacks and cybersecurity risks, in accordance with an ultra-developed methodology.

Safe institutional digital space

We continued to work on developing and upgrading the safety level in the information and business environment, via applying an advanced strategy that warrants enhancing the efficiency of the information and confidentiality system at a

large-scale. We have raised the level of protection of our systems in Microsoft cloud, from (67%) in 2019G to 90% in 2022G. These systems, as such, have been significantly successful in containing and repelling all the cyberattacks at 100% in the last

three years. An average of more than (57,800) cyberattacks and hacking attempts were observed annually, i.e. (4,800) attempts monthly. More than (1,000) cyberattacks were observed and repelled successfully.





## Highly efficient sustainable communication

We believe that our clients are our most important vital assets and therefore will continue to develop and activate all the methodologies and means of communicating with them. We target informing them constantly of all the activities, events, initiatives, and campaigns of the company at all levels and at all times. Maharah hosts a wide and integrated set of marketing and institutional communication events which aims

to raise awareness and promote all the company activities and services inside and outside the company. It also aims to utilize all available channels to reach and communicate with the large number of its clients segments, in line with an advanced strategic route, to enhance their confidence and the mental image of the pioneer position that everybody has about the company.

## Efficient institutional communication

Maharah implements a set of public relation and institutional communication initiatives through which it enhances efficiently its positive presence in the minds

and hearts of all the segments of its audience, both in terms of performance and achievement. The most important initiatives for this year are as follows:

## Public relations initiatives



Donation of SAR one million for Ihsan platform. The amount was distributed to five charity societies in the Kingdom



- Supporting the endowment fund for the (Ikhaa Orphans Care) Society in the amount of SAR (50,000)



- Supporting the Holy Quran Society "Maknoon" in the amount of SAR (170,000) to provide furniture for "Dar Maimounah Bin Alharith" in the city of Riyadh.



- Supporting the endowment fund for the (Insan Orphans Care) Society in the amount of SAR (170,000).



- Supporting the Handicapped Children Society with an amount of SAR 559,000) to establish a physiotherapy clinic.



- Supporting Down Syndrome Society (DISCA) in the amount of SAR (50,000) to teach and train a number of children in the society



- Maharah second blood donation campaign (Dammak Khair 2) for Maharah employees and adjacent companies in cooperation with King Fahad Medical City



- The initiative for testing employees during the events of the "international Health Day" – by hosting a medical team in the company headquarter



- Publishing awareness posts on "breast cancer" in the social media channels of the company in the cancer awareness month (October)



- Activating the participation of Maharah employees of different nationalities in their national days and their participation in the relevant celebrations

## Media and institutional communication initiatives

- Organizing and covering the occasions and meetings related to the Board and employees and producing appertaining information materials, including photographs, video films and clips.
- Managing, keeping, and archiving the media library of the company, including pictures and videos, and making them available, in line with the protection systems that are applied in the company.
- Establishing the media center on the company website,
- spanning videos and pictures of the official events and occasions.
- Enhance the media appearance and display the company works and the most important events via televised interviews, statements and press releases.

## Advanced marketing strategy

The advanced marketing performance in Maharah fuels a growing and distinct presence of the company in the human resources sector in the Kingdom. This is in line with a sophisticated marketing strategy that has been constantly applied and followed up, in support of the company pioneer

presence in this sector. A number of creative marketing events and activities have been implemented in a manner that provides Maharah with the strength required to attract new segments of shareholders and clients on the one hand and enhance the mental image that the current segments have about the

company on the other, in a manner that is integrated with the distinct operational and administrative performance of the company. The most prominent achievements of the company in this field are as follows:



## 1. Applying a comprehensive marketing strategy

Maharah adopted an advanced marketing strategy through which it focuses on applying the best suitable professional practices, enhancing the company brand, and correcting the mental image that all targeted segments have about the company, in line with its pioneer

and active position and presence in this vital sector in the Kingdom. The strategy increases and enhances the revenues in all sectors of the company, via intensifying the efforts that aim to raise awareness on the diversity of provided packages and on the targeted segments in relation

to these packages. The strategy also encourages the targeted segments to make maximum use of these packages and develop and improve the mechanisms for reaching them in a more quick and feasible manner, in addition to acquiring new segments of clients.

## 2. Enhancing the mental image on the brand

We applied a sophisticated marketing strategy through which we worked on developing and improving the market content professionally and distinctively to display the integrated performance of our administrative and operational team. Maharah has launched major marketing campaigns, including an innovative

video on the occasion of Eid Alfitr for the year 2022G under the title (Your Eid is with Us), as an appreciation and gratitude to all employees who worked in all sectors during the Eid holiday. The video was published in all the digital marketing means available for the company and has won the appreciation and admiration

of all followers and has earned a high number of views. A number of high-quality motion graphic videos and contents highlighting the company strengths were also published, contributing to drawing a distinct mental image of Maharah as a pioneer company in the human resources field.

## 3. Establishing various marketing partnerships

The company succeeded in attracting the attention of a large segment of the finest companies that provide various services and solutions in the market. A number of strategic and distinct marketing partnerships were concluded in a manner that contributes to enhancing our brand position and

presence and its reaching to the largest number of people across the Kingdom. Maharah will hence have a real opportunity to promote its services and solutions and consequently diversify and increase its income sources. The entities with which partnerships have been concluded are as follows:

- Alrajhi Bank
- Tamara Company
- WalaPlus application
- Qitaf Program – STC
- STC Pay Solutions

## 4. The 92nd National Day Celebration

We instituted a celebration program that was full of marketing events and activities on the occasion of the 92nd National Day. A distinct video of the highest innovative standards was published in

celebration of the national talents who have won fine international awards under the title “We impress people and promote Maharah.” The video earned more than (37) million views, the highest rate realized

in the Kingdom compared to the other national artistic participations that were conducted on this occasion.

## 5. Increase of performance indicators targets

The figures and facts show the significant development that has been achieved by the Maharah in the marketing sector,

as it has exceeded the pre-defined performance targets. We completed all the projects, initiatives and programs that were

spanned in the business plan for 2022G.





## 6. Developing the marketing content

Maharah applied an integrated marketing business methodology that started with developing and preparing the marketing content and publishing it in the various marketing channels.

More than (100) marketing campaigns were adopted in the digital space that is more feasible and adequate to the company success. These campaigns had a diversified content, including

videos, motion graphics, acting scenes as well as advertisement and awareness posters.

## 7. Diversification of digital marketing space

Maharah adopted a carefully studied plan that aims to diversify promotional and marketing advertisements, and intensified

its appearance on the biggest number of marketing channels that are available in the digital space, including:

Twitter, Snapchat, Instagram, YouTube, TikTok

## Our customers are the core of our interest

Maharah develops the means of communication with all the various segments of its clients on a sustainable basis to enable them to make maximum use of its services and comprehensive package of solutions, win their confidence, and increase the values of loyalty. It also targets achieving the highest degrees of satisfaction and happiness over its first preferred brand in the human resources sectors both locally and regionally.

- We developed a customer care account on Twitter and linked the account to a professional platform to identify the number of clients, average response to customers and the most

interactive clients in the account in order to develop the accounts mechanism and work as highly efficient as required.

- 227383 calls and 129876 conversations were received
- 32984 requests were received from customers with regard to the operational issues that are related to the individuals sector services.
- 51,777 (delay/ fix/ change self-service requests were received from customers in relation to the hour service operational issues.
- 8803 complaints from clients with respect to operational issues in the individuals' sector services were received and solved.

- The application services offered to clients were facilitated in cooperation with the relevant departments in the company, while ensuring the availability of self-services that serve clients smoothly and easily, and clarity of immediate conversation service to help clients and make their journey easy while browsing the application.
- Periodic questionnaires were conducted to improve clients services via the telephone communication and text messages.
- Telephone sales of services were developed and activated.

## Enhancing loyalty in a sustainable methodology

Maharah provides "Wala" program for the monthly domestic service clients via granting them a diversified package of discounts and free of charge service visits

that are applied by all company branches across the Kingdom. The program allows discounts for the monthly lease service and the hourly service for the handicapped,

retirees, widows, divorcees, and martyrs families. The company is keen to enhance its efficient performance within the course of its social responsibilities.

## Points program

Maharah is continuously working on developing the points program to meet the aspirations of its clients in the individuals sector, gain their satisfaction and enhance their confidence and loyalty. The program facilitates the signing of

the contract and start of calculating the free of charge visits. It also facilitates the start of the process for the clients to benefit from the points in all the services provided for the individuals sectors under the monthly contracts. In addition, an

offers policy is developed for the companies employees to identify and classify these companies and grant proper discounts and facilities for the resident workers sector and the hour lease system.

## Sustainability

Maharah applies and embeds the concept of sustainability in all of its business and events in order to identify, clearly, the necessities, goals and priority areas in a manner that contributes to meeting the business legislative requirements, and management of crisis risks related to our business. It takes into consideration the social, environmental, and economic effects that include the ethical values, health, professional safety, good work practices, employees' rights, and environmental protection.

We work on ensuring that the commercial operations of the group and the future strategy are consistent with the three pillars of sustainability, including economic feasibility, protection of environment and social services, which makes it a socially responsible company that complies with the international sustainability standards.

We also work on expanding the application of our sustainability concept via establishing systems that enhance environmental

management, greenfield practices (such as using recyclable and environmentally friendly materials and reducing use of energy), organic agriculture and support local supply chains. We work on a regular basis to review our governance model to ensure transparency and fairness, not to mention to identify and launch investment opportunities that would yield effective and sustainable results.



## An advanced and mature institutional performance





It is our commitment to apply the highest standards and the best professional governance practices, consolidate the concepts of disclosure and transparency in all of our events and activities and disseminate the compliance culture in the highest levels of honesty and integrity in all our professional practices, key business environments and affiliates and subsidiaries in a sustainable manner. We always reaffirm that we are keen to comply with all the laws, regulations and instructions issued by the concerned governmental authorities that are related to our business and activity. We aim to preserve our reputation and credibility and enhance the confidence of shareholders and partners in our successful methodology, in line with the entire standards of quality, efficiency and perfection. It is worth mentioning that the governance report has been prepared and published in line with the Corporate Governance Regulations issued by the Capital Market Authority, in its version amended on (22 August 2022G).

Governance practices framework

We are committed to apply governance based on an integrated professional framework. The company shareholders' general assembly has adopted the company governance regulations on (1 November 2018G) and adopted the same for the second time on (26 March 2019G). The company prepared the governance regulations in line with the Corporate Governance Regulations issued by the Capital Market Authority, while observing the best practices that are followed by the companies listed in the market. Maharah governance general framework is based on the following:

1. Protecting the company shareholders rights in a manner that ensures the best benefit for them and for the company.

providing an objective, confidential, and independent reporting and investigation mechanism so that the proper correction measure is taken.
2. Protecting the rights of all stakeholders and providing job stability and continuity via the good financial performance of the company.

6. Organizing transactions with the related parties, whether between the company and its employees or between the company and its Board members, executive management, subsidiaries, or other relevant parties.
3. Providing accurate and comprehensive disclosures within the time framework specified by the company shareholders, related parties, and the concerned regulatory authorities.

7. Aligning the company values and strategy with the social and economic needs, via ensuring the application of responsible and ethical practices in all activities of the company and supporting the society continuously as required.
4. Identifying, reporting, disclosing, and dealing with the conflicts of interest which may arise between the company and stakeholders, and may have a negative impact on the company interests and shareholders.

8. Establishing reliable channels of communication with investors to enhance the company position in the market and attract shareholders and investments.
5. Enabling employees to report any concerns, or misbehavior that may be noticed in the company, via

Governance application pillars

Transparency

The reasons of taking the main resolutions should be clarified to the shareholders by the Board.

Responsibility

Each Board member is responsible for carrying out his duties in a professional manner.

Accountability

The Board members shall be responsible for the committed mistakes (if any) before the shareholders.

Fairness

All shareholders are equal in front of the Board members and senior management.

What has been applied and has not been applied from the Corporate Governance Regulations issued by the Capital Market Authority in the Kingdom of Saudi Arabia.

The Corporate Governance Regulations issued by the Capital Market Authority requires the company to disclose what has been applied and what has not been applied from the provisions of this regulations and showing the reasons of non-application in the Board report. It is worth mentioning that Maharah has prepared its governance regulations, in line with the requirements stipulated in the Corporate Governance Regulations (CGR) issued by the Capital Market Authority. The said regulations has been approved by the company Board on (16/01/1440H), corresponding to (26/09/2018G) and was adopted by the company shareholders' assembly on (23/02/1440H), corresponding to 01/11/2018G, and was adopted for the second time on 19/07/1440H (corresponding to 26/03/2019G) corresponding to 01/11/2018G). Maharah has worked to comply with and apply all the provisions stipulated in the CGR, save as the following articles:

No. of Article/ Para-graph	Article/ Paragraph Text	Applicability Status	Reason of non-Application
67	The company Board shall, by resolution therefrom, form a committee to be named the "risk management committee." The Chairman and majority of the committee members shall be non-executive directors. The members of that committee shall possess an adequate level of knowledge in risk management and financial affairs	Significantly applied	Guideline material

68	<p>The competencies of the risk management committee shall include the following:</p> <p>1) developing a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the company activities, monitoring their implementation, and reviewing and updating them based on the company internal and external changing factors;</p> <p>2) determining and maintaining an acceptable level of risk that may be faced by the company and ensuring that the company does not go beyond such level;</p> <p>3) Ensuring the feasibility of the company continuation, the successful continuity of its activities and determining the risks that threaten its existence during the following twelve (12) months;</p> <p>4) overseeing the company risk management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the company in order to determine areas of inadequacy therein;</p> <p>5) regularly reassessing the company ability to take risks and exposure to such risks through stress tests as an example);</p> <p>6) preparing detailed reports on the exposure to risks and the recommended measures to manage such risks, and presenting them to the Board;</p> <p>7) providing recommendations to the Board on matters related to risk management;</p> <p>8) ensuring the availability of adequate resources and systems for risk management;</p> <p>9) reviewing the organizational structure for risk management and providing recommendations regarding the same before approval by the Board;</p> <p>10) verifying the independence of the risk management employees from activities that may expose the company to risk;</p> <p>11) ensuring that the risk management employees understand the risks threatening the company and seeking to raise awareness of the culture of risk; and</p> <p>12) reviewing any issues raised by the Audit Committee that may affect the company risk management</p>	Significantly applied	Guideline material
69	The risk management committee shall convene periodically at least once every six months, and as may be necessary.	Significantly applied	Guideline material

82	<p>The company shall establish programs for developing and encouraging the participation and performance of the company employees. The programs shall particularly include the following:</p> <p>1) establishing a scheme for granting company shares or a percentage of the company profits and pension programs for employees and establishing an independent fund for spending on these programs</p>	partially applied	The Board of Directors made a recommendation to allocate shares to employees and will be presented to the Extraordinary General Assembly for approval.
84	The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.	Not applied	Guideline material
85	<p>The Board shall establish programs and determine the necessary methods for proposing social initiatives by the company, which include:</p> <p>1) establishing indicators that link the company performance with its social initiatives and comparing it with other companies that engage in similar activities;</p> <p>2) disclosing the objectives of the company social responsibility to its employees and raising their awareness and knowledge of social responsibility;</p> <p>3) disclosing plans for achieving social responsibility in the periodical reports on the activities of the company; and</p> <p>4) establishing awareness programs to the community to familiarize them with the company social responsibility.</p>	Significantly applied	Guideline material
92	If the Board forms a corporate governance committee, it shall assign to it the competencies stipulated in article ninety-four of these Regulations. Such committee shall oversee any matters relating to the implementation of governance and shall provide the Board with its reports and recommendations at least annually.	Significantly applied	Guideline material



The Board of Directors is appointed by the shareholders and is mainly responsible for the management of the company operations, taking into consideration the interest of shareholders on the long run. The Board is composed of eleven members that are elected by the company general assembly via cumulative voting and based on the recommendation of the Nominations and Remunerations Committee. The Board is elected for no more than three years renewable term. The majority of Board members shall be non-executive members, provided that three of them are independent.

The Board members shall elect a chairman and a vice-

Chairman for three years term and all Board members, Chairman and Vice-Chairman may be re-elected. In the event of vacancy in the Board, the Board may appoint a temporary member, provided such appointment is referred to the first shareholders' general assembly for approval.

The Board of Directors was re-elected during the ordinary general assembly held on 24/03/2021G via cumulative voting for three years term as from 26/04/2021G and will expire on 25/04/2024G. The following table shows the names and positions of Board members as well as their membership classification and their nationalities:

Ser.	Member Name	Position	Membership Status		
			Independent	Executive	Non-Executive
1	Shaik Sulaiman bin Abdulaziz Almajed	Chairman			√
2	Dr. Saud Bin Nasser Alshathri	Member			√
3	Mr. Abdullah bin Abdulaziz Almajed	Member			√
4	Dr. Abdullah bin Sulaiman Alamro	Vice-Chairman and Managing Director		√	
5	Mr. Sulaiman bin Nassir Al Hatlan	Member		√	
6	Mr. Ali Faqihi Damati	Member	√		
7	Mr. Abdulaziz bin Ibrahim Alnowaiser	Member	√		
8	Mr. Saleh bin Abdullah Al-hanaki	Member	√		
9	Mr. Ahmed bin Saleh Alho-maidan	Member	√		
10	Mr. Sulaiman bin Abdulaziz Alzaben	Member	√		
11	Mr. Khaled bin Abdulrahman Alkhodairi	Member	√		

Board Responsibilities

The Board of Directors is responsible for overseeing the company executive management and supporting its strategic goals to enable the company to continue its business successfully and sustainably to achieve the interests of its shareholders and stakeholders at a large scale.

The Board is also responsible for enhancing the success of the group on the long-run and submitting clear directions to the executive management of the company. The Board's responsibility includes developing a clear strategy and overseeing its implementation by the management. In addition, the Board is responsible for overseeing the company governance and internal control systems as well as risks management.

The Board represents all shareholders and carries out its duties in the management of the company affairs, implements all the works for the interest of the company, develop and increase its value with full care and loyalty.

of the Board

The company is overseen by a Board of Directors that is comprised of an elite and highly specialized competencies. The Board is mandated with the full authorities required to manage and oversee the company business and affairs. The Board delegates the daily management of the company to its executive management.

The Board may also mandate its authorities to two committees that are formed from the Board members and each committee shall submit a report to the Board on its annual works and activities. These committees include the Executive Committee and the Nominations and Remunerations Committee (referred to jointly as ("Board Committees").

The Board committees may seek the assistance of external, professional, and independent advisors and may request the support of the other employees of the company to help them carry out their responsibilities, in line with the work regulations of each committee.

The Board shall also protect the shareholders' interests and achieve a maximum benefit for them on the long run. Accordingly, the Board shall be responsible in full for the company governance, including the setup of its vision and strategy and the goals for the executive management and shall oversee the management business to realize such goals.

Moreover, the Board shall also set up the strategic goals of the company and shall oversee the executive management of the company. The executive management shall be responsible for the management of the company day-to-day affairs. However, the Board of Directors shall ensure and verify that the company internal control systems are efficient and that the company activities are aligned with the strategy, business frameworks and the internal policies and procedures adopted by the Board, as required by the law, regulations and instructions issued by the concerned authorities.

The external advisors, some of the directors and the senior executive management team members may at times attend the committee meetings together with its members and the secretary, subject to an invitation by the Chairman of the concerned committee.

The Board of Directors shall have the authority to form any number of committees as it deems necessary for the active governance, supervision and management of the company operations and may delegate some of its authorities to a third party. However, the Board has maintained the authority to take the important decisions over specific key issues that require the approval of the Board thereon. Such decisions include those related to the group strategy, annual financial reports, operational plans, expenditures, key capital transactions, financial results, dividend distribution as well as other capital revenue and approval of the group appetite of risks and other governance issues.

Board Efficiency

The Board of Directors was very efficient in carrying out its works during the year, especially in relation to supporting the company mission, managing the decisive changes in the legislative, economic, and commercial environment during the spread of the novel covid-19 pandemic, and the resulting significant changes in the legislative, economic, and commercial environment.

The Board Chairman also worked in cooperation with the

Board secretary

The Board Secretary is mainly responsible for providing secretarial services to the Board, including assistance in setting the schedule of the Board meetings, its notifications, agenda, Board set of procedures, minutes of meeting, following up the decisions and work items resulting from the Board meetings. The Secretary authorities cover all the tasks that are set out in paragraph (a) of article thirty-seven (37) of the Corporate Governance Regulations, and include but are not limited to the following:

- Documenting the Board meetings and preparing their minutes including discussions and deliberations; and documenting and keeping the Board decisions and voting results.
- Keeping the reports submitted to the Board and the reports prepared by the Board.
- Providing the Board members with the Board agenda, as well as worksheets and related documents and information.

Performance evaluation

The performance of the members of the Board, company committees and the executive management shall be assessed on an annual basis vis-à-vis the relevant authorizations and the financial and non-financial key

Chief Executive Officer in setting the agenda of the Board to ensure that the adopted decisions and procedures are implemented effectively.

In addition, the Chairman continued to communicate and meet regularly with the Board independent members as well as other non-executive members on an individual basis.

- Verifying that the Board members comply with the procedures approved by the Board.
- Notifying the Board members of the dates of the Board meetings enough time prior to the scheduled date.
- Submitting the draft minutes of meeting to the Board members to express opinion thereon prior to signing them.
- Coordinating between Board members.
- Organizing the Board and executive management disclosure record, in line with the provisions of article ninety-two (92) of the Governance Regulations issued by the Capital Market Authority.
- The secretary may be dismissed only by a decision issued by the Board.

performance indicators determined in the beginning of the year.

Conflict of Interest Department

All directors have a duty to perform under the internal conflict of interest policy, i.e., avoiding any situation that represents or may represent a direct or indirect conflict of interest or a possible conflict with the interests of the company and the group, save as when obtaining the prior approval of the ordinary general assembly, which shall be renewed annually.

No Board member may have a direct or indirect interest in the transactions or contracts that are concluded for the benefit of the company, unless a prior approval is obtained from the ordinary general assembly, which shall be renewed annually.

The Board member shall disclose to the Board any direct or indirect interest that he may have on the transactions and contracts that are concluded for the benefit of the company. The member may not have the right to vote on the decision that will be taken in this respect in the meetings of the Board and the shareholders.

The businesses and contracts made with a Board member to meet his special needs shall not be considered as an interest that requires a permission by the ordinary general assembly, provided such businesses and contracts are implemented in line with the same terms and conditions that are followed by the company with all contractors, and shall be within the ordinary course of implementing the

company activities.

The Board Chairman shall notify the ordinary general assembly, when convened, of the transactions and contracts under which any Board member will have a direct or indirect interest. Such notification shall be attached with a special report provided by the external auditor of the company.

The updated conflict of interest policy approved by the general assembly on 01 September 2020G included a mechanism for licensure in the works and contracts in which a Board member has a direct or indirect interest. Any information related to the commercial interests of any Board member, manager, officer, or any of their family members shall be dealt with confidentially. Such information shall be made available to the Board Chairman, Chief Executive Officer and any committee appointed to address the conflict of interest only, unless disclosure of such information is necessary for the implementation of this policy, the requirements of the Companies Law and the relevant laws including but not limited to the Governance Regulations requirements, and the market disclosure rules. In the event a Board member has violated the conflict-of-interest policy, his membership will be frozen until the Board has taken a decision in respect of such violation.

Expiry of Board Membership

The Board membership shall expire upon expiry of the Board term. The membership is terminated if the member becomes unfit, in line with the law or the relevant regulations applicable in the Kingdom of Saudi Arabia and under a decision issued by the Board. Such decision shall be preceded by a written request to the Chairman by the member.

However, the general assembly may at any time terminate all or any of the Board members even if otherwise stated

in the company articles of association. Such termination shall not prejudice the right of the dismissed member to claim compensation if the dismissal has occurred for an unacceptable reason or has been made at an improper time. Under a recommendation of the Board, the general assembly may terminate the member who has not attended three consecutive meetings without a legitimate reason.

Biographies of Board Members

Shaikh Sulaiman bin Abdulaziz Almajed



Current Posts

- Partner and General Manager, Alahiah International Real Estate Investment Company
- Board Chairman, Maharah Human Resources Company

Previous Posts

- General Manager, Tanmiat Real Estate Establishment

Current Board's Membership

- Board Member, Saudi Center for Commercial Arbitration
- Board Chairman, Rasanah Capital
- Board Chairman, Maharah Human Resource Management Company (since 2015G – to date)
- Board Member, Mazaya Gulf Commercial Investment Holding Company – a limited liability Saudi Company (2012G)
- Board Member, Alahlia International Real Estate Investment Company, a Saudi limited liability Company (2007G)
- Board Member, Tanmiat Real Estate Investment Company (2006)

Previous Boards Membership

- Board Member, Tanmiat Real Estate Investment Company (2006G)
- Board Chairman, AD Engineering Company, a Saudi professional company (2004G)

Experiences

- Manager, Tanmiat Clothes Trade Company (1992G – 2004G)
- General Manager Tanmiat Real Estate Establishment (1993G – 2004G)
- Board Chairman, Tanmiat Commercial Investment Company, a Saudi closed joint stock company operating in real estates and commerce (2004G – 2015G)
- Board member, Tanmiat Commercial Investment Company, a Saudi closed joint stock company operating in Real Estates and Commerce field (since 2015G – to date)
- Board Chairman, Maharah Human Resources Company, a Saudi joint stock company operating in human resources and recruitment (since 2015G – to date)
- Board Member, Saudi Commercial Arbitration Center (2021G – to date)

Dr. Abdullah bin Sulaiman Alamro



Current Posts

- Deputy Chairman, Maharah Human Resources Company
- Manager, Zawaya Investment Company
- Member of the Council of Trustees, Saudi Commission for Health Specialties
- President of the Advisory Council for the First Health Forum in Riyadh Region
- Member of the Advisory Council in King Khalid University in Assir Region

Previous Posts

- Chief Executive Officer, King Fahad Medical City

Current Board's Membership

- Board Member, Care Shield Health Company, Kingdom Hospital (2022 to date)
- Board
- Chairman, Arabian Shifa Medical Company, a Saudi limited liability company (2017G – 2021)
- Vice Chairman, Sihaty Information Technology Company, a Saudi limited liability company (2018G – to date)
- Board Member, Middle East Investment Company, a Saudi limited liability company, (2019G – to date)
- Board of Trustees Member, Saudi Commission for Health Specialties

Previous Boards Membership

- Chairman, Altazaj Food Services Company, a limited liability Saudi company (2017G –to date)
- Chairman, Arabian Shifaa Medical Company, a Saudi limited liability company (2017G – 2021)
- Board Member, Zawaya Investment Company, a Saudi limited liability company

- Board Member, Spectra Support Services Company, a Saudi limited liability company

Experiences

- Founder, Chief Executive Officer and Managing Director, Maharah Human Resources Company (2013G)
- Radiation Oncologist, King Fahad Medical City (2005G – 2015G)
- Board Member, King Fahad Medical City (2005G – 2013G)
- Chief Executive Officer, King Fahad Medical City (2004G – 2013G)
- President, Oncology Center, King Faisal Specialist Hospital and Research Centre (2004G)
- Board Chairman, Saudi Cancer Society (2004G – 2016G)
- Executive Director, Joint Cooperation and Project Development, King Faisal Specialist Hospital and Research Center (1999G – 2004G)
- Chairman of Program of Cooperation with the Saudi Hospitals, King Faisal Specialist Hospital and Research Center (1997G – 1999G)
- Chairman of Radiation Therapy, King Faisal Specialist Hospital and Research Center (1997G – 1998G)
- Consultant Oncologist, King Faisal Specialist Hospital and Research Center (1996G – 2008G)
- President of Saudi Students Club, Ottawa, Canada (1993G – 1994G)

Qualifications

- Fellowship of Radiation Surgery, McGill University, Canada (1995G)
- Fellowship of Radiation Therapy, McGill University, Ottawa, Canada (1995G)
- American Board of Radiation Oncology, American Board, USA (1995G)
- Canadian Fellowship, Royal College of Canada (1995G)
- Bachelor of Medical Sciences, King Faisal University (1988G)



Mr. Sulaiman bin Nasser Al Hatlan



Current Posts

- Board Member and Managing Director, Maharah Human Resources Company
- CEO, Growth Path Investment Company, a limited liability single shareholder company - investment arm for Maharah Human Resources Company

Previous Posts

- Managing Director, Maharah Human Resources Company
- Chief Executive Officer, National Consultations House Company
- Faculty Member, financial programs sector, Institute of Public Administration

Current Board's Membership

- Board Member and Chairman of Audit Committee, Riyadh Construction Company, a Saudi listed company (2022-to date)
- Board Member, Audit Committee and Chairman of the Nominations and Remunerations Committee, Saudi Pipes Manufacturing Company, a joint stock listed company (2020G – to date)
- Vice Chairman, Alhilal Club and Vice Chairman, Alhilal Investment Company, a closed joint stock company (2019G – to date)
- Member of the Audit Committee, Dr. Sulaiman Alhabib Medical Group, a Saudi listed joint stock company (2015G – to date)
- Member of the Audit Committee, Almaraea Company, a Saudi joint stock listed company (2011G – to date)
- Board Chairman, Spectra Support Services Company, a limited liability company
- Board Chairman, Saudi Health System Company (2022 – to date), a closed joint stock company
- Board Member, Care Shield Holding Company (Kingdom Hospital) (2022 to date)

- Vice Chairman, Arabian Shifaa Medical Company (2022 to date), a limited liability company)

Previous Boards Membership

- Board Member, Chairman of the Audi Committee, and Chairman of the Nominations and Remunerations Committee, Arabian Shield Cooperative Insurance Company (2014G – 2017G)
- Member of the Audit Committee, Bupa Insurance Company, a Saudi joint stock company (2018G – 2022G)
- Member of the Audit Committee, Saudi Research and Marketing Company, a Saudi joint stock company (2018g – 2019G)
- Member of the Board and the Nominations and Remunerations Committee, and the Risks Committee, Arabian Shield Cooperative Insurance Company, a Saudi joint stock company (2016G – 2017G)
- Member of the Audit Committee, Bank Albilad (2011G – 2019G)

Experiences

- More than 20 years of experience in the banking and investment fields with focus on merger and acquisition, business plans, economic and accounting feasibility studies, internal control, and governance via working in the following posts:
- Managing Director, Maharah Human Resources Company (2021G)
- CEO, National Consultation House (2007G – 2020G), a financial company licensed by the Capital Market Authority
- Faculty Member, financial programs sector in the Institute of Public Administration (1994G –2006G)

Qualifications

- Master of Accounting, California State University, USA, 1998G)
- Bachelor of Accounting, King Saud University, Kingdom of Saudi Arabia (1994G)

Mr. Abdullah bin Abdulaziz Almajed



Current Posts

- Chief Executive Officer – Tanmiat Investment Company
- Board Member, Maharah Human Resources Company

Previous Posts

- Managing Director, Global Real Estate Company

Current Board's Membership

- Board Member, Maharah Human Resources Company (2018G - to date)
- Board Chairman – Fourth Winds Company for Trade, a Saudi limited liability company (2015G – to date)
- Board Member, Alahlia International Real Estate Development Company, a Saudi limited liability company (2016G – to date)
- Board Chairman, Mazaya Gulf Commercial Investment Holding Company, a Saudi limited liability company (2012G – to dated)
- Board Member, Dalta International Company, an Emirati limited liability company (2016G – to date)

Previous Boards Membership

- Audit Committee Member, Bank Albilad, a Saudi joint stock company (2011G – 2019G)
- Board Member, Osus Entertainment Company, a Saudi limited liability company ((2004G – 20212G)

Experiences

- Managing Director, Delta International Company (2016G – to date)
- Chief Executive Officer, Tanmiat Investment Company (2009G - to date)
- Managing Director, Global Real Estate Company (2007G – 2012G)
- Deputy Chief Executive Officer, Tanmiat Investment Group (2007G – 2009G)
- Manager of Marketing and Sales, Tanmiat Investment Company (2004G – 2006G)

Qualifications

- Mater of Business Administration, London Business College, UK (2015G)
- Bachelor of Computer Sciences, King Saud University, Kingdom of Saudi Arabia (1997G)



Mr. Abdulaziz bin Ibrahim Alnowaiser



Current Posts

- Chief Executive Officer, Tahakkom Investment Company

Previous Posts

- Deputy Chief Executive Officer for Financial Affairs, Arabian Internet and Telecommunications Services Company
- Deputy Chief Executive Officer for Finance, Alothaim Investment and Real Estate Company
- Executive partner and then the Chief Executive Officer, National Investment House Company
- A teaching Assistant and then lecturer, Accounting, Department, King Saud University
- Manager of Finance, Elm Information Security Company

Current Board's Membership

- Board Member, Tahakkom Investment Company
- Board Chairman and Chairman of the Executive Committee, Cooperative Insurance Company
- Board Member and Chairman of Audit Committee, Maharah Human Resources Company
- Board Member and Chairman of the Audit Committee, Saudi Entertainment Projects Company
- Chairman of the Audit Committee, Etihad Etisalat Company (Mobily)
- Member of the Audit Committee, National Water Company
- Member of the Audit Committee, Saudi Airlines
- Member of the Audit Committee, Flyadeal
- Member of the Audit Committee, King Khalid Eye Hospital

Previous Boards Membership

- Board Member, Saudi Tourism Development Company
- Member of the Audit Committee, Um Al Qura Cement Company
- Member of the Audit Committee, Alissa Telecommunications Company
- Member of the Audit Committee, Abdullah Alothaim Markets Company
- Member of the Audit Committee, Cooperative Insurance Company
- Member of the Audit Committee, Elm Information Security Company,
- Member of the Audit Committee, Saudi Fisheries Company

Experiences

- The current and previous posts as well as the current and previous memberships of the Boards and committees represent the qualifications that Mr. Nowaiser has.

Qualifications

- Master of Accounting, Case Western Reserve University, USA (2002G)
- Bachelor of Accounting, King Saud University (1995)G0
- Diploma of International Financial Reporting Standards, Certified Accountants Authority, UK (2018G)
- Fellowship of Certified Internal Auditors, Internal Auditors Institute, USA (2014G)
- Fellowship Certificate for Financial Managers, Management Accountants Institute, USA (2007G)
- Fellowship Certificate for Certified Management Accountants, Management Accountants Institute, USA (2006G)
- Passed the fellowship exam for certified public accountants, Institute of Certified Public Accountant, USA (2002G)

Dr. Saud bin Nasser Alshathri



Current Posts

- Board Member, Maharah Human Resourced Company

Previous Posts

- Notary Public Ministry of Justice

Current Board's Membership

- Board Member, Maharah Human Resources Company (2013G – to date)

Experiences

- Notary Public, Ministry of Justice (1426G – 1414G)

Qualifications

- Ph.D. from the Division of Laws, High Judicial Institute, Kingdom of Saudi Arabia (1430G)
- Master of Shariah Policy, Higher Judicial Institute, Kingdom of Saudi Arabia, (1421H)
- Bachelor of Shariah, Imam Mohammed bin Saud University, Kingdom of Saudi Arabia (1414H0)



Mr. Ali Faqihi Damati



Current Posts

- Managing Director, Mazaya Investment Company
- Board Chairman, Mayar Alaseel Company
- Board Member, Maharah Human Resources Company

Current Board's Membership

- Board Member, Maharah Human Resources Company (2016G – to date)
- Board Member, iHub CHI, Riyadh, Kingdom of Saudi Arabia (2022G – to date)
- Board Member, NeoRx, Riyadh, Kingdom of Saudi Arabia, (2021G – to date)
- Board Chairman, Mayar Alaseel Company, Emirati joint stock company (2020G – to date)
- Board Member, Sihaty Information Technology Services (2018G- to date)
- Board Member, Altazaj Food Services Company, a Saudi limited liability Company (2018G – to date)
- Member of the Executive Committee, Zawaya Capital Company
- Member, Executive Committee for Sihaty for Information Technology

Previous Boards Membership

- Board Chairman, Philips Saudi Arabian Healthcare Company, a limited liability company (2013G – 2015G0
- Board Member TPH, Dubai, United Arab Emirates, (2017G – 2021G)

- Board Member, Spectra Support Services, Riyadh, Kingdom of Saudi Arabia (2016G – 2020G)
- Managing Director Zawaya Capital, Riyadh Kingdom of Saudi Arabia (2018G – 2020G)

Experiences

- Managing Director, Mazaya Investment Company (2018G – to date)
- Member of the Executive Committee, Zawaya Capital Company (2018G – to date)
- Board Member, Mayar Company (2018G – to date)
- Chief Executive Officer, Strategy and Projects, Dr. Sulaiman Alhabib Medical Group (2016G – 2018لأ)
- Senior Executive, Healthcare Investment and Projects, Alfaisaliah Group (2015G – 2016G0
- Chief Executive Officer, Alfaisaliah Medical Systems Company (2005G – 2015G)
- Regional Manager for Middle East and Africa Philips Company, Dubai and Geneva (2001G 0 2005G)
- Regional Manager for Middle East and North Africa, HPV Geneva (1998G – 2001G)
- Business Development Manager, Kodak Near East Company, Dubai (1995G – 1997G)

Qualifications

- Master of Electrical Engineering, King Fahad University of Petroleum and Minerals, Kingdom of Saudi Arabia (1988G)
- Bachelor of Electrical Engineering, King Fahad University of Petroleum and Minerals, Kingdom of Saudi Arabia (1986G)

Mr. Khaled Abdulrahman Alkhodairi



Current Posts

- Board Member and Member of the Nominations and Remunerations Company, Maharah Human Resources Company (2021G – to date)
- Board Member and Member of the Nominations and Remunerations Company (Etihad Atheeb Telecommunications (2020G –to date)
- Member of the Nominations and Remunerations Committee, Care Shield Holding Company
- Member of the Nominations and Remunerations Committee (not a Board member), Mawten Real Estate Company, (October 2021G – to date)
- Board Member (non-executive), Gulf Elite Company for Business and Investment Services Company (2009G – to date)

Previous Posts

- Deputy CEO, Joint Services, National Privatization Center (2019-to date)
- Chairman of the Nominations and Remunerations Company, Globe Med Company (January 2020G until December 2021G)
- Board Member, Tabuk Agriculture Company (2020G – 2021G)
- General Manager of Human Resources, National Housing Company

- General Manager of Human Resources and Support Services, Volkswagen Group Limited, and Board Chairman Advisor
- Head of Talents Management, Development and Organizational Development, Alsafi Danon Company (one of Alfaisaliah Group Companies, and Manager of Human Resources in the Modern Electronics Company – Sony (one of Alfaisaliah Group Companies (2011G – 2014G)
- Member of the Saudi Business Group Committee, Saudi Institute of Electronics and Home Appliances (Sihai), a representative of Sony Company – Alfaisaliah Group
- Non-Executive Member and partner, Tahalof Alofoq Company (Business Incubator)

Qualifications

- Master of Public Administration – University of (IF), Madrid, Spain
- Bachelor of Business Administration, King Abdulaziz University, Kingdom of Saudi Arabia
- Diploma of Human Resources Development, Chartered Institute of Personnel and Development
- Completion of the Executive Program for Human Resources, Stephen M Ross College for Business Administration, USA (2019G)



Mr. Saleh bin Abdullah Alhanaki



Current Posts

- Chief Executive Officer, Nitaq Capital

Current Board's Membership

- Board Member, Jazl Arabia Company,
- Member of the Board and Audit Committee, Roaa Alharam Company
- Board Chairman and Member of the Executive Committee, the Saudi Egyptian Construction Company
- Member of the Board and Audit Committee, Mohammed Alhabib Holding Company
- Board Chairman, National Finance Services Company
- Member of the Board and Audit Committee, Flynas
- Board Member and Managing Director, Rafal Real Estate Development Company

Previous Boards Membership

- Member of the Audit and Investment Committee, Samaco, to date
- Member of the Executive and Audit Committee, National Housing Company, to date

- Member of the Executive Committee, Thakir Real Estate Development Company, to date

Experiences

- Chief Executive Officer, Masic Company (2019G – 2020G)
- Chief Executive Officer, Alinmaa Investment Company (2014G – 2019G)
- Head of Asset Management, Falcom Investment Company (2007G – 2014G)
- Fund Manager, Alrajhi Bank (2006G – 2007G)
- Banks Inspector, Saudi Arabian Monetary Authority (1995G – 2006G)

Qualifications

- Master of Financial Mathematics, University of Michigan, USA (2002G)
- Master of Economics, University of Colorado, USA, (1998G)
- Bachelor of Economics, King Saud University, Kingdom of Saudi Arabia, (1995G)

Mr. Ahmed bin Saleh Alhomaiddan



Current Posts

- Board Member, Maharah Human Resources Company

Previous Posts

- Director General of Training Programs, Institute of Public Administration
- Director General, Trainees Affairs, Institute of Public Administration
- Saudi Medicare Company, Private Sector
- Director General of Administrative Programs and Systems (Institute of Public Administration)
- Assistant Deputy of Minister of Labor for Inspection (Ministry of Labor)
- Assistant Deputy Minister of Labor for Employment (Ministry of Lablr)
- Assistant Deputy Minister of Labor for Labor Policies (Ministry of Labor)
- Acting Minister of Labor (Ministry of Human Resources and Social Development)

Current Board's Membership

- Member of the Advisory Commission for the Supreme Council of the Gulf Cooperation Council

Previous Boards Membership

- Board Member, Technical and Vocational Training Corporation
- Board Member, Saudi Arabian Airlines
- Board Member, General Investment Authority
- Board Member, Takamul Business Services Holding Company

- Board Member, Management of Medical Cities and Specialized Hospitals, Ministry of Health
- Board Member, Cooperative Health Insurance
- Board Member, Hasanah Company
- Member of the Economic Balance Committee
- Member of the Nationalization of the Operation and Maintenance Contracts Jobs
- Board Member, Saudi Skills Standards (Hadaf Company)
- Board Member, Colleges of Excellence (Hadaf Company)
- Member of the Supervisory Committee for the National Program for Crafts and Handicrafts

Experiences

- Assistance Deputy Minister of Labor for Inspection and Employment and Acting Minister of Labor, Ministry of Labor (2009G – 2018G)
- Assistant General Manager of Training Programs, Trainees Affairs Manager, General Manager of Administrative Programs and Systems, General Manager of Investment, Institute of Public Administration (1978G –2009G)
- Secondment from Institute of Public Administration to the Medical Services in the Armed Forces (1997G – 1999G)
- Chairman of the Executive Council for Nitaqat Program

Qualifications

- Master of Public Administration, University of Pittsburgh, USA (1982G)
- Bachelor of Economics, King Saud University, Kingdom of Saudi Arabia (1978G)





## Mr. Sulaiman bin Abdulaziz Alzaben

### Current Posts

- Board Member, Maharah Human Resources Company

### Previous Posts

- Deputy of the Minister of Social Development

### Current Board's Membership

- Member of the Nominations and Remunerations Committee, the Paper Company, to date
- Board Member, Almaal Company, to date
- Board Member, Future Leaders Company, to date
- Board Member, Alzain Vehicles Company, to date
- Board Member, Future Homes Company, to date
- Board Member, Najm Kaden, to date

### Experiences

- Deputy of the Ministry of Social Development (2018G –2020G))
- Chief Executive Officer, Deutsche Real Estate Financing Company (2015G – 2018G)
- Chief Executive Officer, Alrajhi Bank (2012G – 2015G)
- Manager of International Business, Alrajhi Bank (2007G – 2012G)
- Manager of Risks Management, SABIC Company (1995G – 2007G)

### Qualifications

- Master of Risk Management, Southampton University, England (2004G)
- Bachelor of Accounting, King Saud University, Kingdom of Saudi Arabia (1995G)





Board meeting attendance record

Maharah Human Resources Company Board of Directors held four meetings during the fiscal year 2022G. the table below shows the number of meetings and Board attendance record during the year.

S	Member Name	Type of Membership	First Meeting	Second Meeting	Third Meeting	Fourth Meeting
			15/03/2022G	22/5/2022G	13/9/2022G	13/12/2022G
1	Shaik Sulaiman bin Abdulaziz Almajed	Chairman	√		√	√
2	Dr. Saud Bin Nasser Alshathri	Member	√	√	√	√
3	Mr. Abdullah bin Abdulaziz Almajed	Member	√		√	√
4	Dr. Abdullah bin Sulaiman Alamro	Vice-Chairman – Managing Director	√	√	√	√
5	Mr. Sulaiman bin Nassir Al Hatlan	Member	√	√	√	√
6	Mr. Ali Faqihi Damati	Member	√	√	√	√
7	Mr. Abdulaziz bin Ibrahim Alnowaiser	Member	√		√	√
8	Mr. Saleh bin Abdullah Alhanaki	Member	√	√	√	√
9	Mr. Ahmed bin Saleh Alhomaïdan	Member	√	√	√	√
10	Mr. Sulaiman bin Abdulaziz Alzaben	Member	√	√	√	√
11	Mr. Khaled bin Abdulrahman Alkhodairi	Member	√		√	√

Board Committees

Seeking to achieve further efficiency, a number of internal committees to help the Board in performing its activities, are either formed by the Board or the general assembly as follows:

- Audit Committee
- Nominations and Remunerations Committee
- Investment Committee
- Executive Committee

The above committees were formed by the Board of Directors, save as the Audit Committee which members were elected by the general assembly. The number of members of each committee ranges between three and five members. The wok regulations for the Audit Committee and the Nominations and Remunerations Committee were adopted by the general assembly. The Board has also the right to form any number of committees that it may deem necessary to realize effective governance, supervise Maharah operations and determine the authorities, objectives, and reporting mechanism of these committees. In addition, the Board reviews, approves, or amends the authorities of its subcommittees on yearly basis to ensure that such authorities conform continuously with the objectives for which the committees have been established.

Furthermore, the Board committees shall submit to the

Board a fully transparent annual report, which shall include the company activities, results of operation, decisions, and recommendations. The Board shall follow-up the activities of its committees on a regular basis to ensure implementation of the duties mandated to them. The chairmen of internal committees shall submit a quarterly report to the Board.

The Board committees may seek the assistance of external, professional and independent advisors, and may request support from the employees at all functional levels inside the group to assist them to carry out their duties. Whenever necessary and subject to an invitation by the committee Chairman, the external advisors, some of the managers and the senior management team members may attend the committee meetings together with its members and the secretary.

Each of the Board committees shall be responsible before the Board in relation to its activities. However, such responsibilities shall not exempt the Board from its liability for such activities, duties, and authorities which it delegates to its committees. In addition, the Audit Committee shall be liable for the implementation of its roles and responsibilities before the general assembly and shall prepare and submit an annual report on its activities to the general assembly.

The Board committees shall be composed of a sufficient number of the Board executive, non-executive, and independent members. The Board Chairman may be a member in the Board’s committees except the Audit Committee and shall not have the right to be the Chairman

1. Audit Committee

The Audit Committee (“the Committee”) members were elected by the general assembly to follow up the internal control systems, the financial reports of the company, internal and external audit works on the financial reports and ensure that the company complies with the applicable laws and regulations. In addition, the general assembly has

of the Nominations and Remunerations Committee. The Board committees shall have the right to access to all employees, work locations, records, systems, and legal advisors in order to carry out their responsibilities.

authorized the committee to carry out its responsibilities in relation to supervising the company risks management as set forth in the Audit Committee Work Regulations adopted by the general assembly on 13/09/1441H corresponding to 06/05/2020G.

Formation and roles of the audit committee

- The Audit Committee is composed of a minimum of three members and a maximum of five members, including a specialist in the financial and accounting affairs. The members of the committee are appointed by voting of the general assembly for a term that synchronizes with the term of appointment of each member as a Board member. The general assembly may dismiss or replace the member at any time. The Audit Committee members may be also nominated for election by the general assembly, in line with the Board membership criteria and conditions policy. At the end of the committee work session, the company follows the method stipulated in the policy and criteria for nomination to the membership of the Board and committees.
- The committee members shall be selected in a manner that ensures the availability of a set of a diversity of competencies, skills, experiences, and sound understanding of the sector in which Maharah operates. One member at least shall have a reasonable accounting or financial experience.
- The executive Board members and the Chairman may not be members in the Audit Committee. In addition, no person works or have worked in the company Department of Finance or the Executive Management or works or have worked with the company external auditor during the past two years, may be a member of the committee. At least one committee member shall be an independent Board member.
- In the event of a vacant position in the Audit Committee, the Board of Directors shall appoint a temporary member in the committee within 40 days as of the date the position has become vacant, based on the recommendation of the Nominations and Remunerations Committee. The appointment of the member shall then be submitted to the general assembly for adopting his appointment as a permanent member by the shareholders in the general assembly first meeting that will be held after the position has become vacant.
- The Audit Committee in its main role shall ensure the availability of a control and audit mechanism to support the accuracy and integrity of the reports issued by the company and its financial statements and data. It shall also ensure the integrity and efficiency of the internal control systems; the company risks management systems as well as company compliance with the applicable laws and regulations not to mention overseeing the company business.
- The committee in general shall have the authority to review and audit any activity within its jurisdiction and may carry out other duties as may be required by the Board of Directors in particular. The committee shall have the right to review all the records and have unlimited access to Maharah employees (including internal audit), and external auditors. The Board shall mandate the committee with the authority to obtain an external legal advice or any other independent legal consultations in the manner required to assist the committee in carrying out its work. To ensure the

independency of the work of the committee, direct channels should be established for communication with the Head of Internal Audit and external auditors

who may communicate with the Audit Committee without an intermediary.

Audit Committee Members

The shareholders general assembly held on 07/04/2021G approved the formation of the Audit Committee for the company as from 1/5/2021G, for three years term that will expire on 30/04/2024G. The committee members are as follows:

S	Name of Member	Post	Classification of Membership		
			Independent	Executive	Non-executive
1	Mr. Abdulaziz bin Ibrahim Alnowaiser	Chairman and Board Member	√		
2	Mr. Jasser bin Abdulkareem Aljasser	Non-Board member	√		
3	Mr. Abdulaziz bin Abdullah Alhaidari	Non-Board member	√		

Biographies of the Audit Committee Members

Mr. Abdulaziz bin Ibrahim Alnowaiser



Please refer to the biographies of Board members above

Mr. Jasser bin Abdulkarim Aljasser



Current Posts

- CEO, Governance, Risks and Compliance, NEOM

Previous Posts

- Director General, General Administration for Governance, Risks and Compliance, Ministry of Finance
- Head of Internal Audit, Saudi Stock Exchange (Tadawul)
- Assistant Deputy CEO, Corporate Banking, Riyadh Bank

Experiences

- Director General of Governance, Risks and Compliance, Ministry of Finance (2018G – 2023G)
- Head of Internal Audit, National Commercial Bank (2015G – 2018G)
- Head of Internal Audit, Saudi Stock Exchange – Tadawul (2015G – 2018G)

- Assistant Deputy CEO, Corporate Banking, Riyadh Bank (2008G – 2010G)
- Assistant Deputy CEO and Manager of Internal Audit, Riyadh Bank (2002G – 2008G)

Qualifications

- Leadership and Management Programs, Insead College, France
- Certificate of Internal Auditors Institute, USA (2006G)
- CRA certificate, American Academy of Financial Management, USA (2005G)
- Master of Business Administration, University of Colorado, USA, (2001G)
- Bachelor of Business Administration, King Saud University, Kingdom of Saudi Arabia, (1999G)

Mr. Abdulaziz bin Abdullah Alhaidari



Current Posts

- Chief of Audit, Elm Company

Previous Posts

- Head of Internal Audit Department, Elm Company

Experiences

- Chief of Internal Audit, Elm Company (2017G – to date)
- Head of Internal Audit, Elm Company (2012G – 2016G)
- Internal Auditor, Elm Company (2008G – 2011G)
- Accountant, Ministry of Interior (2003G – 2007G)

- Assistant Accountant, Ministry of Interior (2002G – 2005G)
- Accountant, Buad Company (2001G – 2002G)

Qualifications

- Master of Informational Technology Management, California State University (2016G)
- Master of Accounting, King Saud University, Kingdom of Saudi Arabia (2012G)
- CRMA certificate,
- CIA certificate, Institute of Internal Audit, USA
- Bachelor of Accounting, King Saud University, Kingdom of Saudi Arabia (2001G).





Audit Committee Meetings Record

The committee holds its meetings on quarterly basis at least and may hold additional meetings when necessary. The committee held six meetings during 2022G.

The Chief Executive Officer and the Manager of Finance of the company are invited to attend the committee meetings when necessary to submit any explanations related to accounts and financial matters. The meetings minutes are documented and forwarded thereafter to the Board of Directors. The Chief Executive Officer attended all the meetings save as the meetings that were held on an individual basis between the Audit

Committee and the External Auditor in order to obtain the opinion of the latter on the performance of the Management during the Audit Process. The opinion of the external auditor has always been positive.

The Chairman of the Audit Committee refers to the Board of Directors all the important matters which are pinpointed by the external auditors or the Head of Internal Audit.

It is worth mentioning that there has been no conflict between the recommendations of the Audit Committee and the decisions issued by the Board during the year.

S	Name of Member	First Meeting	Second Meeting	Third Meeting	Fourth Meeting	Fifth Meeting	Sixth Meeting
		10/3/2022	19/5/2022	26/7/2022	11/8/2022	3/11/2022	20/12/2022
1	Abdulaziz bin Sulaiman Alnowaiser	√	√	√	√	√	√
2	Jasser bin Abdulaziz Aljasser	√	√	√	√	√	√
3	Abdulaziz Alhaidari	√	√	√	√	√	√

Audit Committee Meetings Works Summary

1. Reviewing the quarterly and annual financial results and statements of the group.

2. Reviewing the Board annual report content and ensuring that it effectively expresses the results of the activities of the company in an understood manner and provides the information necessary for the shareholders to evaluate the company performance, business model and strategy.

3. Reviewing the methodology adopted for the audit works with the external auditors and management, which are stated in the independent auditor's report for the end of the year.

4. Reviewing the audit reports and results reached by the Internal Audit Department and external auditors and the management response to their recommendations.

5. Reviewing the reports in respect of the legal and regulatory compliance affairs, including combat of
- bribe and corruption, and reporting these cases TOUS

6. Reviewing the method of evaluating TOUS.

7. Reviewing the adequacy and efficiency of the internal control systems of the group.

8. Overseeing the risks management function and evaluating the efficiency of the risks identification and monitoring systems and mechanisms, including monitoring the implementation of the risks policies and measures.

9. Reviewing the independency of external auditors and the works related to provision of services other than the audit services.

10. Reviewing the external auditors' fees for the year 2022G, and the engagement letters related to the review process and recommending approval thereof by the Board.

2. Nominations and Remunerations Committee

- This committee is responsible for developing the policies and controls of nomination for the membership of the Board and its committees, in line with the relevant laws and regulations issued by the supervisory authorities on the company works. The committee is also responsible for developing, reviewing, and updating the policies related to compensations and remunerations of the Board members and executive management and submitting any recommendations thereon to the Board and thereafter presenting them to the general assembly for approval. In addition, the committee ensures that remunerations and compensations are disclosed adequately in the company annual report, in line with relevant laws and regulations. Moreover, the company shall study the subjects that are referred to it by the Board and submit recommendations thereon.

- The Nominations and Remunerations Committee was formed by the Board of Directors. The main objective of the committee is to submit recommendations to the Board in relation to the nomination and re-nomination of Board members, submit recommendations in respect of the Board members and executive management remunerations, benefits, and individual bonuses as
- well as other matters related to the evaluation of the performance of the company Board, committees, and executive management.

- The Nominations and Remunerations Committee is a Board committee that presents its report directly to the Board via its Chairman, who shall draw the attention of the Board to any matters that requires the Board's approval and/or taking any measure by the same in its nearest meeting.
  - The committee is composed of a number of at least three members, including two non-executive Board members and another independent Board member, with the Committee Chairman being an independent Board member. The executive Board members shall not have the right to be committee members and the committee members shall be appointed by the Board for a term that synchronize with the Board membership term.
  - In carrying out its duties, the committee shall have direct access to all employees at their different functional levels in the company, to the extent required for carrying out its duties. The committee shall maintain effective work relationships with the executive management. The role of the committee includes the following objectives:



In relation to nominations

- Proposing a policy and criteria for the membership of the Board and the executive management
  - Making recommendations to the Board in respect of the nominees for the new appointments, or re-appointment in the company Board and committees.
  - Evaluating the different issues related to the nominations, the performance of the Board, its
- committees and that of the executive management, and making recommendations to the Board.
  - Reviewing the succession plans for the Board and the executive management.
  - Reviewing the policy for employment, termination of services and termination of the services of the executive management.

In relation to remunerations

- Making recommendations to the Board in relation to the policy of the remunerations of the members of the Board and its committees as well as the executive management.
  - Making recommendations with respect to the package of remunerations and individual bonuses of the members of the Board, its members, and the executive management, in accordance with the
- applicable remunerations policy.
  - Pinpointing any cases of deviation from the applicable remuneration policy and reviewing this policy on a periodic basis.
  - Setting up the incentives plans.
  - Retirement arrangements

Nominations and Remunerations Committee Members

The following table shows the formation of the Nominations and Remunerations Committee, and the names and posts of its members:

S	Name of member	Post	Classification of Membership		
			Independent	Executive	Non-executive
1	Mr. Khaled bin Abdulrahman Alkhodairi	Chairman	√		
2	Mr. Ali Faqihi Damati	Member	√		
3	Mr. Sulaiman bin Abdulaziz Alzaben	Member	√		

Biographies of the Nominations and Remunerations Committee

Mr. Khaled bin Abdulrahman Alkhodairi



Please refer to the biographies of the Board members above

Mr. Ali Faqihi Damati



Please refer to the biographies of the Board members above

Mr. Sulaiman bin Abdulaziz Alzaben



Please refer to the biographies of the Board members above



Nominations and Remunerations Committee Meetings

The committee held six meetings in 2022G. The following table shows the number of the Nominations and Remunerations Committee meetings and attendance percentage:

S	Name of Member	1st Meeting	2nd Meeting	3rd Meeting	4th Meeting	5th Meeting	6th Meeting
		27/2/2022	18/4/2022	14/6/2022	19/9/2022	5/12/2022	26/12/2022
1	Mr. Khaled bin Abdulrahman Alkhodairi	√	√	√	√	√	√
2	Mr. Ali Faqihi Damati	√	√	√	√	√	√
3	Mr. Sulaiman bin Abdulaziz Alzaben	√	√	√	√	√	√

3. Investment Committee

The Investment Committee works in accordance with the legal laws and regulations, and based on the rules that regulate the committee work, and which were approved by the Board of Directors on 26 September 2018G, and which were approved for the second time on 18 December 2019G.

Duties and roles of the Investment Committee

- Supervising investment activities
  - Drafting and preparing the investment strategy and policy, reviewing its performance and implementing it annually.
  - Discussing the new proposed investments and making
- recommendation them to the Board in that regard.

  - Following up the general risks of the investment policy.
  - Submitting a report on the performance of the investment portfolio to the Board.

Investment Committee Members

In his meeting held on 2 May 2021G, the Board of Directors approved the formation of the Investment Committee in Maharah as from 1 May 2021G for three years term that will expire on 30 April 2024G. The following table shows the formation of the committee:

S	Name of member	Post	Classification of Membership		
			Independent	Executive	Non-executive
1	Mr. Saleh bin Abdullah Alhanaki	Chairman	√		
2	Mr. Bassam bin Abdulaziz Nour	Member	√		
3	Mr. Abdulrahman bin Ibrahim Ab	Member	√		
4	Mr. Abdullah Alridi	Member	√		

Biographies of Investment Committee Members

Mr. Saleh bin Abdullah Alhanaki



Please refer to the biographies of the Board members above

Mr. Bassam bin Abdulaziz Nour



Current Posts

- CEO, Alternative Investments, Derayah Capital.

Previous Posts

- Head of Investment in International Real Estates, Alrajhi
- (November 2012 – April 2017)
- \Senior Head of Real Estate Investments, Reem Investments Company (June 2012 to October 2012
- Senior Manager of Real Estate Investments, Arcapita Bank, August 2008 to June 2012
- أغسطس 2008 إلى يونيو 2012

Current Board Memberships

- AWJ Holding Company since October 2022 to date

- Dirayah REIT Fund, since 2018 to date

Experiences

- Experience in banks and investments locally and internationally

Qualifications

- CME1 certificate from the Capital Market Authority, Kingdom of Saudi Arabia
- CFA certificate, USA
- Bachelor of Finance, University of South Florida, USA (2002G)
- Bachelor of Management Information Systems, University of South Florida, USA (2001G).



Mr. Abdulrahman bin Ibrahim Aba Alkhail



Current Posts

- CEO, an affiliate of Public Investment Fund

Previous Posts

- Business Development Manager, Alfaisaliah Holding Group
- Board Member and Chairman of Investment Committee, Al Mutlaq Real Estate Investment Company

Current Board Memberships

- Board Chairman, Alfadeli Housing
- Board Chairman, Mumtalakat Company
- Board Member and Chairman of the Executive

Committee, Alrajhi and Brothers Company

- Member of the Investment Company, Maharah Human Resources Company

Experiences

- Experience in business development and investments (2000G to date)

Qualifications

- Master of Finance, University of Wales, UK (2001G)
- Bachelor of Finance, King Fahad University for Petroleum and Minerals, Kingdom of Saudi Arabia (2001G).

Mr. .Abdullah bin Abdulrahman Alridi



Current Posts

- Founder, CEO, and Managing Director, Rassanah Capital Company .

Previous Posts

- CEO, Alothaim Holding Company
- CEO, Care International Company
- General Manager, Saudi Paper Manufacturing Company
- Deputy CEO, Financial Investments in Saudi Scope Consultations Company
- Head of Investment Funds in Mefic Capital
- Manager of Funds, NCB Capital

Current Board Memberships

- Board Member, Rassanah Capital Company, a close joint stock company licensed by the Capital Market Authority
- Board Member, Venture Construction Company, a licensed financial company, Abdu Dhabi World Trade Center
- Board Member, Awaed Capital Company (Technical

Financial Company licensed by the Capital Market Authority

- Board Member, Sulaiman bin Saleh Almehaideb and Sons Holding Company (closed joint stock company)
- Board Member, Naqi Water Company (listed company)
- Chairman of the Audit Committee, Sulaiman bin Saleh Almehaideb and Sons Holding Company
- Chairman of the Audit Committee, Naqi Water Company
- Member of the Investment Committee, Maharah (listed company)
- Board Founder Member, Saudi Financial Association (SAFA)

Experiences

- الرئيس CEO, Alothaim Holding Company (2018 – 201
- CEO, Care International Company (2017 – 2018)
- Deputy Executive President, Scope Company and the Saudi Paper Manufacturing Company (2015G – 2017G)

- Chief of Funds, Mefic Capital (2006G – 2012G)
- Research Analyst and Senior Fund Manager, National Arab Investment Company (2006G – 2010G).

Qualifications

- Master of International Management, Salford

University, UK (2019G)

- Diploma of Higher Studies in Administrative Studies, University of Cumbria, UK (2017G)
- Diploma of Electronic Engineering, College of Technology, KSA (1996G)

Investment Committee Meetings

The committee held two meetings in 2022G. The following tables shows the number of the committee meetings and attendance percentage.

S	Name of Member	1st Meeting	2nd Meeting
		3/7/2022	11/12/2022
1	Mr. Saleh bin Abdullah Alhanaki	√	√
2	Mr. Bassam bin Abdulaziz Nour	√	√
3	Mr. Abdulrahman bin Ibrahim Aba Alkhail	√	√
4	Mr. Abdullah bin Abdulrahman Alridi	√	√

4. Executive Committee

In accordance with the Corporate Governance Regulations issued by the Capital Market Authority and the internal governance regulations, and to meet business needs as required, Maharah Board of Directors has formed the executive management for the purpose of the following:

- Making recommendations and following up the implementation of the company strategies, future plans and the internal policies and regulations.
- Making recommendations and following up the implementation of the operational and investment projects and goals of the company.
- Overseeing the budget plan and following up the company performance.
- Approving some matters on behalf of the Board, within the limits of authorizations mandated to the committee by the Board.
- Addressing specific duties that are mandated to the committee by the Board, which need further study and analysis.
- Reviewing the internal policies and regulatory provisions prepared by the executive management prior to submission to the Board and recommending

approval thereon by the Board.

- Examining and reviewing the performance measurement indicators and recommending approval thereon to the Board.
- Providing advice to the Board in relation to determining dividend distributions, taking into consideration any recommendations submitted by the Audit Committee in this regard.
- Reviewing and making recommendation to the Board in regards the annual business plans of the company
- Checking and reviewing the Board report and form no. (8) and recommending approval thereon by the Board.
- Reviewing the matrix of authorizations of the company and recommending approval thereon by the Board.
- Conducting communications and meetings with the executive management on periodic basis to follow up its works.
- Carrying out any other duties as determined by the Board.
- The Executive Committee submits its reports directly to the Board through its Chairman, who shall forward

to the Board any subjects or matters that require the approval of the Board or taking any measure by the Board in the nearest meeting scheduled for the Board. To implement its tasks, the Executive Committee shall have right to directly access all employees on the

different functional levels in the company and in the manner that may be required under its work duties. The Executive Committee shall also maintain effective work relationships with the Executive Management.

Executive Committee Members

The shareholders’ general assembly which was held on (02 April 2007G) approved the formation of the Executive Committee, as of (01 May 2021G) for three years term that will expire on (30 April 2024G). The following table shows the members of the Executive Committee:

S	Name of Member	Post	Classification of Membership		
			Independent	Executive	Non-executive
1	Dr. Abdullah bin Sulaiman Alamro	Chairman		√	
2	Sulaiman bin Nasser Al Hatlan	Member		√	
3	Mr. Sulaiman bin Abdulaziz Alzaben	Member	√		
4	Mr. Abdulaziz bin Aidah Alkathiri	Member		√	

Biographies of the Executive Committee

Dr. Abdullah bin Sulaiman Alamro



Please refer to the biographies of the Board members above

Sulaiman bin Nasser Al Hatlan



Please refer to the biographies of the Board members above

Mr. Sulaiman bin Abdulaziz Alzaben



Please refer to the biographies of the Board members above

Mr. Abdulaziz bin Aidah Alkathiri



Please refer to the biographies of executive management below

Executive Committee Meetings

The committee held four meetings in 2022G. The following table shows the number of the committee meetings and attendance percentage.

S	Name of Member	1st Meeting	2nd Meeting	3rd Meeting	4th Meeting
		6/6/2022	29/8/2022	3/10/2022	4/12/2022
1	Dr. Abdullah bin Sulaiman Alamro	√	√	√	√
2	Sulaiman bin Nasser Al Hatlan	√	√	√	√
3	Mr. Sulaiman bin Abdulaziz Alzaben	√	√	√	√
4	Mr. Abdulaziz bin Aidah Alkathiri	√	√	√	√

Board performance evaluation

On 20 November 2019G, the Board adopted an adequate evaluation policy to evaluate the performance of Maharah Board and its committees members to ensure that they are constantly fulfilling the criteria and conditions set out for Board membership, and the requirements of all the laws, regulations and instructions issued by the Ministry of Commerce and

the Capital Market Authority. During its meeting, the Nominations and Remunerations Committee conducted an evaluation for all members of the Board and its committees and the overall performance of the Board during the fiscal year 2022G. The evaluation forms approved under this policy were used as a means of evaluation.

Results and opinion of the annual internal audit

The internal audit executive department provides a set of affirmative services that include internal audit processes. These are carried out in an independent and objective manner, in line with the international internal audit professional practices framework. This framework includes the main principles and criteria for professional practice, and the definition of internal audit issued by the Institute of Internal Auditors. The methodology of the internal audit work is based on the following:

1. The internal audit process begins with the company risks evaluation process, and preparing the risks register through which the level of all potential risks observed is evaluated. In addition, all control procedures activated by the management are also evaluated to mitigate the effects of these risks. The remaining risks will also be evaluated, as they comprise the base for preparing the audit plan for the next three years. This plan shall be updated at least on annual basis.
2. Based on the results of evaluation of the remaining risks, the audit plan for the next three years and the

timeline for its implementation shall be prepared. The audit plan is named (the risk-based audit plan), i.e., its preparation is based on the level of risks for every department/activity of the company or its affiliates. The plan shall be presented to the Audit Committee for discussion and approval. The committee may request the addition of a department or activity to the plan whenever its deems appropriate.

3. The audit plan (affirmative plan) is implemented as per the agreed upon attached timeline, by informing each department prior to the start of the internal audit process. An initial list of the requirements will then be sent and followed by the field examination process. The control procedures will then be evaluated and the-studied-samples-based examinations will be made. The draft internal audit report will then be prepared and will be discussed with the concerned department. The department shall respond to each observed remark, including the corrective action, the time expected to carry out the corrective plan, responsible person, and the anticipated date of execution. A

final report shall then be issued and discussed with the Chief Executive Officer to make any required amendments (if any). A meeting thereafter shall be held with the Audit Committee in the presence of the Executive Committee and the concerned department to discuss the reports. The Audit Committee oversees the Executive Department for Internal Audit to ensure its independency. The implementation of the corrective plans that are agreed upon previously shall then be followed up. A report shall be prepared in that regard and presented to the Executive Management and Audit Committee to ensure that all the departments have implemented the corrective plans that are agreed upon in the internal audit reports.

4. Based on the results of the follow-up processes, the risks register shall be updated, being the fundamental for preparing the audit plans for the years to come.

In addition, the Executive Department of Internal Audit, being independent, oversees the notifications on violating practices. The violating practices notification policy has been prepared in cooperation with the Compliance and Governance Department, in adherence to article eighty-four of the Corporate Governance Regulations issued by

Internal Auditor Report

The Internal Audit Department scope of work includes examining and evaluating the adequacy and efficiency of the internal control systems in the company and verifying compliance of the company and its employees with the laws and regulations issued by the competent authorities as well as the internal policies of the company. The Audit Committee also assists the Board in fulfilling its responsibilities in relation to ensuring the presence of an effective internal control system in the company. Accordingly, the Audit Committees assists in ensuring the extent of adequacy of the internal control system and implementing it effectively. The department submits to the Board the recommendations that are related to activate and develop the system to achieve the goals of the company and protect the interests of its shareholders and investors.

In 2022G, the Internal Audit Department oversaw the internal audit processes in the group, which was mandated to one of the four major external audit companies specialized in the field. The Internal Audit Department was requested to evaluate the risks and update the risk register in the group, based on the developments, provide a work plan for the internal audit for the next three years and

the Capital Market Authority. The said policy has been approved by the Board, and it aims to enhance the ethical values, and encourage the culture of transparency and accountability in the company.

The management methodology stipulates that Internal Audit Executive Manager in charge shall submit a quarterly report to the Audit Committee on the received notifications and the recommendations issued in that regard. The Audit Committee in turn prepares an annual report on such notifications and recommendations. It has been agreed with the Executive Management for Information Technology to automate the notification submission, receipt and follow up process, in line with the pioneer practices. The testing phase is currently implemented by the Executive Management for Information Technology in the company. We ensure here that the confidentiality of the identity of the employees who report violations is fully maintained and that any recommendation to the Chief Executive Officer is made through a committee chaired by the Internal Audit Executive Manager in charge. The Executive Manager for Human Resources and Head of Legal Affairs shall be among the members of the said committee.

prepare a special budget therefor, with the approval of the company Board.

The Internal Audit Department submitted the main risks report to the Audit Committee in the company. The report was discussed with the Executive Management of the Company, and a corrective work plan was prepared for all the remarks included in the report. The internal audit also submitted the annual internal audit work plan, based on the updated risks register.

The Internal Audit Department has also followed in detail the corrective plans for all the departments that were subject to the audit process. The final reports were submitted to the Audit Committee for discussion, approval, and making the recommendation to take the proper actions to address any remarks in that regard.

In addition, the Audit Committee reviewed the reports that were submitted by the external auditor, including the management report which includes some remarks on the internal control system. These remarks are related to preparing the financial statements and the corrective plan prepared by the management to address these remarks.

During the meetings of the Board, the Chairman of the Audit Committee provides members of the Board with the required reports on the works of the Audit Committee and

its results, including the result of following up the works of internal audit and its recommendations in this regard.

The committee opinion on the adequacy of the internal control system

Based on the foregoing, the Audit Committee is of the opinion that the internal control system in the company is adequate and efficient in several aspects and needs developments and improvements in other aspects, in order to keep pace with the volume and nature of company business. The Executive Management of the company was discussed regarding the remarks that were reached during the internal audit processes. The Executive Management provided the Audit Committee with the corrective plan for these remarks. The committee will follow up the implementation of the corrective plan during 2023G.

The need to appoint an internal auditor

The Audit Committee has not recommended the appointment of an internal auditor since the company has its own internal audit department.

Conflict between the recommendations of the Audit Committee and Board Resolutions

The Audit Committee has not made any recommendations that neither have conflict with the resolutions of the Board nor the Board has refused to adopt with respect to the appointment of an auditor for the company, its dismissal, determining its fees and evaluating its performance or the appointment of the internal auditor.

The company declares as follows:

- 1. That the accounting books have been prepared properly.
- 2. That the internal control system is sound in design and has been implemented effectively.
- 3. That there is no significant doubt concerning the company’s ability to continue its activity.

The company further confirms as follows:

- 1. That there was no conflict between the Audit Committee recommendations and Board resolutions.
- 2. That the external auditor’s report contains no reservations on the annual financial statements
- 3. That the company has not made any investments or reserves for the benefit of its employees.





## Executive Management

In pursuit of consolidated performance, Maharah has a number of executive departments that employ elite highly experienced and qualified experts to ensure the highest degrees of performance and realizing further and major achievements, in accordance with the highest and efficient corporate governance professional standards. We aim to enhance the company pioneer position in the human resources sector in the markets of the Kingdom of Saudi Arabia in particular and the gulf market in general.



### Mr. Abdulaziz bin Aidah Alkathir

#### Current Posts

- CEO, Maharah Human Resource Company (December 2021 – to date)
- Board Chairman, Altazaj Food Services Company, since 2022 to date
- Deputy Chairman, Spectra Support Services, since 2021 to date
- Board Member, Arabian Shifaa medical Company, since 2022 to date
- Board Member, Health Catering Services, since 2022 to date
- Board Member, TPH, since 2017 to date
- Member of the Executive Committee, Maharah Human Resources Company, since 2021 to date
- Vice President, National Committee for Human Resources Companies, since 2021 to date
- Member of the Liaison Council for Human Resources Companies and Member of the Council's Executive Committee, since 2021 to date
- Executive Manager, Business Sector, Maharah,, (2013-2018)
- Board Member, TPH (2017 to date)
- Chairman of the Executive Committee, TPH, (2017 to date)
- Executive Manager, Business Sector in Maharah (2016 – 2018)
- Executive Manager, Human Capital (2015)
- Head of Marketing and Development, Maharah (2013 – 2015)
- Administrative Manager for Medical Affairs, King Fahad Medical City (2012 – 2013)
- Assistant Secretary General, Council of Medical Cities in the Ministry of Health (2011 – 2012)
- Office Manager, Executive Director for Medical Affairs, King Fahad Medical City (2009 – 2011)
- Rapporteur, King Fahad Medical City Board (2005 – 2011)
- Executive Secretary of the Executive Director of King Fahad Medical City (2004 - 2008)

#### Previous Posts

- Vice CEO, for Sales and Operations.

#### Experience

- Vice CEO for Sales and Operations in Maharah (2018 – 2021)
- Bachelor of شهادة التحليل الاستراتيجي والتنافسية Business Administration, King Faisal University
- Diploma of Hospital Management, Institute of Public Administration, Kingdom of Saudi Arabia



### Mr. Mosaab bin Abdulmajeed Alwohaib

#### Current Posts

- Vice CEO for Financial and Investment Affairs

#### Previous Posts

- CFO, Arab Paper Manufacturing Company.

#### Experience

- Member of the Audit Committee, Care Shield Company – Kingdom Hospital (2022 to date)
- Member of the Executive Management, Arabian Shifaa Medical Company (2022- to date)
- Member of the Board and the Executive Management in Bloovo (2020 -2022)
- Member of the Board and the Executive Management, TPH (2020 – to date)
- Chairman of the Executive Committee, Spectra Company (2020 - to date)

- CFO, Arab Manufacturing Company (2017 – 2020)
- Board Member, Alsharq Gas Company (closed joint stock) (2008-2017)
- Treasury Management – Saudi Arabian Amiantit Group (2007 – 2017)
- Credit Advisor, Industrial Development Fund (2005 – 2007)
- Senior Credit Analyst (2000 – 2005)

#### Qualification

- Certified Strategic and Competition Analysis Certificate (2021)
- Certified Management Accountant Certificate (2019)
- Industrial Engineering, King Fahad University for Petroleum and Minerals, KSA (2000).



### Saleh bin Abdullah ALqabbaa

#### Current Posts

- Acting Vice CEO for Joint Services

#### Previous Posts

- Executive Manager, Manpower Services (Marah)".

#### Experience

- Member of the Executive Committee, Spectra (2021 – to date)
- Executive Manager for Manpower Services,

Marah (2026 – 2021)

- Operation Manager, Elm (2011 – 2015)
- Senior Sales Executive, Mobily, (2007 – 2011)

#### Qualification

- Bachelor of Public Relation and Information, King Abdulaziz University
- Diploma of Networks Technology, Alfaisal Training Academy.

Ali Alotaibi



Current Posts

- Deputy CEO, Sales and Operations

Previous Posts

- Executive Manager, Institutional Sector
- Executive Manager, Business Sector (2019-2022)
- Manager of the Medical Sector, Maharah Human Resources Company (2017-2019)
- Head of Marketing, Maharah Human Resources Company (2014-2017)

Experience

- Member of the Executive Committee, Spectra Company (2022 – to date)
- Executive Coordinator, Cancer Canter, King Faisal

Specialist Hospital and Research Center (2010-2014)

- Chief of Admission Office and Case Management Referral Supervisor, and Autism Program Coordinator
- Assistant Case Manager, Case Management Division, King Faisal Specialist Hospital and Research Center (2001 -2006)
- Housing Supervisor, Housing Department, King Faisal Specialist Hospital and Research Center (1998- 2001))
- Translator, King Khalid Eye Specialist Hospital, (1994 – 1998).

Qualification

- Bachelor of Business Administration, Imam Mohammed bin Saud University

Details of paid remuneration

The remunerations and compensations for the fiscal year 2022g were paid to the Board members and senior executives, including the Chief Executive Officer and Chief Finance Officer.

The criteria and rules that regulate remunerations in the company

The policy for remunerations and allowances for members of the Board and its committees as well as senior executives of the company was approved by the Board on 26 September 20218G and was adopted by the shareholders’ general assembly on 1 November 2018G. This policy aims to:

- Align with the company strategy and goals.
- Pay remunerations to the members of the Board, its committees and the senior executive to motivate them in order for company to succeed and develop on the long run and link the variable portion of the remuneration to the performance on the long run.
- Align with the volume, nature, and degree of risks in the company.
- Take into account other companies practices in determining the remunerations, while avoiding any unjustified increase in such remunerations and compensations.
- Discontinue payment of remunerations or redeem them, if it has been shown that such remunerations

were paid on inaccurate information submitted by a Board member, in order to prevent abuse of the functional status to obtain undue remunerations.

This policy includes upper and lower limits for the annual remunerations for the members of the Board and committee chairmen and members. It has also set upper and lower limits for the allowance in lieu of attendance of the meetings of the Board and its committees.

The Nominations and Remunerations Committee recommends annually to the Board the amounts of remunerations, within the framework of the said policy without any significant deviation thereof.

In all cases, the total remunerations and financial and in-kind benefits received by the Chairman and any member of the Board shall not exceed SAR 500,000 annually.

The Board has approved the employees annual remunerations policy on 15 September 2019G, and it is applied on all employees of the company, including senior executives except the Chief Executive Officer. The executive management coordinates with the

Nominations and Remunerations Committee annually and recommends the amounts of remunerations to the Board, in accordance with the said policy without any

significant deviation therefrom. The following tables shows the remunerations and compensations paid to the Board members and senior executives:

First: Remunerations of Board Members

Member	Fixed Remunerations						Flexible Remunerations										
	Fixed amount	Board meeting attendance allowance	Total committee meetings attendance allowance	Privileges in kind	Statement of the amounts received by Board members in their capacity as employees or the amounts received by them against technical, administrative, or advisory work	Remuneration of the Chairman, managing director, or secretary if a member	Total	Portion of profit	Periodic remunerations	Short term incentive plans	Long term incentive plan	Granted shares	Total	End of service award	Gross total	Expenses allowance	Concession of Remunerations arrangement or agreement
Independent Members																	
Ibrahim bin Zayed Asiri	82,192	6,000	-	-	-	88,192	-	-	-	-	-	-	-	-	-	-	-
Haitham Almelhem	82,192	6,000	-	-	-	88,192	-	-	-	-	-	-	-	-	-	-	-
Sulaiman bin Ali Sultan	82,192	6,000	-	-	-	88,192	-	-	-	-	-	-	-	-	-	-	-
Khalid bin Abdulrahman Alkhodari	167,808	9,000	-	-	-	176,808	-	-	-	-	-	-	-	-	-	-	-
Ahmed bin Saleh Alhomaidan	167,808	9,000	-	-	-	176,808	-	-	-	-	-	-	-	-	-	-	-
Saleh bin Abdullah Alhanaki	167,808	9,000	-	-	-	176,808	-	-	-	-	-	-	-	-	-	-	-
Sulaiman bin Abdulaziz Alzain	167,808	9,000	-	-	-	176,808	-	-	-	-	-	-	-	-	-	-	-
Abdulaziz bin Ibrahim Alnowaiser	250,000	15,000	-	-	-	176,808	-	-	-	-	-	-	-	-	-	-	-
Total	1,167,8080	69,000	-	-	-	1,236,808	-	-	-	-	-	-	-	-	-	-	-
Non-executive Members																	
Sulaiman bin Abdulaziz Almajed	250,000	25,000	-	-	-	275,000	-	-	-	-	-	-	-	-	-	-	-
Abdullah bin Sulaiman Alamro	250,000	120,000	-	-	-	370,000	-	-	-	-	-	-	-	-	-	-	-
Saud bin Naser Shathra	250,000	12,000	-	-	-	262,000	-	-	-	-	-	-	-	-	-	-	-
Abdullah bin Abdulaziz Almajed	250,000	15,000	-	-	-	265,000	-	-	-	-	-	-	-	-	-	-	-
Ali Damati	250,000	15,000	-	-	-	265,000	-	-	-	-	-	-	-	-	-	-	-
Total	1,250,000	187,700	-	-	-	1,430,700	-	-	-	-	-	-	-	-	-	-	-

Second: Remunerations of Senior Executives

S	Senior Executives	Fixed Remunerations			End of Service Award	Total remunerations of executives
		Salaries	Allowances	Total		
1	Five senior executives who received highest remunerations (including the Chief Executive Officer and Manager of Finance)	5,649,475	-	5,649,475	874,342	6,523,817

Third: Remunerations of Board Committee Members

S	Name of Member	Fixed remunerations (except meetings attendance allowance)	Meetings Attendance Allowance	Total	Concession of Remunerations Arrangements or Agreement
Audit Committee Members					
1	Abdulaziz bin Ibrahim Alnowaiser	150,000	24,000	174,000	
2	Jasser Abdulkarim Aljasser	150,000	24,000	174,000	
3	Osama Ghazal	49,315	12,000	61,315	
4	Abdulaziz bin Mohammed Alhaidari	150,000	24,000	174,000	
Total		499,315	84,000	583,315	
Nominations and Remunerations Committee Members					
1	Khalid bin Abdulrahman Alkhodairi	100,685	18,000	118,685	
2	Sulaiman bin Ali Sultan	49,315	15,000	64,315	
3	Ibrahim bin Zayed Asiri	49,315	15,000	64,315	
4	Sulaiman bin Abdulaziz Alzaben	100,685	18,000	118,685	
5	Ali Faqihi Damati	150,000	30,000	180,000	
Total		450,000	96,000	564,000	
Investment Committee Members					
1	Sulaiman bin Nasser Al Hatlan	49,315	6,000	55,315	
2	Saleh bin Abdullah Alhanaki	100,685	9,000	109,685	
3	Ali Faqihi Damati	49,315	15,000	64,315	
4	Abdulrahman Aba Alkhail	150,000	15,000	165,000	
5	Osama Nour	150,000	15,000	165,000	
6	Abdullah Alridi	150,000	9,000	109,685	
Total		600,000	69,000	669,000	
Executive Committee Members					
1	Sulaiman bin Nasser Al Hatlan	150,000	12,000	162,000	
2	Abdulkarim bin Hamad Alnejaidi	85,068	3,000	88,068	
3	Abdulaziz Aidah Alkathiri	64,932	9,000	73,932	
4	Ali Damati	150,000	12,000	162,000	
Total		450,000	36,000	486,000	





The measures taken by the Board to inform its members of the shareholders’ suggestions and their remarks on the company and its performance

1. Attendance of the general assembly meetings by Board members and chairmen of committees to be aware of the shareholders’ remarks and suggestions.

2. An investors relations unit that reports to the Vice CEO for Financial Affairs was established to inform the Board members of the shareholders’ remarks
- and suggestions.

3. Quarterly and annual meetings were held with the investors and financial analysts to discuss the financial results of the company.

4. An investor relations website and application were created.

Shares, stocks and debt instruments for Board members and senior executives

The details of any shares, contractual securities or subscription rights for the Board members and their relatives in the stocks or debt instruments of the company or any of its subsidiaries, and the changes that were made in 2022G are shown as follows. No

Board member has any shares in any debt instruments issued by the company, and there are no arrangements or agreements under which any Board member has conceded his salary or remunerations.

Shares of Board Members							
S	Names of the persons who have interest, contractual securities, or subscription rights	Beginning of the year		End of the year		Net change	Change ratio %
		Number of stocks	Number of debt instruments	Number of stocks	Number of Debt Instruments		
1	Dr. Saud bin Nasser Alshathri	3,206,280	-	3,206,280	-		0%
2	Shaikh Sulaiman bin Abdulaziz Almajed	1,238,790	-	1,000,000	-	238,790	19.28%
3	Saleh Abdullah Saleh Alhanaki	20	-	20	-	-	0%
4	Dr. Abdullah bin Sulaiman Alamro	4,573,375	-	4,603,375	-	-30.000	0.66%
5	Mr. Abdullah bin Abdulaziz Almajed	801,570	-	989,170	-	187,600	23.40%
6	Mr. Sulaiman bin Nasser Al Hatlan	-	-	20,000	-	20,000	100%

Shares of Board Members Relatives							
S	Name of the person who has interest, contractual securities, or subscription rights	Beginning of the year		End of the year		Net change	Change ratio %
		Number of stocks	Number of debt instruments	Number of stocks	Number of Debt Instruments		
1	Mohammed Abdulaziz Nasser Almajed	1,238,790		1,285,682		46,892	3.78%
2	Abdulrahman Abdulaziz Nasser Almajed	801,570		801,570			0%
3	Fatmeh Abdulaziz Nasser Almajed	47,313		47,313			0%
4	Abdulaziz Sulaiman Abdulaziz Almajed			20,806		20,806	100%
5	Fahad Sulaiman Abdulaziz Almajed	-		7,257		7,257	100%
6	Aljouharah Abdulaziz Nasser Almajed	3,000		3,000		3,000	0%
7	Nawaf Abdullah Abdulaziz Almajed	-		2,370		2,370	0%
8	Saud Sulaiman Abdulaziz Almajed	10		10		10	0%
9	Bayan Abdullah Sulaiman Alamro	-		72			
10	Mona Hamad Abdullah Alhammad	-		1,000			

As defined in the Corporate Governance Regulations, the relatives shall mean as follows:

- Fathers, mothers, grandmothers and grandfathers (and their ascendants)

Siblings, maternal and paternal half siblings
- Children (and their descendants)

Husbands and wives

Shares of Senior Executives							
S	Name of the person who has interest, contractual securities, or subscription rights	Beginning of the year		End of the year		Net change	Change ratio %
		Number of stocks	Number of debt instruments	Number of stocks	Number of Debt Instruments		
1	Abdulaziz Aidah Meftah Al Amer Alkathiri	0	-	20,800	-	20,800	100%
2	Abdulaziz Abdullah Mohammed Alodaib	631	-	31	-	600	-95.09%
3	Abdullah Faisal bin Zakaria Mandili	0	-	200	0		100%
4	Ibrahim Abdullah Ibrahim Alremaikhani	13	-	13	-		0%
5	Maath Dakheel Abdulaziz Alhomaiddi	21	-	21	-		0%
6	Abdussalam Mohammed Hilali	0	-	4,000	-		100%
7	Khaled Nasser Sulaiman Alsakran	0	-	1,000	-		100%

Shares in the category of shares that have voting rights

There are no equities in any category of shares that have voting rights for the persons who informed the company of their equities, in line with article (67) of the Rules for the Offer of Securities and Continuing Obligations.

Debt instruments and contractual securities

- There are convertible debt instruments, contractual securities, buy priority rights or any other rights issued or granted by the company in 2022G.

There are no conversion or subscription rights under convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by the company.
- The company has not redeemed, bought or canceled any redeemable debt instruments and a value for remaining securities. There should be a distinction between the listed securities that are bought by the company and those bought by its subsidiaries.

Details of the company social contributions in 2022G

S	Name of Initiative	Partnership Entity	Amount
1	Donations to the National Charity Campaign (divided into five associations - )Relief and made possible (Furijat and Taysarat) Cases )	Ihsan (Charity) Platform	SAR 1 million
2	Relief "Furijat" cases support	Ihsan Platform	SAR 21,000
3	Made possible "Taysarat" cases	Ihsan Platform	SAR 50,000
4	Supporting "My Initiative" program to establish a physiotherapy clinic and cover sessions costs	Association for the Children with Disabilities	SAR 559,000
5	Brotherhood (Ikhaa) Endowment Investment Fund	Ikhaa Association for the Care of Orphans	SAR 50,000
6	Equipping and furnishing a women's house for teaching and memorizing the Holy Quran in Riyadh	Holy Quran Memorization Association in Riyadh "Maknoon"	SAR 170,000
7	Insan Endowment Fund	Insan Association for Orphans Care	SAR 100,000
8	Rehabilitation programs for Down syndrome students	Down Syndrome Association "DSCA"	SAR 50,000
9	Maharah Blood Donation Campaign (your blood is needed) for Maharah employees and adjacent companies.	King Fahad Medical City	N/A
10	Examining employees in the World Health Day by providing medical personnel at the company's headquarters	Al Sagr Insurance	N/A
11	Seasonal flu vaccination campaign for Maharah employees	Second Health Cluster in Riyadh	N/A
12	Preparing and providing food baskets to the needy families	Social Responsibility Association	SAR 10,000
13	Taking care of the environment by distributing plants to employees and enhancing their culture on agriculture	Maharah Human Resources Company	SAR 7000
14	Activating the participation of Maharah employees of different nationalities in their national days and celebrating it with them (Sudan - Egypt - Jordan - Indonesia - Kenya - Ghana - Uganda - Pakistan - Philippines - Nepal - India)	Maharah Human Resources Company	SAR 35,000

Penalties imposed on the company in 2022G

S	Type of Violation	No. of Violations	Issuing Authority	Value of Penalty	Reason of Violation	Method of Treatment
1	Labor	26	Ministry of Labor	25.000	Non-provision of labor accommodation per the required conditions	Accommodation is prepared and the problem is solved
2	Municipal	1	Batha Municipality	30.00	No license for the individuals group housing	Objection submitted as the violation is not correct
3	Municipal	1	Batha Municipality	80.000	No license for the individuals group housing	Problem solved as the building has been prepared and licensed
4	Municipal	1	Jeddah Municipality	5,00	The real estate leased area does not match that in the contract	The lease contract has been amended by the owner

Details of loans from local banks and balance as on 31 December 2022

Value SAR Million	Opening Balance 2022				Closing Balance 2022					
Bank Name	Credit Limit	Loan Origin	Interests Due	Total Opening Balance	Additions during 2022	Repayments during 2022	Loan Origin	Interests	الرصيد النهائي	فترة القرض
Due	Closing Balance	Loan Term	0.00	0.00	200.00	0	200.00	0.24	200.24	8
Alrajhi	0.00	0.00	0.00	0.00	22.00	0	200.00	0.24	200.24	7
Alrajhi	0.00	0.00	0.00	0.00	18.156	0	181.56	1.51	183.07	7
SAAB	0.00	0.00	0.00	0.00	18.105		181.05	099/	182.04	7
Total Balance	0.00	0.00	0.00		562.61	0.00	56261/	2.75	565.36	





# Distinctive and Promising Investments and Operations





We work on expanding our customers base in our local and external markets on the basis of resiliency and strategic readiness that is based on the deep study of the human resources markets and its development in the Kingdom and the Gulf regions. It enters into strategic partnership to achieve its vision and strategi objectives in line with its financial strength and sustainability of its leadership in the human resources sector in the Kingdom and the region. Maharah acquires shares in existing and successful companies in these markets or establishes new companies (subsidiaries or affiliates) to operate in fields that are complementary to the activities and business of parent company (Maharah Human Resources Company). The added value is realized from the relationship between these companies and Maharah and from the relationship that stands with these companies, each other.

First: Subsidiaries

Subsidiaries mean the companies those companies that are directly or indirectly controlled by Maharah or owning other subsidiaries, whether ownership is made via acquisition or developing business as new projects. The subsidiaries are as follows:

S	Subsidiary	Activity	Head Office	Ownership %
1	Growth Path Investment Company Ltd.	Investment holding	Riyadh	100%
2	Vocational Development Training Company Ltd.	Training domestic workers	Riyadh	100%
3	Nabd Logistic Services Company Ltd.	Last mile delivery service	Riyadh	100%
4	Sustainable Operations Company, Ltd.	Operation and Maintenance	Riyadh	100%
5	TPH, Domestic Manpower Services, Ltd.	Domestic workers support services	Dubai	96%
6	Spectra Support Services Company	Home health care and telemedicine	Riyadh	90%
7	Arabian Medical Shifaa Company Ltd		Riyadh	85%

1. Spectra Support Services Company

It is a limited liability company registered in the city of Riyadh and was established on 14 June 2021 and 100% owned by Maharah. The company operates in the field of

investment in the equity shares in other companies and implementation of Maharah project development initiatives.

2. Vocational Development Training Company was

It is a limited liability company registered in the city of Riyadh and was established by Growth Path Company on 1 November 2021G to provide vocational training for the domestic workers. The company owns the Hands Academy Institute for Training, which is specialized in

training the new domestic worker on housekeeping works, cooking, babysitting, and caring of the elderly, etc. The academy applies a reality simulation approach through laboratories that are equipped to simulate the various home sections.

3. Nabd Logistic Services Company

It is a limited liability company that was established by Growth Path Investment Company in the city of Riyadh on

12 August 2021 to provide the last mile delivery service through the food selling platforms.

4. Sustainable Operations Company Ltd

It is a limited liability company and was established by Growth Path Investment Company in the city of Riyadh on 25 December 2022 to provide diversified maintenance and

operation services, including home maintenance as one of the initiative to diversity services in the portfolio of the group.

5. TPH Domestic Workers Services

It is a limited liability company that was established in the United Arab Emirates in 2015, in which Maharah has 96% direct ownership. It provides a range of services and solutions for its clients in the governmental and private sectors, spanning domestic workers, cleaning services, sterilization and pest control services, etc. It has a number of branches as follows:

services for domestic workers.

- TPH Cleaning Services – specialized in providing cleaning services on hourly leasing basis.
- Tadbeer Center – specialized in leasing domestic workers on a monthly basis.
- Yall Fix It – specialized in repair and maintenance services

• TPH Training – specialized in providing training

6. Spectra Support Services Company

It is a limited liability company that was established in the city of Riyadh in 2015 by Maharah Holding Company as an affiliate to Maharah Human Resources Company and a complementary to its activity. Maharah then bought 90% shares of Maharah Holding Company on 4 August 2021. Spectra operates in the field of managing utilities, operation and maintenance and support services applying an advanced system that meets the market requirements. It provides a range of distinct quality services such as technical maintenance, maintenance of biomedical equipment, cleaning, landscaping and call center services.

7. Arabian Shifa Medical Company

It is a limited liability company registered in the city of Riyadh. On 13 January 2022 Maharah acquired 85% equity share in the company. The company provides a set of a diversity of services as follows:

- Home health care services
- Management and operation of hospitals and medical centers
- Telemedicine and care of the elderly

The company owns med-house platform, which is an online market specialized in selling biomedical equipment for home health care services as well as various medical supplies.

Second: Affiliates

Affiliates mean the companies in which Maharah has non-controlling shares as follows:

S	Affiliate	Activity	Head Office	Ownership %
1.	KABI Technology for Information Technology Company – closed joint stock	Human resources and Saudi Support Services	Riyadh	19%
2.	Care Shield Holding Company	Health care	Riyadh	41.35%
3.	Saudi Health System Company – closed joint stock	Catering services for hospitals	Riyadh	40%
4.	SLS Information Technology – ltd	A platform that provides a diversity of services	Riyadh	20%

1. Kabi Technology for Information Technology Company

The company is the outcome of the merger of Bloovo Information Technology and OHR Human Resources Company. Maharah has previously acquired 40% equity in Bloovo Information Technology Company, which is specialized in recruitment supported with artificial intelligence technologies. As a result of the merger of Bloovo and OHR as mentioned earlier, Maharah acquired 19% of the merger entity (Kabi Technology for Information Technology (KABI). The company provides a creative and interactive professional employment solutions to help employers and jobseekers through tapping on artificial intelligence. It uses a special algorithm to expedite and facilitate attracting and managing talents, and successfully match applicants to jobs, saving the time and cost for both the employers and applicants.

2. Care Shield Holding Company

It is closed joint stock company that was established in the city of Riyadh in 2022 and owns and operates Kingdom Hospital and Specialized Clinics. Growth Path Investment Company acquired 41.36% of the company shares on 27 September 2022. Kingdom Hospital provides diverse medical specialties and has a capacity of more than 170 beds and is working on opening the new expansion with a capacity of 50 beds, including 25 intensive care beds.

3. Saudi Health Systems Company

It is a closed joint stock company that was established in the city of Riyadh in 1996. Growth Path Investment Company acquired 40% of the company shares on 18 August 2022. The company provides catering and cooked food services to hospitals, including patients and employees and operates food facilities within the hospitals. It also works with the biggest governmental hospitals that belong to the military authorities or the Ministry of Health.

4. SLS Information Technology Company

It is a limited liability company that was established in the city of Riyadh in 2019. It owns Soror platform which is specialized in the provision of electronic services in multiple fields, including but not limited to household cleaning services, leasing domestic workers on an hourly basis, vehicles cleaning services and household maintenance of all types. Growth Path Investment company acquired 20% share in the company on 29 December 2022 and has the option to buy another 20% equity share. Maharah provides part of the hour lease services via Soror application.





# Comprehensive Transparency and Integrity



## Shareholders' Rights

Maharah articles of association and governance regulations warrant that the shareholders will obtain their entire share-related rights, especially their right to obtain a share of the dividends distributions agreed upon, and a share in the company assets upon liquidation. The shareholders also have the right to attend the shareholders' general assembly (to participate in its discussions and vote on its resolutions), the right to dispose of shares and the right to oversee the Board business. In addition, they have the right to file the claim of liability against Board members and the right to inquire and request information, provided such rights do not affect the interests of the company or contradict with the rules and regulations of the Capital Market Authority.

Maharah allows the participation of the maximum number of its shareholders in the general assembly meetings and is keen to ensure selection of the time and place that provide for complete participation. The company articles of association and its governance regulations set out the provisions that are related to the shareholders' general assembly, which includes the precautionary measures and steps required to ensure that all shareholders will exercise their rights regularly and that the general assembly meetings can be held via modern means of technology.

The shareholders' general assembly is the highest authority in the company, and its powers include appointment and dismissal of Board members, approval of the consolidated financial statements, appointment of external auditors and determining their fees, approving dividend distribution ratio per the recommendations of the Board, capital increase or decrease and amendment of the internal by-laws and the articles of association.

Furthermore, Maharah allows all the shareholders to access and read the general assembly minutes via uploading them on its website. A copy of these minutes is provided to the Capital Market Authority within (10) days as from the date the meeting was held. The Investor Relations is the channel of communication with investors and answers their queries during working days and is a means of communication between the investors and the company Board and its executive management.

## Investor relations Activities

The Board of Directors recognizes the importance of regular and open dialogue with the shareholders and other stakeholders, not only prior to the general assembly meetings, but also throughout the year. The investor relations department in the group and the Board secretary act as a center for continuous communication with the shareholders, investors, and analysts. The Board receives updates on regular basis through the investor relations department and Board secretary in relation to the shareholders' opinions, suggestions and remarks on the company and its performance.

In addition, the Chief Executive Officer informs and discusses the Board members on the significant opinions and suggestions of the shareholders during the Board meetings. Maharah aims to achieve balance in the continuous engagement of the investors throughout the year, as it provides continuous opportunities to interact with them. These opportunities include diversified meetings and quarterly and yearly conference calls to discuss business issues, attending a number of investment conferences and issuing clarification statements by the management on the company activities and results of its business. Furthermore, the executive management held a number of conference calls in 2022G (remotely) with the analysts and shareholders based on their request to understand Maharah business model and its strategy and ask questions on the company and the management plans to manage the current changes in the economic environment and regulations.

## Means of communication with shareholders

- Maharah is committed to communicate effectively and continuously with all shareholders to ensure the highest levels of harmony and clarity in the disclosure processes at all times. Looking forward to working transparently with the shareholders, Maharah aims to facilitate the mutual understanding of its goals, strives to communicate with the investors in the public and private sectors and urges all the shareholders to participate on the general assembly meeting held annually.

- Maharah aims to be among the pioneer companies in the sector, and to that effect, it is committed to the highest standards of disclosure and transparency in its quarterly and annual financial reports.
- Maharah seeks to provide all the means of financial and strategic communication in a clear and harmonious manner, to ensure the use of the Arabic and English Languages – where possible – to enhance clarity of disclosures and provide a fair, balanced, and understood assessment on the company position and its futures forecasts.
- We welcome receiving the remarks and constructive suggestions of the shareholders through the investor relations department via the email: investors@maharah.com.
- Investors can at all times review all the financial reports, company governance policy, general assembly minutes of meeting, periodic announcements, and relevant information, including the management clarifications and comments, which are available on the electronic website: www.maharah.com.
- We are keenly attentive to communicate continuously with the shareholders and take care of their rights

and interests, and accordingly provides a number of digital channels for them to communicate with the company as follows:

- Customer services telephone and fax (920011151)
- Investor relations application
- Twitter
- Instagram
- Facebook
- YouTube



We are also committed to protect the rights of shareholders and ensure dealing with them on a fair and equal basis. It is also keen to apply the shareholders' policy and procedures that are adopted by the Board. The Board and the executive management shall not discriminate between the shareholders who have the same category of shares, and not to withhold any of their rights.

## Capital

The following table displays a detailed description of Maharah capital and shares as on 31 December 2022G:

Description	Value
Authorized Capital	SAR 375,000,000
Number of issued shares	SAR 375,000,000
Paid up Capital	SAR 375,000,000
Share nominal value	SAR 10

## Major shareholders and historical developments in equities

The following table shows the major shareholders of the company as of 31 December 2022G:

Name	(%) Percentage
Dr. Abdullah Sulaiman Mazed Alamro	12.19%
Saud Nasser Abdulaziz Alshathri	8.55%

The following table shows the names and number of major shareholders, who own (5%) or more and the change in this percentage during 2021G and 2022G.

Date	Owner	Previous ownership Percentage	Current Ownership Percentage	(%) Change
242022/05/	Alkhibra Architectural Company	8.00%	Less than 5%	More than 37.5%
292022/03/	Alkhibra Architectural Company	11.14%	8.00%	(-28.2%)
162021/11/	Alahlia International Real Estate Investment Company	19.43%	less than 5%	More than 74%
162021/11/	Saud Nasser Abdulaziz Alshathri	less than 5%	8.55%	More than 7.1%
032021/01/	Abdullah bin Sulaiman Alamro	12.20%	12.27%	0.57%

### Shareholders suggestions and remarks on the company and its performance

The Board of Directors is committed to the following measures that have been adopted by the Board to inform its members – especially executive members - of the shareholders' suggestions and remarks on the company and its performance:

- Attendance of the general assembly meetings by Board members and committee chairmen to be directly aware of the shareholders' suggestions and remarks.
- Quarterly meetings were held with the investors and financial analysts to discuss the financial results of the company.
- An investor relation unit reporting to the Department of Finance and Investment has been established to inform Board members of the shareholders' suggestions and remarks.
- The investor relations website and application were launched in both Arabic and English.
- 

### Requests of shareholders register by the company in 2022G

Date of Request	Reasons
312021/12/	Company measures
252022/05/	Company measures
292022/5/	Company measures
282022/6/	Company measures
312022/12/	Company measures
Total	5

### Unreceived dividends

Maharah is committed to upholding the rights of its shareholders, based on a principle of honesty, as it allows inquiry about the unreceived dividends to deliver them to the eligible shareholders who shall send

their names, and personal identity card numbers via the email dedicated for the service of shareholders: investors@maharah.com.

### Description of Maharah share performance in 2022G

Share price as on 1 January 2022G	75,80
Share price as on 31 December 2022G	32.06%
Change Percentage (%)	32.06%

Maharah share price (highest and lowest price) in the market at the end of every month during the fiscal year is as follows:

Month	Highest Price	Lowest Price	Closing Price
January	81.70	74.00	80.00
February	82.30	76,10	77.50
March	81.40	75.20	79.70
April	84.30	79.70	81.20
May	81.70	64.20	67.20
June	67.60	60.00	61.50
July	65.40	56.80	64.30
August	67.40	62.70	65.40
September	65.80	59.60	61.50
October	62.60	59.50	60.40
November	61.90	53.00	54.60
December	55.50	48.00	51.30



## Shareholders' general assembly

- We realize the importance of communicating effectively with the shareholders, and accordingly, tries to benefit constructively from the general assembly meeting. The Board Chairman and members hold meetings with the shareholders to hear their opinions and answer their queries. Therefore, Maharah encourages shareholders in advance to attend the annual general assembly meeting and exercise their voting rights in person or in proxy. The company also seeks the to maximize the shareholders' ability to participate in the general assembly meeting through:
- - Proper arrangements for the general assembly, including determining the right time and place, to motivate the largest number of shareholders to participate in the assembly meeting.
- - Allowing the opportunity for the shareholders to communicate with Board members, executive management, and external auditors during the general assembly meeting.
- - Allowing a reasonable opportunity for the shareholders to ask questions during the general assembly meeting in relation to the agenda items, including addressing questions to the external auditor in regards the audit process and preparing and the content of the external auditor report.
- - The company may call the shareholders' general assembly to convene using modern means of technology.
- - The company requests the shareholders' general assembly to vote electronically on the agenda items via Tadawulaty services portal.
- - Shareholders are motivated to participate in the general assembly or appoint proxies to attend the meetings and vote on their behalf in the event they are not able to attend the meetings in person.



Maharah held one meeting for the shareholders' general assembly in 2022G. The dates of these meetings, the names of Board members who attended the meetings and voting results on the general assembly agenda are as follows:

Date	Type of Assembly	Attendance percentage (%)	28/6/2022
Ordinary general assembly		30.11%	1. year 2023, and determine their fees
Attending Board Members			
-12	Mr. Sulaiman bin Abdulaziz Almajed (Chairman)		-5 Approving the release of Board members of their responsibility in relation to the management of the company business during the fiscal year 2021.
-13	Dr. Abdullah bin Sulaiman Alamro (Vice Chairman)		-6 Approving mandating the Board to distribute interim dividends on semi/quarterly basis for the fiscal year 2022
-14	Mr. Sulaiman bin Nasser Al Hatlan		-7 Approving authorizing the Board with the power of the ordinary general assembly in regards the license set out in paragraph (1) of article seventy-one of the Companies Law, for one year as from the date of the approval of the general assembly or until expiry of the term of the authorized Board, whichever is earlier. This shall be in accordance with the conditions stipulated in the controls and regulatory measures issued in implementation of the listed companies law.
-15	Mr. Abdullah bin Abdulaziz Almajed		-8 Disapproving the works and contracts that were made between the company and Spectra Support Services, in which Board Members Mr. Sulaiman Almajed, Mr. Abdullah Almajed, Dr. Saudi Alshathri, Mr. Ali Damati and Dr. Abdullah Alamro have indirect interest, a manpower services for one year as from 23/4/2021 to 23/4/2023 without preferential conditions. The value of the transaction was SAR 109,800,516
-16	Mr. Abdulaziz bin Ibrahim Alnowaiser		-9 Disapproving the works and contracts that were made between the company and Arabian Shifa Medical Company, in which Dr. Abdullah Alamro has indirect interest, a manpower services for one year as from 20/2/2021 until 20/2/2022, without preferential conditions. The value of the transaction was SAR 1,230,547.
-17	Mr. Ali Faqihi Damati		-10 Disapproving the works and contracts that were made between the company and Mozn Telecommunication Systems Company, in which Dr. Abdullah Alamro has indirect interest, which is a building lease for one year as from 7/24/2021 until 7/e/2022, without preferential conditions. The value of the transaction was SAR 573,204.
-18	Mr. Ahmed bin Saleh Alhanaki		-11 Approving the disbursement of SAR 2,909,000 as a remuneration for Board members for the fiscal year which ended 31 December 2021.
-19	Mr. Khaled bin Saleh Alhanaki		
-20	Mr. Sulaiman bin Abdulaziz Alzaben		
-21	Mr. Saleh bin Abdullah Alhanaki		
	• Board Member, Dr. Saud bin Nasser Alshathri, apologized for not attending the meeting.		
The Committee Chairmen who attended the meeting are as follows:			
-1	Mr. Abdulaziz bin Ibrahim Alnowaiser (Chairman of the Audit Committee)		
-2	Mr. Khaled bin Abdulrahman Alkhodairi (Chairman of the Nominations and Remunerations Committee)		
-3	Dr. Abdullah bin Sulaiman Alamro (Chairman of the Executive Committee)		
-4	Mr. Saleh bin Abdullah Alhanaki (Chairman of the Investment Committee)		
Results of Voting on the Assembly Agenda			
-1	Approving the Board report for the fiscal year which ended 31 December 2021		
-2	Approving the company auditor's report for the fiscal year which ended 31 December 2021		
-3	Approving the annual consolidated financial statements for the fiscal year which ended 31 December 2021		
-4	Approving the RSM United Accountants as the external auditor of the company, which has been selected from among the nominees, based on the recommendation of the Audit Committee. The auditor will examine, review and audit the financial statements for the second, third and fourth quarters of the fiscal year 2022 and the first quarter of the		

Company announcements on Tadawul

Maharah held strategic activities and events during the year, which were announced for the shareholders on the official website of the Saudi Stock Exchange (Tadawul) and the website of Maharah. In total, thirty-four announcements were made for the shareholders of Maharah in 2022G. The following tables summarizes these announcements based on their dates and subjects:

S	Date	Announcement Content
1	081444/06/2023/01/01	The latest developments on the signing of a non-binding memorandum of understanding by the subsidiary (Growth Avenue Investment Company), owned by Maharah by 100% to acquire 40% of SLS for Trading and Marketing Company (Soror Application)
2	211444/05/2023/12/15	The Board approval for the company to buy no more than 3.75 million of its shares (10% of the company total shares) and allocate them to the employees long term incentives program. The company will finance the buying process via its own financial resources. The Board has also authorized the managing director to buy the shares in the proper price and make recommendation to the extraordinary general assembly to vote on the buying of the shares within 12 months as from the date of approval.
3	121444/04/2022/11/06	The interim financial results of the period which ended on 302022/09/ (nine months)
4	021444/03/2022/09/28	The latest developments on the signing of an unbinding memo of understanding by Growth Avenue Investments Company which is owned by Maharah at 100% with Alsaif Commercial Company for Investment and Saudi Medicare Company to acquire the full stake of their ownership in the Shield Care Holding Company Ltd. (Kingdom Hospital and Consulting Clinics).
5	021444/03/282022/09/	A long term Murabaha loan (shariah compliant) obtained by Maharah from Alrajhi Bank
6	191444/02/152022/09/	Signing a ten-year framework agreement with the Saudi Basic Industries Company (SABIC) to provide the Saudi support services and manpower services.
7	031444/02/302022/08/	The Board's resolution to distribute cash dividends to shareholders for the first half of the fiscal year 2022G.
8	011444/02/282022/08/	The latest developments on the signing of an unbinding memorandum of understanding by Growth Avenue Investments Company which is a subsidiary owned by Maharah at 100% with Alsaif Commercial Company for Investment and Saudi Medicare Company to acquire the full stake of their ownership in the Shield Care Holding Company Ltd. (Kingdom Hospital and Consulting Clinics).
9	231444/01/212022/08/	The latest development on the signing of an unbinding memorandum of understanding by Growth Avenue Investments Company which is a subsidiary owned by Maharah at 100% with the shareholders of the Saudi Health Systems Company ("the company") to acquire 40% of their shares in the company.
10	231444/01/212022/08/	Obtaining a long-term Murabaha loan (shariah-compliant) from the Alrajhi Bank and the Saudi British Bank (SABB)
11	181444/01/162022/08/	Signing a contract with Saudi Binladin Group
12	17.011444/152022/08/	The latest developments on the results of the ordinary general assembly meeting (first meeting)
13	161444/01/182022/04/	The interim financial results for the period which ended on 302022/06/G (six months)

S	Date	Announcement Content
14	041444/01/022022/08/	The latest developments on the signing of an unbinding memorandum of understanding by Growth Avenue Investments Company which is a subsidiary owned by Maharah at 100% with Alsaif Commercial Company for Investment and Saudi Medicare Company to acquire the full stake of their ownership in the Shield Care Holding Company Ltd. (Kingdom Hospital and Consulting Clinics).
15	191443/12/H182022/07/	The latest developments on the signing of an unbinding memorandum of understanding by Growth Avenue Investments Company which is a subsidiary owned by Maharah at 100% with Alsaif Commercial Company for Investment and Saudi Medicare Company to acquire the full stake of their ownership in the Shield Care Holding Company Ltd. (Kingdom Hospital and Consulting Clinics).
16	011443/12/302022/06/	The latest development on the signing of an unbinding memorandum of understanding by Growth Avenue Investments Company which is a subsidiary owned by Maharah at 100% with the shareholders of the Saudi Health Systems Company ("the company") to acquire 40% of their shares in the company.
17	301443/11/292022/06/	The results of the ordinary general assembly meeting (first meeting)
18	241443/11/232022/06/	The date of electronic voting on the items of the ordinary general assembly meeting (first meeting) via the modern technology means.
19	161443/11/152022/06/	The developments that are related to Maharah investment in Bloovo Company Ltd.
20	131443/11/122022/06/	A supplementary announcement in relation to inviting the shareholders of Maharah to attend the ordinary general assembly meeting (first meeting)
21	101443/11/092022/06/	Renewal of Maharah license as a human resources company by the Ministry of Human Resources and Social Development
22	081443/11/072022/06/	Inviting Maharah shareholders to attend the ordinary general assembly meeting (first meeting)
23	251443/10/262022/05/	The latest developments in relation to signing an unbinding memorandum of understanding by Growth Path Investment Company which is owned by Maharah at 100%, to acquire (40%) of the equities in SLS Company for Trade and Marketing, owner, and operator of Soror application.
24	211443/10/222022/05/	The interim financial results for the period which ended on 312022/03/G (three months)
25	261443/09/272022/04/	Reaching an agreement with the other partners in TPH Domestic Workers Services ("TPH Company") to restructure the share equities in TPH Company
26	231443/09/24/-42022/	The latest development on the signing of an unbinding memorandum of understanding by a subsidiary (Growth Path Investment Company, which is owned by Maharah at 100% with the shareholders of the Saudi Health Systems Company ("the company") to acquire 40% of their shares in the company.
27	191443/08/222022/03/	Signing a non-binding memorandum of understanding by Growth Path Investment Company, which is owned by Maharah at 100% with the shareholders of the Saudi Health Care Systems to acquire 40% of their shares in the company
28	101443/08/132022/03/	A corrective announcement in relation to the signing of a memorandum of understanding by Growth Path Investment Company, which is owned by Maharah at 100% with Alsaif Commercial and Investment Company and Saudi Medicare Company to acquire their entire shares totaling 41.37% in the Shield Care Holding Company Ltd. (Kingdom Hospital and Consulting Clinics)
29	101443/08/132022/03/	Signing a memorandum of understanding with Alsaif Commercial and Investment Company and Saudi Medicare Company to acquire 41.37% of equities in the Shield Care Holding Company Ltd. (Kingdom Hospital and Consulting Clinics)

S	Date	Announcement Content
1	081444/06/ 2023/01/01	The latest developments on the signing of a non-binding memorandum of understanding by the subsidiary (Growth Avenue Investment Company), owned by Maharah by 100% to acquire 40% of SLS for Trading and Marketing Company (Soror Application)
2	211444/05/ 2023/12/15	The Board approval for the company to buy no more than 3.75 million of its shares (10% of the company total shares) and allocate them to the employees long term incentives program. The company will finance the buying process via its own financial resources. The Board has also authorized the managing director to buy the shares in the proper price and make recommendation to the extraordinary general assembly to vote on the buying of the shares within 12 months as from the date of approval.
3	121444/04/ 2022/11/06	The interim financial results of the period which ended on 302022/09/ (nine months)
4	021444/03/ 2022/09/28	The latest developments on the signing of an unbinding memo of understanding by Growth Avenue Investments Company which is owned by Maharah at 100% with Alsaif Commercial Company for Investment and Saudi Medicare Company to acquire the full stake of their ownership in the Shield Care Holding Company Ltd. (Kingdom Hospital and Consulting Clinics).



# Mature and Sustainable



## Financial highlights in the past five years

SAR (Million)	2022G	2021G	2020G	2019G	2018G
Operational Results					
Revenue	1,684	1,319	1,416	1,512	1,352
Cost of Revenue	(1,454)	(1,099)	(1,154)	(1,132)	(1,054)
Gross Profit	229	220	263	380	298
Net Income Attributable to Shareholders of the Parent Company	154	145	177	272	222
Financial Position					
Current Assets	676	669	769	810	716
Current Liabilities	473	376	389	439	476
Net Working Capital	203	293	380	371	239
Non-Current Assets	1,073	376	257	293	225
Non-Current Liabilities	678	89	81	79	35
Equity	598	571	556	585	429
Cash Flow					
Cash Flow from Operational Activities	194	28	247	74	149
Cash Flow from (Used in) Investment Activities	(623)	158	(163)	142	(351)
Cash Flow from (Used in) Financing Activities	423	(155)	(214)	(109)	(59)
Cash Balance and Equivalent in addition to short term deposits	84	139	318	299	(356)
Key Highlights					
Income before Zakat to Sales	10%	12%	13%	19%	17%
Operational Income to Revenue	6%	11%	13%	19%	16%
Return on Assets	9%	14%	17%	25%	24%
Return on Equity	26%	32%	46%	52%	79%
Net Debt to Equity Ratio	192%	81%	85%	88%	119%
Earnings per Share	4.11	3.86	4.73	7.26	5.93

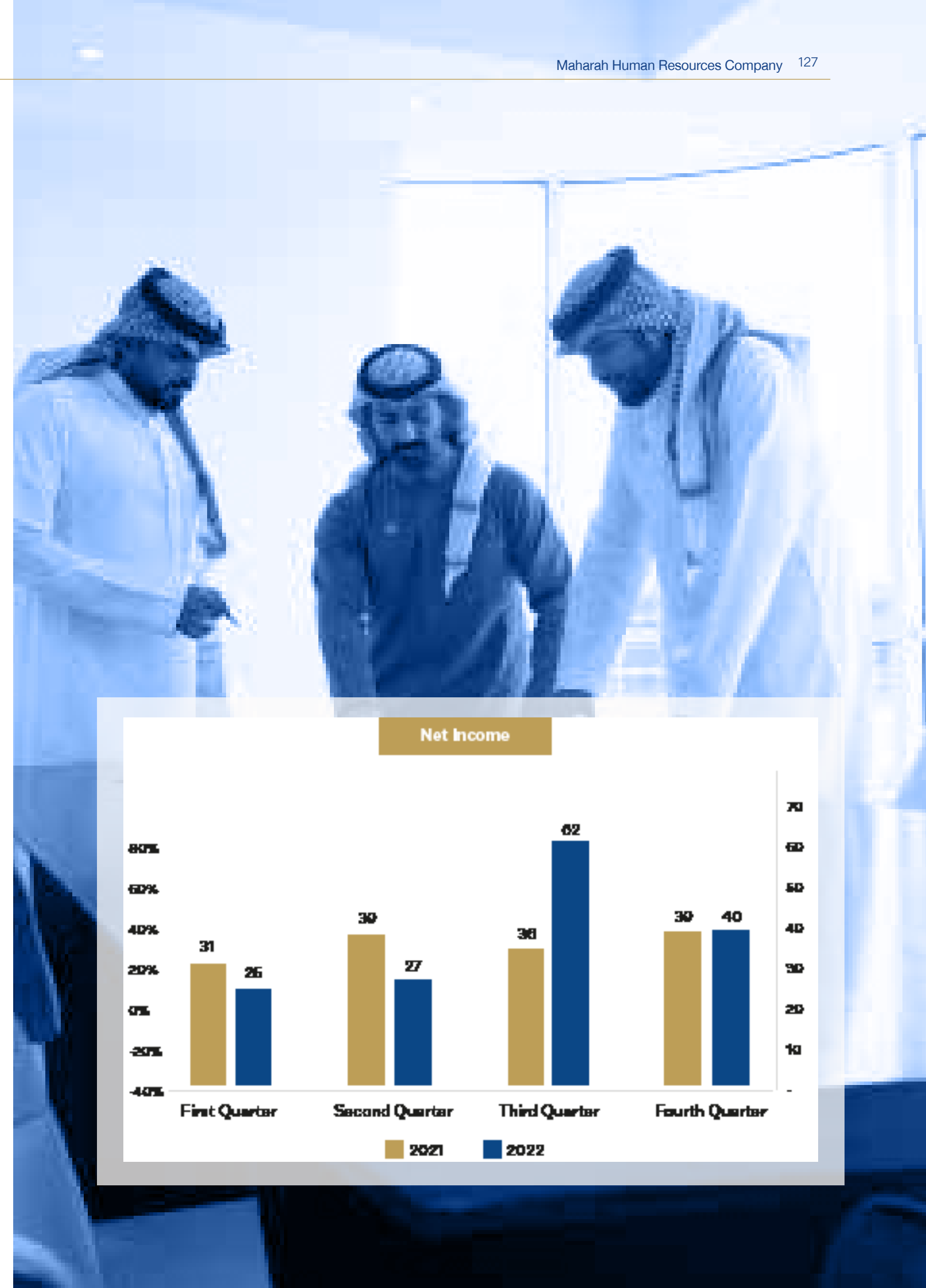
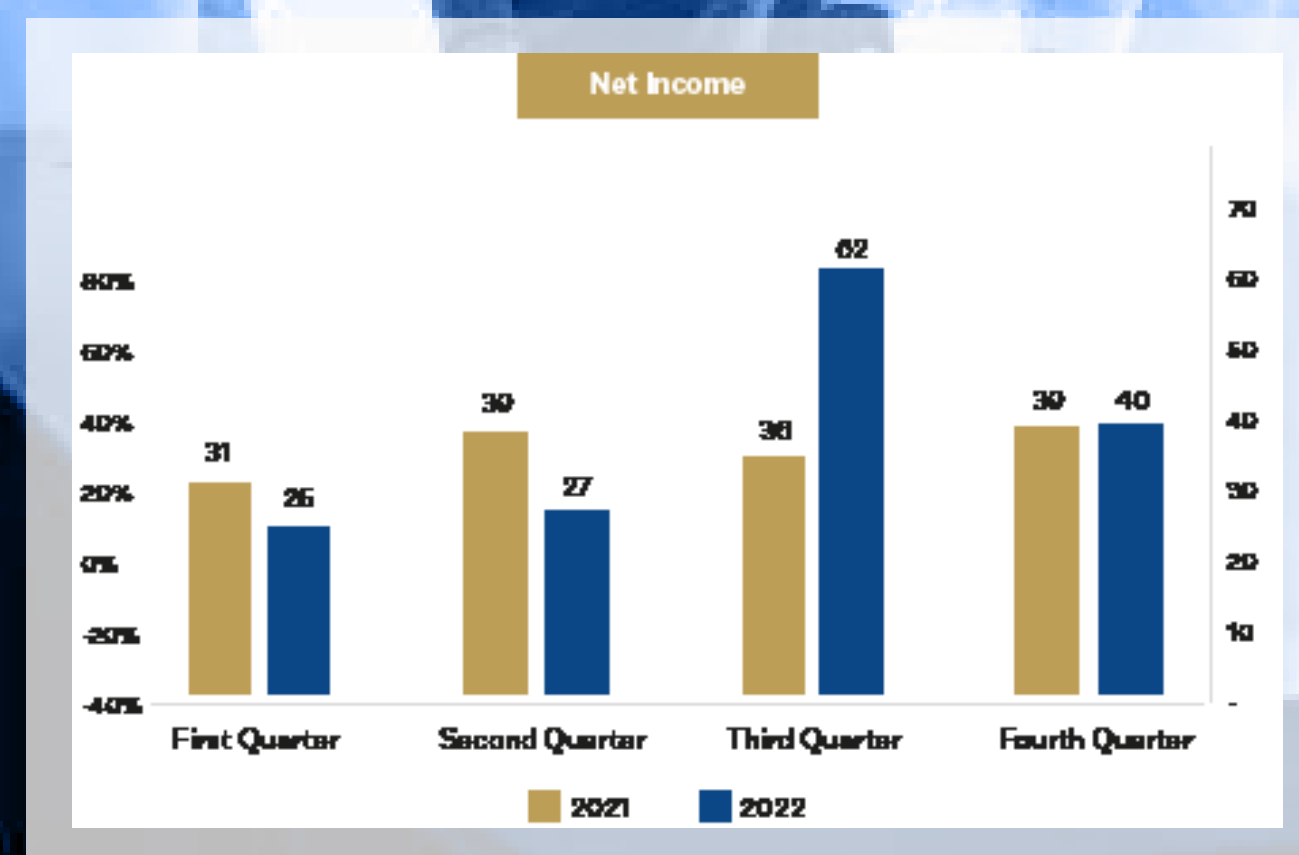
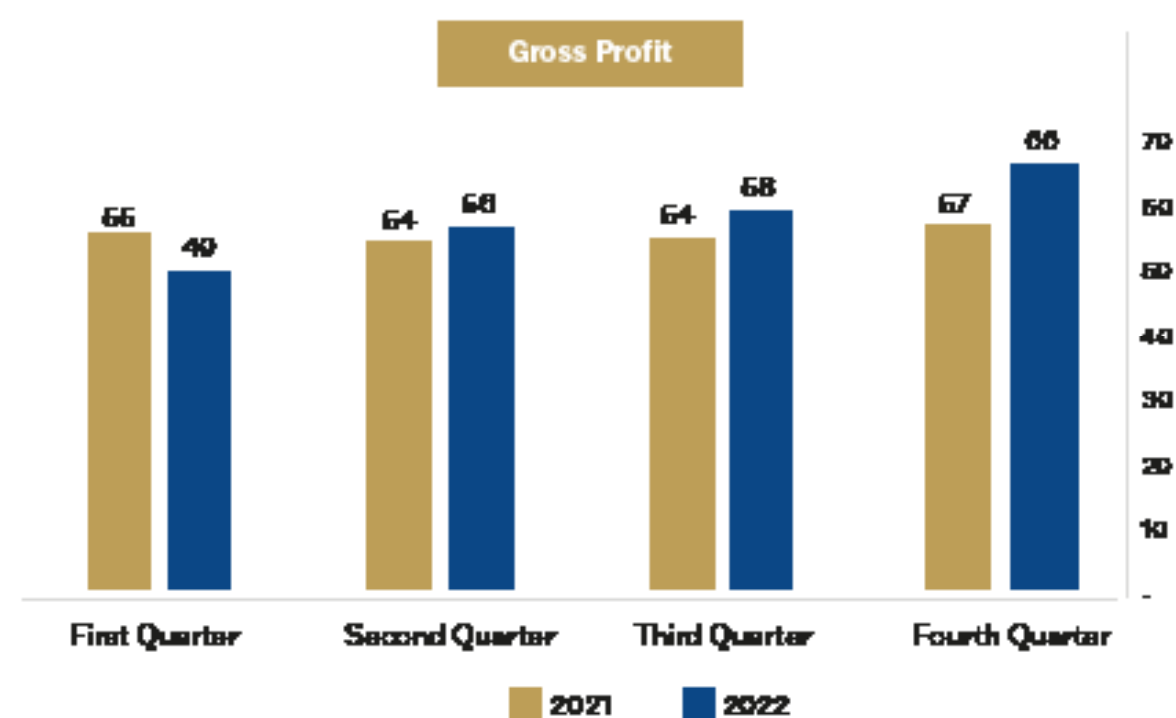
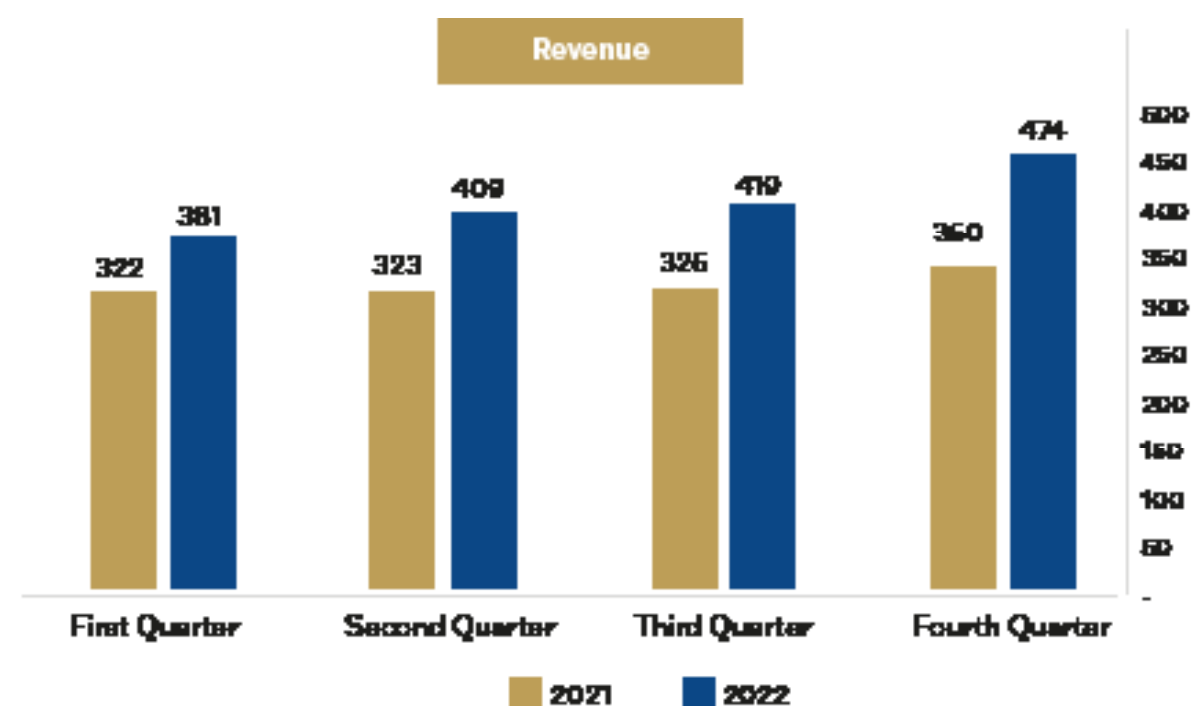
## Financial highlights on quarterly basis between (2021G – 2022G)

Maharah continued to carry out all financial planning works, prepare periodic reports, organize financial control instruments, protect company assets, keep the accounting and financial books, and organize the measures that are related to payments in line with the financial reporting accounting standards in the Kingdom of Saudi Arabia.

Our financial performance has improved significantly in the fourth quarter of 2022G. Revenues were increased by (35.4%) to reach SAR (474) million compared to the same period in 2021G. The gross income has also increased by (16.2%) or SAR (66) million, whereas the net profit increased by 2.3% or SAR (40) million compared to the same period in the previous financial year 2021G.

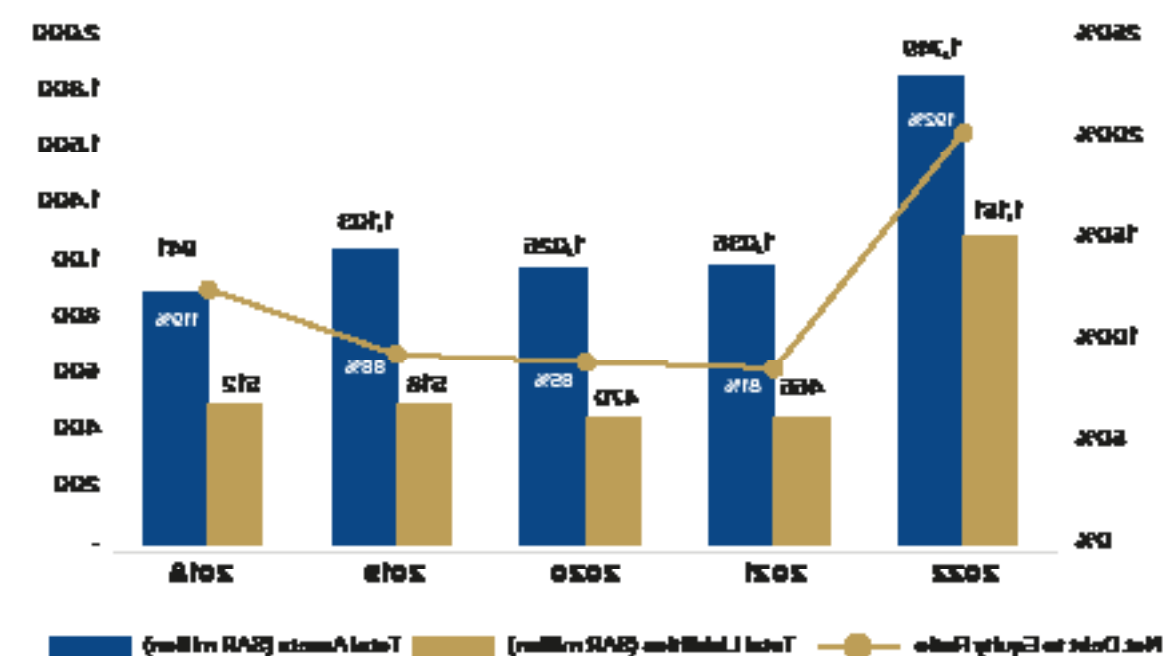
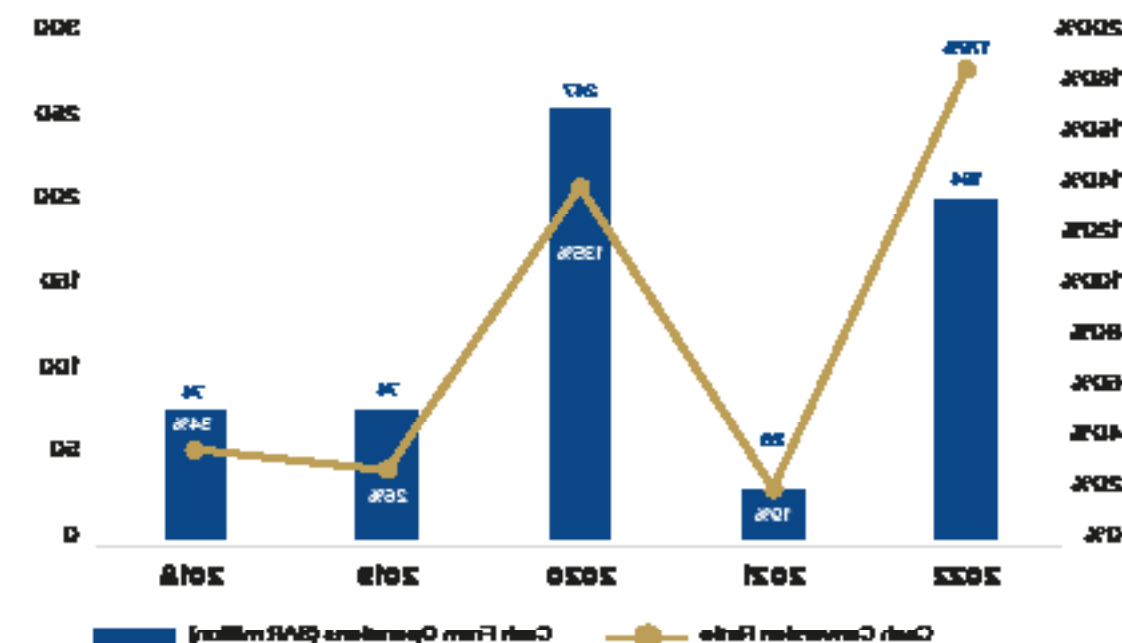
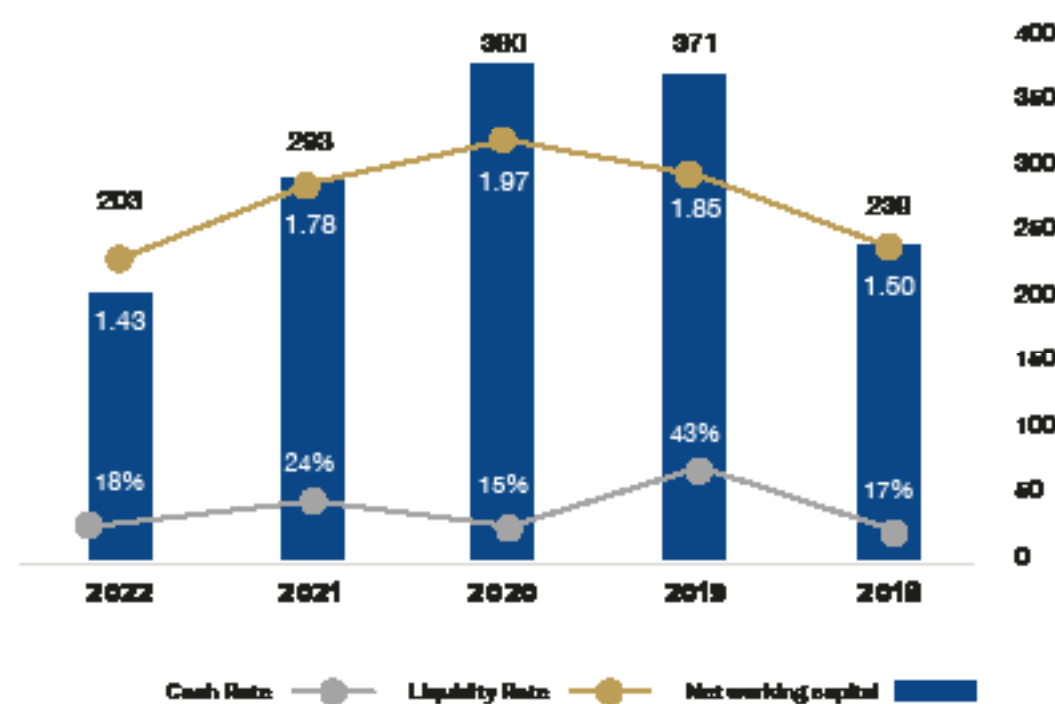
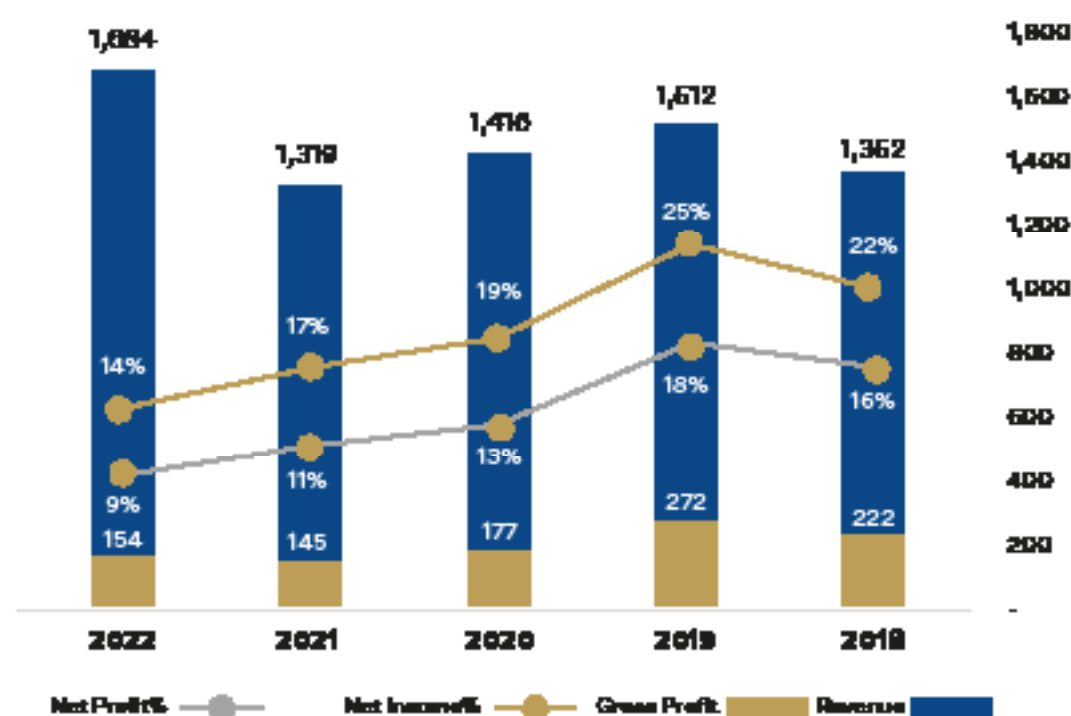


Development of financial results on quarterly basis between 2021G – 2022G – (SAR million)





Geographical analysis of the total revenues of the company and its affiliates (SAR Million)



Geographical analysis of the total revenues of the company and its affiliates (SAR Million)

Year	Total Revenue	Kingdom of Saudi Arabia	United Arab Emirates	Total
2022G	1,684	1,635	48	1,684
2021G	1,319	1,280	39	1,319

Subsidiaries

Name of Affiliate	Capital (SAR Million	Maharah Ownership Percentage	Main Activity	Country of Operations	Country of Establishment
Growth Path Investment Company	5,000,000	100%	Financial Services	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Nabd Logistic Services Company	100,000	100%	Logistic Services	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Vocational Development Training Co	2,000,000	100%	Technical and Vocational Training	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Istidamah of Operations Company	100,000	100%	Construction	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Spectra Support Services Company	30,000,000	90%	Building Maintenance Services	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Arabian Shifa Medical Company	833,340	85%	Medical and Home Health Care	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
TPH Domestic Helpers Company	306.390	96%	Building Cleaning Services	United Arab Emirates	United Arab Emirates

Clarification of any material variances in the operational results compared to the previous year (SAR thousands)

Description	2022G	2021G	Changes	Change Percentage
Revenue	1,683,595	1,318,72	364,866	28%
Cost of Revenue	(1,454,376)	(1,098,830)	(355,546)	32%
Gross Profit	229,219	219,898	9,321	4%
Other Operational Expenses	(121,016)	(73,869)	(47,147)	64%
Operational Profit	108,203	146,029	(37,826(	(26%)

Description of the main activities of the company

Description	(Activity Revenue (SAR Million	(%) Percentage
Manpower Services for the Business Sector	1,025	60.9%
Domestic Manpower Services for the Individuals' Sector	498	29.6%
Manpower Services for the Facilities Management	156	9.3%
Others	5	0.3%
Total	1,684	100%

Sector by Type	(Activity Revenue (SAR Million	(%) Percentage
Individuals	498	29.5%
Industrial and Operational	320	19.0%
Retail	202	12.0%
Hospitality	210	12.5%
Health Care	178	10.6%
Commercial	84	5.0%
Facilities Management	156	9.3%
Isnad Sector	31	1.8%
Others	5	0.3%
Total	1,684	100%

Description of any deal or transactions between the issuer and a related party:

Amounts due from related parties

Ser	Related Party	Relationship with the Company	Date of Transaction	Duration	Value (SAR)
1	Muzn Communication and Information Technology Company	Affiliate	Rental	One year	-
2	Yellow Mix Meals Establishment	Affiliate	Manpower Services	One year	23,704
3	Abdulaziz Aidah Miftah Alkathiri Establishment for Spare Parts	Affiliate	Manpower Services	One year	3,071
4	Sajaya Health Care Company	Affiliate	Manpower Services	One year	20,935
5	Jazl Arabia Company	Affiliate	Manpower Services	One year	6,245
6	Zawaya Investment Company	Affiliate	Rental	One year	-
7	Sarb Arabia Company	Affiliate	Rental	One year	-
8	Alalamia for Cooperative Insurance Company	Affiliate	Rental	One year	-
9	Exir Medical Company	Affiliate	Manpower Services	One year	-
10	Cabi for Information Technology (Bloovo previously)	Affiliate	Rental	One year	1,648,460
11	Four Twins Café	Affiliate	Manpower Services	One year	-
12	Care Shield Holding Company	Affiliate	Manpower services	One year	1,004,543
Total					2,706,958

Information related to any business or contracts in which the company is a party, or in which a Board member, senior executive or a related party has or had an interest

Name of Member	Name of Company	Nature of Business or Contract	Business or Contract Amount ((SAR	Duration of Business or Contract	Terms of Business or Contract
Investee	Spectra Support Services Company	Manpower services	61,253,333	One year	Without preferential conditions
Investee	Shifa Arabia Medical Company	Manpower services	206,623	One year	Without preferential conditions
Investee	Bloovo	Manpower Services	321,221	One year	Without preferential conditions
Investee	Nabd Logistic Services Company	Manpower Services	10,769,698	One year	Without preferential conditions

Abdullah Alnaqir (an owner in the Alkhibra Architectural Company, a major shareholder)	Four Twins Cafe	Manpower Services		One year	Without preferential conditions
Abdullah Alamro	Mozn for Technology Company	Rental	782,081	One year	Without preferential conditions
Abdullah Alamro	Zawaya Investment Company	Rental	439,854	One year	Without preferential conditions
Abdullah Alamro	Sarib Arabia Investment Holding Company	Rental		One year	Without preferential conditions
Abdullah Alamro	Insurance World Information Technology Company	Rental		One year	Without preferential conditions
Abdulaziz Almajed	Sajaya Health Care Company	Manpower Services	230,552	One year	Without preferential conditions
Saud bin Nasser Alshathri	Yellow Mix Meals Establishment	Manpower Services	231,519	One year	Without preferential conditions
Investee	Nab Logistic Services Company	Manpower Services	38,697	One year	Without preferential conditions
Saleh bin Abdullah Alhanaki	Jazl Arabia Company	Manpower Services	89,599	One yeaar	Without preferential conditions

بيان بالمدفوعات النظامية المسددة والمستحقة حتى نهاية الفترة المالية السنوية

Brief Description	2022G		Description (SAR)
	Due until the end of the financial period and not paid	Paid	
Payment of Zakat due for 2021G	15,745,030	15,600,111	Zakat
Payment of VAT due for 2022G	15,630,486	193,188,040	Tax
Payment of GOSI fees due for 2022G	2,027,436	22,113,274	GOSI
Payment of manpower visa fees for 2022G		142,544,338	Visas and passport costs
Payment of work permits and financial consideration for 2022G		59,710,904	Labor Office fees



**Financial statement**

**MAHARAH FOR HUMAN RESOURCES COMPANY  
(A SAUDI JOINT STOCK COMPANY)  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**



Independent Auditor’s Report

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

Opinion

We have audited the consolidated financial statements of Maharah for Human Resources Company (“the Company”) (and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated statement of financial position as of December 31, 2022, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as of December 31, 2022, and its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), that are endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization of Chartered and Professional Accountants (“SOCPA”)

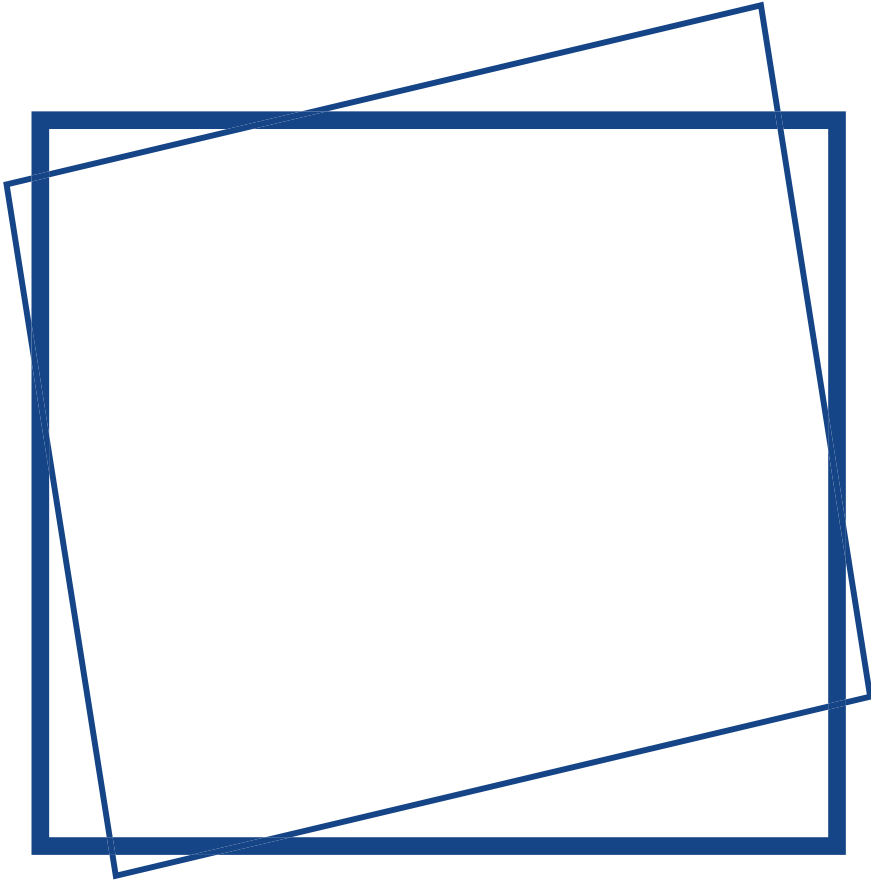
Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA’s) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the professional code of conduct and ethics, that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Independent Auditor’s Report (Continued)

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

Key audit matter	How the matter was addressed during our audit
Employees’ defined benefits obligations	
<p>The balance of the Employees’ defined benefits obligations as at 31 December 2022 amounted to SR 83.8 million, representing 7% of the Group’s total liabilities. The Employees’ defined benefits obligations is determined using the projected unit credit method. The Group engaged an independent actuary to assist them in the computation of the employees’ defined benefits obligations. Key assumptions applied in the actuarial valuation included discount rates, future salary increase, mortality rates, withdrawal rates and retirement age.</p> <p>We considered the determination and computation of the obligation in respect of Employees’ defined benefits obligations as a key audit matter due to the high degree of estimation uncertainty involved in determining the liability.</p>	<p>The audit procedures in respect to the defined benefit obligation include the following:</p> <ul style="list-style-type: none"><li>• Obtained an understanding of the management’s valuation process, including key estimates and assumptions and the involvement of the independent actuary in computing the employees’ defined benefits obligations.</li><li>• Tested various input data which includes testing the completeness of the population, selecting samples to agree their salary details to human resources records and testing of IT application controls to assess the effectiveness of controls in calculating the defined benefit plan liabilities.</li><li>• Assessed the competency, independence, and objectivity of the actuary.</li><li>• Involved our specialist to assist us in evaluating the reasonableness of the key assumptions adopted in the valuation of the obligation in respect of the defined benefit plans, including the discount rate, future salary increases, mortality rates, withdrawal rates and retirement age; The evaluation of the reasonableness includes benchmarking of the key assumptions used against available market data;</li><li>• Assessed the adequacy of the Group’s disclosures made in the notes to the consolidated financial statements.</li></ul>
Refer to Note 5 of the consolidated financial statements regarding the accounting policy, and Note 3 regarding the disclosure of significant accounting estimates and judgments, and Note 24 regarding to the disclosures related to the employee defined benefits obligation.	

Key audit matters (Continued)

Key audit matter	How the matter was addressed during our audit
Recognition of employee related costs	
<p>The Group provides manpower services to its customers. Employee related costs for the year ended 31 December 2022 amounted to SR 1,395 million, representing 96% of the Group’s total cost of revenue. We consider employee related costs as a key audit matter due to the significance of management’s judgement in accounting for employee related costs including the capitalization of various employee related costs, significant number of employees of the Group and also substantial volume of transactions in capturing and recording the employee related costs. This may result in a material misstatement of employee costs as recorded in the Group’s consolidated financial statements.</p>	<p>The audit procedures in respect to the employee costs include the following:</p> <ul style="list-style-type: none"><li>• Obtained understanding of the management’s process in capturing and recording employee costs;</li><li>• Evaluated the design, implementation and operating effectiveness of key controls over recording of employee related costs which includes testing of various IT application controls;</li><li>• Performed various analysis, including correlation and relationship analysis of employee costs, to test the reasonableness of the patterns in recording employee related costs;</li><li>• Performed recalculation of amortization of employee related costs to test the reasonableness of the amounts recorded by the Group; and</li><li>• Assessed the adequacy and appropriateness of the Group’s disclosures.</li></ul>
Refer to note 5 to the consolidated financial statements for significant accounting policies relating to employee related costs and note 29 for employee related costs recorded under cost of revenue for related disclosures.	

Independent Auditor’s Report

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

Other Matter:

The Group’s consolidated financial statements for the year ended 31 December 2021 were audited by another auditor, who expressed an unmodified opinion on those financial statement dated 12 Shaaban 1443 H (corresponding to 15 March 2022).

Other information included in the Group’s 2022 Annual Report

Management is responsible for other information. Other information includes the Group’s 2022 annual report, but does not include the consolidated financial Statements and the auditor’s report thereon, which is expected to be available to us after the date of the Independent Auditor’s Report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Group Board of directors’ report for the year 2022 (when its available), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as endorsed in KSA and the provisions of the Companies’ Law and Company’s By-laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance; i.e. Board of Directors, are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA’s) that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA’s) that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.



Independent Auditor’s Report (Continued)

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

RSM Allied Accountants Professional Services Company

Mohammed Bin Farhan Bin Nader

License No. 435

Riyadh, Kingdom of Saudi Arabia

14 Shabban 1444H (Corresponding to March 6,2023)

Consolidated Statement of Financial Position  
As of 31 December 2022  
(Saudi Riyal)

	Notes	2022	2021
Assets			
Current assets			
Cash and cash equivalents	6	83,573,675	89,418,996
Murabaha time deposits	7	-	50,000,000
Accounts receivable	8	243,976,861	182,003,390
Contracts assets	9	104,501,426	69,002,663
Prepayments and other current assets	10	219,240,988	250,084,559
Available visas	11	24,856,000	28,752,000
Total current assets		676,148,950	669,261,608
Non-current assets			
Long-term receivables	8	-	4,161,608
Property and equipment	13	125,535,761	125,379,127
Right-of-use assets	17	43,024,421	26,772,276
Intangible assets	15	7,872,996	7,642,586
Investment properties	14	37,799,578	37,952,874
Financial assets at fair value through profit or loss ("FVTPL")	16	25,099,306	99,574,659
Financial assets at fair value through other comprehensive income ("FVOCI")	18	13,985,656	-
Investments in associates	19	793,332,675	14,065,841
Other non-current assets	10	26,070,772	51,375,741
Total non-current assets		1,072,721,165	366,924,712
Total assets		1,748,870,115	1,036,186,320
Liabilities			
Current liabilities			
Accounts payable, accruals and other current liabilities	20	223,901,524	175,655,310
Contracts liabilities	9	134,013,235	90,498,609

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

Consolidated Statement of Financial Position (continued)  
As of 31 December 2022  
(Saudi Riyal)

	Notes	2022	2021
Retained deposits	21	99,141,138	93,361,120
Zakat payable	22	15,745,030	16,606,102
Total current liabilities		472,800,927	376,121,141
Non-current liabilities			
Long term loans	23	562,607,710	-
Employees' defined benefits obligation	24	83,877,102	75,140,482
Lease liabilities	17	31,219,113	13,972,841
Total non-current liabilities		677,703,925	89,113,323
Total liabilities		1,150,504,852	465,234,464
Equity			
Share capital	25	375,000,000	375,000,000
Statutory reserve	26	97,416,675	82,005,235
Other reserves	26	(16,924,184)	(11,357,161)
Retained earnings		143,618,633	126,790,673
Equity attributable to the Shareholders of the Parent Company		599,111,124	572,438,747
Non-controlling interests	1	(745,861)	(1,486,891)
Total equity		598,365,263	570,951,856
Total liabilities and equity		1,748,870,115	1,036,186,320

Chairman	Chief executive officer	Vice president of finance and investment	Executive director of finance
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The accompanying notes form an integral part of these accompanying consolidated financial statements

Consolidated Statement of Profit or Loss  
For the year ended 31 December 2022  
(Saudi Riyal)

	Notes	2022	2021
Revenues	28	1,683,594,673	1,318,728,548
Cost of revenues	29	(1,454,375,956)	(1,098,830,452)
Gross profit		229,218,717	219,898,096
General and administration expenses	30	(98,501,066)	(65,293,284)
Selling and marketing expenses	31	(14,142,876)	(11,239,641)
(Losses) / reversal of expected credit losses	10,9,8	(8,372,219)	2,663,761
Operating profit		108,202,556	146,028,932
Finance costs	32	(10,551,899)	(1,211,623)
Other income	33	9,023,990	15,069,567
Share in results of associates	19	56,529,630	(1,940,937)
Net gain on financial assets at FVTPL	16	3,160,719	1,272,792
Profit before zakat		166,364,996	159,218,731
Zakat	22	(14,739,039)	(15,379,357)
Profit for the year		151,625,957	143,839,374
Profit for the year attributable to:			
Shareholders of the Parent Company		154,114,400	144,925,035
Non-controlling interests		(2,488,443)	(1,085,661)
		151,625,957	143,839,374
Basic and diluted earnings per share:			
Net profit for the year per share attributable to Shareholders of the Parent Company	34	4.11	3.86

Chairman	Chief executive officer	Vice president of finance and investment	Executive director of finance
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The accompanying notes form an integral part of these accompanying consolidated financial statements

**Consolidated Statement of Comprehensive Income**  
For the year ended 31 December 2022  
(Saudi Riyal)

	Notes	2022	2021
Profit for the year		151,625,957	143,839,374
Other comprehensive loss:			
Item that will not be reclassified to consolidated statement of profit or loss:			
Re-measurements of employees' defined benefits obligation	24	(4,843,415)	(1,911,000)
Share in other comprehensive income of associates	19	(745,649)	-
Total other comprehensive loss for the year		(5,589,064)	(1,911,000)
Total comprehensive income for the year		146,036,893	141,928,374
Total comprehensive income attributable to:			
Shareholders of the Parent Company		148,547,377	143,014,035
Non-controlling interests		(2,510,484)	(1,085,661)
		146,036,893	141,928,374

Chairman	Chief executive officer	Vice president of finance and investment	Executive director of finance
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The accompanying notes form an integral part of these accompanying consolidated financial statements

**Consolidated Statement of Changes in Equity**  
For the year ended 31 December 2022  
(Saudi Riyal)

	Attributable to the shareholders of the Parent Company					Non-controlling interests	Total equity
	Share capital	Statutory reserve	Other reserves	Retained earnings	Total		
For the year ended 31 December 2021:							
Balance as at 1 January 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 year	-	-	-	144,925,035	144,925,035	(1,085,661)	143,839,374
Other comprehensive loss for the year	-	-	(1,911,000)	-	(1,911,000)	-	(1,911,000)
Total comprehensive income for the year	-	-	(1,911,000)	144,925,035	143,014,035	(1,085,661)	141,928,374
Acquisition of Subsidiary (Note 40)	-	-	-	10,993,302	10,993,302	-	10,993,302
Transfer to statutory reserves	-	14,492,504	-	(14,492,504)	-	-	-
Movement in non-controlling interest	-	-	-	-	-	3,125,719	3,125,719
Dividends (Note 27)	-	-	-	(140,625,000)	(140,625,000)	-	(140,625,000)
Balance as at 31 December 2021	375,000,000	82,005,235	(11,357,161)	126,790,673	572,438,747	(1,486,891)	570,951,856
For the year ended 31 December 2022:							
Balance as at 1 January 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 year	-	-	-	154,114,400	154,114,400	(2,488,443)	151,625,957
Other comprehensive loss for the year	-	-	(5,567,023)	-	(5,567,023)	(22,041)	(5,589,064)
Total comprehensive income for the year	-	-	(5,567,023)	154,114,400	148,547,377	(2,510,484)	146,036,893
Transfer to statutory reserves	-	15,411,440	-	(15,411,440)	-	-	-
Movement in non-controlling interests	-	-	-	-	-	3,251,514	3,251,514
Dividends (Note 27)	-	-	-	(121,875,000)	(121,875,000)	-	(121,875,000)
Balance as at 31 December 2022	375,000,000	97,416,675	(16,924,184)	143,618,633	599,111,124	(745,861)	598,365,263

Chairman	Chief executive officer	Vice president of finance and investment	Executive director of finance
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The accompanying notes form an integral part of these accompanying consolidated financial statements



**Consolidated Statement of Cash Flows**  
For the year ended 31 December 2022  
(Saudi Riyal)

	2022	2021
<b>Operating activities</b>		
Profit before zakat	166,364,996	159,218,731
<b>Adjustments for non-cash items:</b>		
Employees' defined benefits obligation charge	21,340,720	20,435,699
Losses (reversal) for expected credit losses	8,372,219	(2,663,761)
Depreciation and amortization	29,609,030	23,123,386
Share in results of associates	(56,529,630)	1,940,937
Net gain on financial assets at FVTPL	(3,160,719)	(1,272,792)
Finance costs	10,551,899	1,211,623
Earnings from Murabaha time deposits	(709,839)	(1,098,884)
Gain from sale of property and equipment	(33,017)	(10,690,411)
Reversal of accrued salaries no longer payable	(15,086)	(1,790,947)
<b>Changes in working capital:</b>		
Accounts receivable	(63,803,783)	30,607,433
Contracts assets	(35,446,049)	(9,145,712)
Prepayments and other current assets	53,983,351	(104,428,397)
Available visas	3,896,000	(242,000)
Retained deposits	5,780,018	2,755,585
Accounts payable, accruals and other current liabilities	43,992,515	(48,755,211)
Contracts liabilities	43,514,626	179,008
Cash generated from operations	227,707,251	59,384,287
Zakat paid	(15,600,111)	(15,249,978)
Employees' defined benefits obligation paid	(18,201,674)	(16,208,642)
Net cash generated from operating activities	193,905,466	27,925,667
<b>Investing activities</b>		
Purchase of shares in associates	(737,468,509)	-
Movements in Murabaha time deposits, net	50,709,839	211,098,884
Purchase of property and equipment	(13,736,860)	(11,670,750)
Purchase of financial assets at FVTPL	-	(98,571,697)
Proceeds from disposal of financial assets at FVTPL	77,636,072	33,698,587

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

**Consolidated Statement of Cash Flows (continued)**  
For the year ended 31 December 2022  
(Saudi Riyal)

	2022	2021
Proceeds from sale of property and equipment	504,860	24,374,985
Additions to intangible assets	(2,300)	(769,786)
Additions to investments properties	(346,317)	-
Net cash (used in) generated from investing activities	(622,703,215)	158,160,223
<b>Financing activities</b>		
Proceed from long term loans	562,607,710	-
Dividends paid	(121,875,000)	(140,625,000)
Payment for finance costs	(5,925,739)	-
Payment of lease liabilities	(15,235,683)	(13,951,535)
Movement in non-controlling interest	3,381,140	-
Cash generated from (used in) financing activities	422,952,428	(154,576,535)
Net change in cash and cash equivalents	(5,845,321)	31,509,355
Cash and cash equivalents at beginning of the year	89,418,996	57,909,641
Cash and cash equivalents at end of the year	83,573,675	89,418,996
<b>Non-cash transactions:</b>		
Additions to Right-of-use assets and lease liabilities	35,861,668	8,178,387
Additions to financial assets through other comprehensive income	13,985,656	-
Net assets from acquisition of another entity	734,550	28,131,478

Chairman	Chief executive officer	Vice president of finance and investment	Executive director of finance
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The accompanying notes form an integral part of these accompanying consolidated financial statements

Notes to the consolidated financial statements  
For the year ending December 31, 2022

1 - Group 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 consolidated financial statements:

	Country of incorporation	Direct and indirect ownership (%)	
		2022	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-Hijjah1442H (corresponding to August 4, 2021), the Group 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 of the Group decided to transfer the Company's entire ownership percentage of 90% in Spectra to GAC, a wholly owned subsidiary.

GAC

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

Notes to the consolidated financial statements  
For the year ending December 31, 2022

1 - Group information (continued)

Subsidiary owned by GAC

	Country of incorporation	Direct and indirect ownership (%)	
		2022	2021
Spectra Support Services Company ("Spectra") (*)	KSA	90%	-
Arabian Shifa Medical Company (**)	KSA	85%	-
NABD for Logistics Services ("NABD") (***)	KSA	100%	99.5%
Professional Development Training Company (****)	KSA	100%	99%
Estidama Operations Co. Ltd. (*****)	KSA	100%	-

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

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

(\*\*\*) 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 2022). NABD is licensed to provide 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 2022). 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.

(\*\*\*\*) Estidama Operations Company Limited is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia, under Commercial Registration No. 1010849985 dated 2 Jumada Al-Thani 1444H (corresponding to December 26, 2022). Estidama Operations Co. Ltd. is licensed for residential and non-residential renovations, general construction of residential buildings, construction of prefabricated buildings on site, general construction of non-residential buildings such as schools, hospitals and hotels.

1 - Group information (continued)

Musanid

On 25 Ramadan 1443H (corresponding to April 26, 2022), The 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 Musanid, where their shares amount to 85% and 15%, respectively, 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

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.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

1 - Group information (continued)

Subsidiary owned by TPH

	Country of incorporation	Direct and indirect ownership (%)	
		2022	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 (*****)	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.

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

(\*\*\*\*) Musanid 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 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	
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
Spectra	KSA	10%	10%	10%	10%
Musanid	UAE	-	15%	-	15%
TPH	UAE	4%	-	4%	-
Arabian Shifa Medical Company	KSA	15%	-	15%	-



Notes to the consolidated financial statements  
For the year ending December 31, 2022

1 - Group information (continued)

Name of Subsidiary	Country of incorporation	Comprehensive income allocated to NCI		Accumulated NCI at the end of the reporting period	
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
Spectra	KSA	(1,658,044)	(217,408)	1,250,266	2,908,312
TPH	UAE	(102,580)	(868,253)	(1,116,641)	(4,395,203)
Arabian Shifa Medical Company	KSA	(749,860)	-	(879,486)	-
		(2,510,484)	(1,085,661)	(745,861)	(1,486,891)

2 - Basis of preparation

2-1 Statement of compliance

These are the Group’s consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”) that are endorsed in KSA and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred to as “IFRSs as endorsed in KSA”).

2-2 Historical cost basis

These consolidated financial statements have been prepared on the basis of the historical cost principle, except when the International Financial Reporting Standards require the use of another measurement basis, as indicated in the accounting policies applied in Note No. (5) “Summary of significant accounting policies.”

2-3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company at the reporting date.

Control is achieved when the Group:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

2-3 Basis of consolidation (continued)

The Group considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- The size of the Group’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous stakeholders’ meetings.

The process of consolidation financial statements of a subsidiary begins when the group gains control over the subsidiary and stops when the group loses control of the subsidiary. In particular, the revenues and expenses of a subsidiary acquired, disposed of or sold during the year are included in the consolidated statement of comprehensive income from the date the Group obtains control until the date that the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is recorded in the statement of changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control over its subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognized in profit or loss.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group accounting policies.

All intergroup assets and liabilities, equity, revenues, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2-4 Business combinations and goodwill

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the asset given or liabilities incurred or assumed at the date of acquisition, plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the Group’s share of the net identifiable assets acquired and liabilities assumed is recorded as goodwill. Goodwill is tested annually for impairment and carried at cost, net of impairment losses, if any. Acquisition-related costs are expensed as incurred and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. All contingent consideration (except that which is classified as equity) is measured at fair value with the changes in fair value in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the cost of the acquisition over the fair value of the Group’s share of the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the

Notes to the consolidated financial statements  
For the year ending December 31, 2022

reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of comprehensive income as a bargain purchase gain. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGUs") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

2-5 Functional and presentation currency

The consolidated financial statements are presented in Saudi Riyals, which is the presentation and functional currency of the group, and they are rounded to the nearest Saudi Riyal unless otherwise indicated.

3 - Accounting Judgments and Key Sources of Estimation Uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses and assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material differences in the carrying amounts of assets and liabilities within the next financial period, are presented below. The Group used these assumptions and estimates on the basis available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Long-term assumptions for employee benefits

Employees' end-of-service benefits represent obligations that will be settled in the future and require assumptions to project obligations and are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. Management is required to make further assumptions regarding variables such as discount rates, rate of salary increase, mortality rates and employment turnover. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Periodically, management of the Group consults with external actuaries regarding these assumptions. Changes in key assumptions can have a significant impact on the projected benefit obligations and/or periodic employee defined benefit costs incurred

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent in which the benefits will be paid and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

3 - Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

Provisions

By their nature, provisions are dependent upon estimates and assessments whether the recognition have been met, including estimates of the probability of cash outflows. Provisions for litigation are based on an estimate of the costs, considering legal advice and other information presently available. Provisions for termination benefits and exit costs, if any, also involve management's judgement in estimating the expected cash outflows for other exit costs. Provisions for uncertain liabilities involve management's best estimate of whether cash outflows are probable.

Impairment test of non-financial assets

Impairment exists when the carrying value of an asset or Cash Generating Unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the budget for the next four to six years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future net cash-inflows and the growth rate used for extrapolation purposes.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the stand-alone credit rating).

Provision for expected credit losses of accounts receivable and contract assets

The Group uses a provision matrix to calculate ECLs for accounts receivable and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss

patterns (i.e., customer type). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Refer to Note (8,9,10) for further information.

Annual impairment testing of goodwill

The Group's management tests whether goodwill has suffered any impairment at least on an annual basis. This requires an estimation of recoverable amounts of the CGU to which the goodwill is allocated. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value-in-use are disclosed and further explained in note (15) to the consolidated financial statements.

## Notes to the consolidated financial statements For the year ending December 31, 2022

### 3 - Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)

#### Measurement of the fair value of financial instruments

When fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

#### Judgements in applying accounting standards

The following judgements have the most significant effect on the amounts recognized in the consolidated financial statements:

#### Determination of control and significant influence

Management's judgement in assessing control over consolidated subsidiaries:

Subsidiaries are all investees over which the Group has control. The Group's management considers that the Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns through its power to direct the relevant activities of the investees.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has equal or less than a majority of the voting or similar rights of an investee, the Group considers all other relevant facts and circumstances in assessing whether it has power over an investee, including any contractual and other such arrangements which may affect the activities which impact investees' return.

The determination about whether the Group has power thus depends on such relevant activities, the way decisions about the relevant activities are made and the rights the Group has, in relation to the investees.

#### Management's judgement in assessing significant influence over investees:

Judgement is required, particularly where the Group owns shareholding and voting rights of generally 20% and above but where the management does not believe that it has 'control' or 'joint control' over such investee.

In case of such investee, the Group's management has concluded it has 'significant influence' in line with the requirements of IFRSs as endorsed in KSA. Significant influence is defined as the power to participate in the financial and operating policy decisions of the investee but is not 'control' or 'joint control'. IFRSs as endorsed in KSA provides various indicators of 'significant influence', including representation in the Board of Directors and participation in policymaking process.

The Group is accounting for such investment in an associate under the equity method of accounting.

#### Economic useful lives of property and equipment and investment properties

The Group's management determines the estimated useful lives of its property and equipment and investment properties for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The Group periodically reviews estimated useful lives and the depreciation method to ensure that the method and year of depreciation are consistent with the expected pattern of economic benefits derived from these assets.

#### Significant judgement in determining the lease term of contracts with extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within control.

## Notes to the consolidated financial statements For the year ending December 31, 2022

### 4 - New Standards, Amendments to Standards and Interpretations:

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022.

#### 4-1 Amendments to IFRS 3, IAS 16, IAS 37 - IFRS 3

- Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.
- IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.
- The adoption of above amendments does not have any material impact on the Consolidated Financial Statements during the year.

#### 4-2 Standards issued but not yet effective

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted them in preparing these Consolidated Financial Statements.

Amendments to IAS 1, 'Presentation of financial statements' on classification of liabilities

These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

#### Amendments to IAS 1, Practice statement 2 and IAS 8

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

#### Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction

These amendments require companies to recognize deferred tax on transactions that, on initial recognition, result in equal amounts of deductible and taxable temporary differences.



Notes to the consolidated financial statements  
For the year ending December 31, 2022

5 - Summary of Significant Accounting Policies

The following is a summary of significant accounting policies applied by Group in preparing these consolidated financial statements:

Current / Non-current assets and liabilities Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

- expected to be realized or intended to sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the date of the consolidated statement of financial position; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months from the date of the consolidated statement of financial position.

All other assets are classified as non-current.

- A liability is current when:
- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the date of the consolidated statement of financial position.; or
- That there is no unconditional right to defer the settlement of the liability for at least twelve months after the date of the consolidated statement of financial position.
- All other liabilities are classified as non-current liabilities.

Fair Value Measurement

The Group measures financial instruments, such as financial derivatives, at fair value at each consolidated statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

5 - Summary of Significant Accounting Policies (Continued)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial year.

Foreign currencies – Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date that the transaction qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the rate ruling at the date of the consolidated financial statements. All differences arising from settlement or transactions on monetary items are recorded on consolidated statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated primarily at the exchange rate ruling at the dates of the transactions. Non-monetary items in a foreign currency that are measured at fair value are translated at the currency rate ruling at the date when their fair value was determined.

Gains or losses arising from the translation of non-monetary items measured at fair value are treated in line with the recognition of gains and losses arising from a change in the fair value of that item. (That is, translation differences for items whose fair value gains and losses are recognized in the statement of other comprehensive income is recognized in other comprehensive income, and items whose fair value gains and losses are recognized in profit and losses are recognized in comprehensive income).

Cash and cash equivalents

Cash and bank balances comprise cash on hand and deposits held with banks, all of which are available for use by the Group unless otherwise stated and have maturities of three months or less, which are subject to insignificant risk of changes in values.

Murabaha time deposits

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

Accounts receivable

Accounts receivable represent the Group's right to the unconditional consideration amount (ie, the maturity of the consideration depends on the passage of time). See the accounting policy for financial assets.

Contracts assets and liabilities

When one of the contracts' party perform, the entity is required to display the contract in the consolidated statement of financial position as contract assets or contract liabilities based on the relationship between the entity's performance and the customer's payment. Contract assets represent the entity's right to compensation for services transferred by the entity to the customer. Contract liabilities represent the entity's obligation to transfer the services to the customer, for which the entity received compensation (or is due) from the customer.

Prepayment and other current assets

Prepayment and other current assets are recognized with the amounts paid to the service providers against services that will be received in the future, or amounts paid to external parties and will be refunded in the future.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

5 - Summary of Significant Accounting Policies (Continued)

Purchased, available, used visas and recruitment costs

Purchased visas

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

Available, used visas and recruitment costs

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

Visas are transferred from ‘available visas’ to ‘used visas’ and are amortized in the consolidated statement of income on a straight-line basis over two years, in line with the employment contract period.

Recruitment costs represent the amount paid to recruitment agencies in connection with services obtained. These costs are amortized at the time of visa activation in the consolidated statement of income over two years in line with the employment contract period.

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

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

Residential and work permits

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

Property and equipment

Property and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Expenditures on repairs and maintenance are expensed to the consolidated statement of income in the period they are incurred. Betterments that increase the value or materially extend the life of the related assets are capitalized. Leaseholds improvements are amortized on a straight-line basis over the shorter of the useful life of the improvement and the term of the lease.

Capital work in progress (“CWIP”) account are assets in the course of construction or development. CWIP is transferred to the appropriate category in property and equipment (depending on the nature of the asset), once the asset is in a location and/or condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of capital work in progress comprises its purchase price, construction/development cost and any other directly attributable to the construction or acquisition of an item of CWIP intended by management. Costs associated with testing the items of CWIP (prior to its being available for use) are capitalized net of proceeds from the sale of any production during the testing period. Land and CWIP are not depreciated nor amortized.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

5 - Summary of Significant Accounting Policies (Continued)

Property and equipment (Continued)

Depreciation is calculated from the date the item of depreciable property and equipment is available for its intended use. It is calculated on a straight-line basis over the useful life of the asset as follows:

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the consolidated statement of income.

Residual values, useful lives and methods of depreciation of property and equipment are reviewed on an annual basis, and adjusted prospectively, if appropriate, at each consolidated statement of financial position date.

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

The carrying amounts of property and equipment is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount

Intangible assets

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

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income under general and administration expenses.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

5 - Summary of Significant Accounting Policies (Continued)

Intangible assets (Continued)

Amortization is calculated from the date the when the intangible assets are available for its intended use. It is calculated on a straight-line basis over the useful life of the asset as follows:

Item	Number of years
Tadbeer licenses	10
Customer relationship	2
Other intangible assets	4

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

Investment properties

Investment property comprises property that is held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for administrative functions.

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer charges, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the costs of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, that is after the completion, investment property will be stated at cost less accumulated depreciation and any impairment in value. Land and projects under construction are not depreciated. Depreciation will be calculated from the date the item of depreciable investment property is available for its intended use. It will be calculated on a straight-line basis over the useful life of the asset.

Expenditure for repair and maintenance are charged to the consolidated statement of income as incurred. Improvements that increase the value or materially extend the life of the related assets are capitalized.

Transfers are made to/from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to date the date of change in use.

Investment properties is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefits is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of income in the period of de-recognition.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

5 - Summary of Significant Accounting Policies (Continued)

Investment properties (Continued)

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

Item	Number of years
Buildings	40

The profits/(losses) of these investments are recognized when they are sold, and income from real property leases is recognized in the consolidated statement of profit or loss.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the assets recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. In assessing the value-in-use, the estimated future cash flows are discounted to their present value using a discount rate (pre-zakat) that reflects current market assessment of the time value of money and the risks specific to the asset.

The Group's impairment calculation is based on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU's to which the individual asset is allocated. These budgets and forecast calculations generally cover a five-year period. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the budget period.

Impairment losses of continuing operations are recognized in the consolidated statement of profit or loss in those expense categories consistent with the function of the impaired asset.

For assets other than above, an assessment is made at each financial year-end as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets or CGU's recoverable amount.

A previously recognized impairment loss, except for goodwill, is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. This reversal is limited such that the recoverable amount doesn't exceed what the carrying amount would have been, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income.

Investments in associates

An associate is one in which the Group owns a long-term investment of 20% to 50% of the voting capital and exerts significant influence over it.

Investments in associates are accounted for in accordance with the equity method, whereby the consolidated financial statements include an appropriate share of the results, reserves and retained earnings of the entities after purchase based on their most recent audited financial statements. In cases where the Group is no longer able to exercise practical control or significant influence on the financial and operational policies of the investee Group, such investments are charged at cost.

The equity method is discontinued if the value of the investment becomes zero as a result of ongoing losses in the subsidiary and associate (unless the Group is a guarantor of the obligations of the enterprises or is obligated to provide additional financial support to them). The application of the equity method is resumed if the enterprises subsequently achieve net profits equal to net losses during the period of cessation of the application of equity.



Notes to the consolidated financial statements  
For the year ending December 31, 2022

5 - Summary of Significant Accounting Policies (Continued)

Retained deposits

Retained deposits represent the amounts equivalent to two-month salary collected from customers as security deposits which the Group retain until the completion/termination of the manpower contracts. Upon termination of the manpower contract, or occurrence of anything that prevents the continuation of the service, the Group either refunds the balance or applies against the outstanding receivable from customers. Accordingly, these retained deposits are presented under current liabilities.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves, air fare and allowances that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented under accounts payable, accruals and others in the consolidated statement of financial position.

Employees' defined benefits obligation

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

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

The DBO is re-measured on a periodic basis by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid,

and that have terms approximating to the terms of the related obligation. Where there is no deep market for high-quality corporate bonds, the market rates on government bonds are used. At 31 December 2022, the discount rate was set according to yields observed on KSA government bonds.

The DBO also depends on the assumptions for future salary increases and the rate at which employees and workers are expected to leave. The Group has assumed salaries will increase at a rate of 10%pay for employees and 0% for workers and home workers, in order to provide stability to the OCI account. Employee withdrawal rates are very high but can change quickly from year to year. The Group therefore reconsiders this assumption from year to year as new experience develops.

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

Current and past service costs related to end-of-service benefits and unwinding of the liability at discount rates used are recognized immediately in the consolidated statement of income. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in OCI.The actuarial valuation process takes into consideration the provisions of the Saudi labour and workmen law as well as the Group's policy.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

5 - Summary of Significant Accounting Policies (Continued)

Dividends

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

Leases

The determination of whether an agreement constitutes or contains a lease depends on the substance of the agreement at its inception date. The agreement represents or includes a lease if its fulfillment depends on the use of a specific asset or assets, or that the agreement grants the right to use a specific asset or assets even if this right is not expressly stated in the contract.

Group as a lessee

The lease is recognized as a right-of-use asset with its corresponding obligations on the date that the leased asset is ready for use by the Group. Each lease payment is allocated between the obligation and the financing cost.

The finance cost is recognized in the consolidated statement of comprehensive income over the lease term. Right-of-use assets are depreciated over the useful life of the asset and the lease term, whichever is shorter, and on a straight-line basis.

Right-of-use assets are initially measured at cost and consist of the following:

- The initial measurement amount of the lease obligation,
- Any lease payments made on or before the lease commencement date minus any lease incentives received,
- Any initial direct costs, and
- Recovery costs, when applicable.

Finance lease contracts

On the inception date of the lease, the Group records the lease obligations measured at the present value of the lease payments made over the term of the lease. Lease payments include fixed payments (including substantially fixed payments) less any lease incentives receivable and variable rent payments based on an index or rate, and amounts expected to be paid under residual value guarantees.

The lease payments include the price to exercise the purchase option when there is reasonable certainty that the Group will exercise it and payments for penalties for canceling the lease if the terms of the lease provide for the Group to exercise the option to cancel. For variable lease payments that are not dependent on an index or rate, they are recorded as an expense in the period in which the payment is made.

Lease payments are discounted using the interest rate included in the lease or the Group's increased borrowing rate.

Short-term leases and impaired lease contracts

Short-term leases are contracts with a lease term of 12 months or less. Impaired assets are items that do not meet the Group's capitalization limits and are not material to the Group's consolidated statement of financial position as a whole. Payments for short-term lease contracts and lease contracts with low value assets are recognized on a straight-line basis in the consolidated statement of comprehensive income.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

5 - Summary of Significant Accounting Policies (Continued)

Financial assets

Initial recognition and measurement

Financial assets are classified on initial recognition as being subsequently measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss.

All financial assets are recognized on initial recognition at fair value plus transaction costs, unless the financial assets are recorded at fair value through profit or loss.

Subsequent measurement

The measurement of financial assets depends on their classification, as described below:

Financial Assets at Amortized Cost

After initial measurement, those financial assets are measured at amortized value using the effective interest rate method and are subject to impairment. Gains or losses are recognized in the consolidated statement of comprehensive income when the asset is disposed of, or modifications are made, or impairment on value.

Financial assets at amortized cost in the Group consist of cash and cash equivalents, trade receivables and murabaha time deposits.

Financial assets at fair value through profit or loss (“FVTPL”)

Financial assets held within a different business model other than “hold for collection” or “hold for collection and sale” and financial assets which contractual cash flows are not limited to principal payments and accrued interest are measured at fair value through profit or loss.

The fair value of financial assets in this category is determined by reference to active market transactions or by using a valuation technique when there is no active market.

Financial assets at fair value through other comprehensive income (“FVTOCI”)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 ‘Financial Instruments: Presentation’ and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

5 - Summary of Significant Accounting Policies (Continued)

Financial assets (Continued)

Derecognition of financial asset

Financial asset is derecognised only when:

- Contractual rights in the cash flows of a financial asset expire; or
- The Group has transferred its rights to receive cash flows from the asset or has committed to pay the cash flows in full without delay to a third party through a “transfer” agreement, and whether (a) the Group has transferred substantially all the risks and rewards of the asset or (b) the Group has neither transferred nor retained a substantially all the risks and rewards of the asset, but it has transferred its right to control it.
- If the Group has transferred its rights to receive cash flows from an asset or has entered into a transfer agreement, it assesses to what extent it retains the risks and rewards associated with the asset.

An asset is recognized to the extent that the Group’s relationship with it continues if it has neither transferred nor retained all the risks and benefits associated with the asset nor transferred its right to control it.

In that case, the Group also recognize the liabilities related to that assets. The transferred asset related liabilities are measured on a basis that reflects the rights and obligations that the Group has recognized.

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

Impairment in the value of financial assets

The Group recognizes an allowance for expected credit losses for all debt instruments not carried at fair value through the consolidated statement of comprehensive income.

The provision for expected credit losses is recognized in two stages. For a credit exposure that has not experienced a significant increase in credit risk since initial recognition, ECLs are recognized for the credit risk arising from a potential default within 12 months (12-month expected credit losses). For a credit exposure that has experienced a significant increase in credit risk since the initial recognition, an allowance for expected credit losses must be recognized over the remaining life of the exposure, regardless of the timing of default (lifetime expected credit losses).

For trade debtors, the Group applies a simplified approach to the calculation of expected credit losses. Therefore, the Group has used a provision matrix that is based on its historical experience of credit losses, which has been adjusted for future factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified on initial recognition, as financial liabilities at fair value through profit or loss, or loans and payables, or as financial derivatives that are used as hedging instruments for covering risks.

All financial liabilities are initially recognized at fair value and in the case of loans, payables and account payables, net of directly attributable transaction costs.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

5 - Summary of Significant Accounting Policies (Continued)

Financial liabilities (Continued)

Subsequent measurement

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

Loans and advances

After initial recognition, loans and advances are measured at amortized cost using the effective interest rate method. The gain or loss is recognized in the consolidated statement of comprehensive income when the obligations are derecognised, as well as through the process of amortizing the effective interest rate.

Derecognition of financial liabilities

Financial obligations are derecognised when the obligation is paid, canceled or the obligation under the contract expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated financial statements, when the Group has a legally enforceable right to offset the recognized amounts and the Group intends either to settle on net basis, or to realize the assets and to settle the liabilities simultaneously.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Zakat provision

Zakat provision is calculated in accordance with the regulations of the Zakat, tax and customs authority (ZATCA).

The zakat provision is recorded at the end of the financial year within the items of consolidated statement of comprehensive income, and the differences resulting from the final assessment are recognized within the same item in the year in which the zakat assessment is approved.

Value added tax

Revenues, expenses and assets are recognized net of the amount of value added tax, except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- Receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

5 - Summary of Significant Accounting Policies (Continued)

Segment reporting

An operating segment is a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses;
- results of its operations are continuously analysed by management in order to make decisions related to resource allocation and performance assessment; and
- for which discrete financial information is available.
- The Group's operating business are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different products to its respective market.

For management purpose, the Group is organised into three segments, based on supply of manpower, as described below:

- The Group supplies manpower to corporates forming part of the revenue from its corporate segment.
- Similarly, the Group supplies manpower to individuals based on their needs (i.e., nurses, maids etc.) which forms part of the revenue from individual segment.
- Facilities Management: The Group supplies manpower to companies to carry out cleaning and building maintenance work, which forms part of the revenues generated by the facilities management sector.

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

Revenue recognition

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

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

Variable consideration

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

Significant financing component

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

Measuring progress towards complete satisfaction of a performance obligation

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



Notes to the consolidated financial statements  
For the year ending December 31, 2022

5 - Summary of Significant Accounting Policies (Continued)

Revenue recognition (Continued)

Contracts costs

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

- The costs relate directly to a contract or to an anticipated contract that the Group can specifically identify.
- The costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- The incremental costs of obtaining a contract with a customer is expected to recovered.
- Those costs would not have incurred if the contract had not been obtained or if an anticipated contract has not been identified by the Group.
- The costs that directly relates to a contract (or a specific anticipated contract) includes:
  - a. direct labour;
  - b. direct materials;
  - c. allocation costs that directly relate to the contract or to contract activities;
  - d. costs that are explicitly chargeable to the customer under the contract; and
  - e. other costs that are incurred only because the entity entered into the contract.

Principal versus agent consideration

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

Presentation and disclosure requirements

The Group disaggregated revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Refer to note (28) for the disclosure on disaggregated revenue.

Other income

Profit from Murabaha time deposits are recognized on accrual basis. Other income is recognized when earned.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

5 - Summary of Significant Accounting Policies (Continued)

Costs and expenses

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

Foreign Currency Transfer

Foreign currency transactions are initially recorded at the prevailing rate of the functional currency on the date on which the transaction is eligible for recognition. Cash assets and liabilities outstanding in foreign currencies are retranslated into functional currency at the rate prevailing at the date of preparation of the consolidated financial statements. All differences arising from adjustments or transactions on cash items are recorded on the consolidated statement of comprehensive income.

Non-cash items measured at historical cost are translated in foreign currency primarily at the prevailing currency rate at the transaction date. Non-monetary items in foreign currencies measured at fair value are translated at the prevailing currency rate on the date their fair value is determined. Gains or losses resulting from the translation of non-cash items measured at fair value are treated in accordance with the recognition of gains and losses resulting from the change in the fair value of that item.) (That is, translation differences for items whose fair value gains and losses are recognized in the consolidated statement of comprehensive income are recognized in other comprehensive income, and items for which fair value gains and losses are recognized in profit and loss).

Contingent Liabilities

Contingent liabilities are disclosed when the Group has a potential liability as a result of past events, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are not entirely under the control of the Group; or the Group has a present legal or implied obligation arising from past events, but there is no likely outflow of resources that includes economic benefits to settle the obligation, or the amount of Adhere to sufficient reliability.

Subsequent events

Consolidated financial statements are affected by subsequent events that require an amendment to the consolidated financial statements while it is disclosed subsequent events that do not require an amendment of the consolidated financial statements.

6 - Cash and Cash Equivalents

	(Saudi riyal)	
	2022	2021
Cash at banks	59,321,528	69,190,317
Short-term Murabaha deposits (*)	20,729,369	20,000,000
Cash in hand	3,522,778	228,679
Total	83,573,675	89,418,996

(\*) Short-term Murabaha deposits represent deposits with local commercial banks with a maturity period of less than three months from the date of deposit. Variable commission rates on Murabaha time deposits as at 31 December 2022 and 31 December 2021 are based on the prevailing commercial market rates. Income from these deposits for the year ended 31 December 2022 amounted to SR 294,305 (note 33).

Notes to the consolidated financial statements  
For the year ending December 31, 2022

7 - Murabaha time deposits

Murabaha time deposits represent deposits with local commercial banks having a maturity of more than three months from date of deposit and expected to be realized within one year from the reporting date. The variable commission rates on the murabaha time deposits as at 31 December 2022 and 31 December 2021 are based on prevailing commercial market rates. Income from these deposits for the year ended 31 December 2022 amounted to SR 415,534 (note 33). During 2022, whole of these deposits were fully liquidated by the Group.

8 - Account receivables

	(Saudi riyal)	
	2022	2021
Trade receivables	276,918,965	259,968,910
Due from related parties (Note 12)	2,706,958	3,215,061
	279,625,923	263,183,971
Less: Expected credit losses	(35,649,062)	(77,018,973)
	243,976,861	186,164,998
Less: non-current portion		
Account receivables	-	13,994,804
Less: Expected credit losses	-	(9,833,196)
	-	(4,161,608)
Current portion	243,976,861	182,003,390

Trade receivables comprise of interest free net receivables due from customers. Unimpaired trade receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and vast majority are, therefore, unsecured.

The movement on expected credit losses is as follows:

	(Saudi riyal)	
	2022	2021
At the beginning of the year	77,018,973	70,770,668
Related to acquisition of subsidiary (note 40)	72,564	6,659,952
Charged / (reversal) for the year	5,992,484	(411,647)
Writes off	(47,434,959)	-
At the end of the year	35,649,062	77,018,973

Notes to the consolidated financial statements  
For the year ending December 31, 2022

The ageing of unimpaired accounts receivable was as follows:

	Total	Current	< 90 days	90 – 180 days	180-360 days	> 360 days
31 December 2022	243,976,861	95,150,976	115,670,942	15,397,587	5,245,399	12,511,957
31 December 2021	186,164,998	76,636,029	53,921,954	25,275,916	10,110,366	20,220,733

9 - Contracts assets and liabilities

Contracts assets

Contracts assets primarily related to the Group's right to consideration for services delivered but not billed at the reporting date. Contracts assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. Contracts assets are billed in less than 90 days.

	(Saudi riyal)	
	2022	2021
Contracts assets	104,506,419	69,060,370
Less: Expected credit losses	(4,993)	(57,707)
Total	104,501,426	69,002,663

The movement on expected credit losses is as follows:

	(Saudi riyal)	
	2022	2021
At the beginning of the year	57,707	2,309,821
Reversal for the year	(52,714)	(2,252,114)
At the end of the year	4,993	57,707

Notes to the consolidated financial statements  
For the year ending December 31, 2022

Contracts liabilities

The contracts liabilities primarily relate to the advance consideration received from customers and unearned revenues, for which revenue is recognized on satisfaction of performance obligations.

	(Saudi riyal)	
	2022	2021
At the beginning of the year	90,498,609	90,319,601
Additions	642,657,752	369,059,513
Utilization	(599,143,126)	(368,880,505)
At the end of the year	134,013,235	90,498,609

10 - Prepayments and Other Current Assets

	(Saudi riyal)	
	2022	2021
Recruitment costs (*)	71,245,798	48,096,645
Residence fees and work permits	68,031,751	133,458,280
Used visas (*)	22,874,043	13,452,038
Prepaid insurance	22,859,210	18,677,832
Advances to suppliers (10-C)	13,355,007	15,391,050
Cash margin on letters of guarantee	721,487	6,350,391
Other prepayments	20,153,692	14,658,323
	219,240,988	250,084,559

(\*) Recruitment costs and used visas are presented as current and non-current assets as shown below:

Notes to the consolidated financial statements  
For the year ending December 31, 2022

10 - Prepayments and Other Current Assets (Continued)

	(Saudi riyal)	
	2022	2021
Recruitment costs (10-A)	89,314,833	90,705,382
Used visas (10-B)	30,875,780	22,219,042
	120,190,613	112,924,424
Less: Current portion of recruitment costs	71,245,798	48,096,645
Less: Current portion of used visas	22,874,043	13,452,038
Non-current portion of recruitment costs and used visas	26,070,772	51,375,741

10-A The movement in recruitment costs during the year was as follows:

	(Saudi riyal)	
	2022	2021
At the beginning of the year	90,705,382	18,604,853
Additions during the year	110,582,338	127,537,399
Amortization during the year	(111,972,887)	)55,436,870(
At the end of the year	89,314,833	90,705,382

10-B The movement in used visas during the year was as follows:

	(Saudi riyal)	
	2022	2021
At the beginning of the year	22,219,042	6,891,193
Transferred from available visas (note 11)	35,858,000	28,626,000
Amortization during the year	(27,201,262)	)13,298,151(
At the end of the year	30,875,780	22,219,042



Notes to the consolidated financial statements  
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10 - Prepayments and Other Current Assets (Continued)

10-C The following is an analysis of advance payments to suppliers:

	(Saudi riyal)	
	2022	2021
Advance to supplier	15,787,456	15,391,050
Less: expected credit losses	(2,432,449)	-
Total	13,355,007	15,391,050

The movement on expected credit losses is as follows:

	(Saudi riyal)	
	2022	2021
At the beginning of the year	-	-
Charged for the year	2,432,449	-
At the end of the year	2,432,449	-

11 - Available visas

Available visas represent the balance of unused visas as of the reporting date. Amounts of available visas are transferred to used visas when visas are issued to the recruited manpower. The movement in available visas is shown below:

	(Saudi riyal)	
	2022	2021
At the beginning of the year	28,752,000	28,510,000
Purchased visas during the year	31,962,000	28,868,000
Transferred to used visas (note 10)	(35,858,000)	(28,626,000)
At the end of the year	24,856,000	28,752,000

12 - Related party transactions and balances

Related parties comprise of shareholders, key management personnel, directors and entities which are controlled directly or indirectly or influenced by these parties. In the normal course of business, the Group has various transactions with its related parties. Transactions are entered into with the related parties on terms and conditions approved by either the Group's management or its Board of Directors ("BOD") in the ordinary course of business.

Notes to the consolidated financial statements  
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The following are the transactions with related parties:

Related party name	Nature of relationship	Nature of transaction	Transaction	
			2022	2021
Board of directors members	Board of directors	Remuneration	2,930,000	2,989,444
		Payments	2,909,000	2,987,500
KABI Technology Company for Information Technology (Previously Bloovo limited company)	Affiliate	Rent	321,221	1,999,752
		Collection	-	759,980
Mozn Systems for Communication and Information Technology	Affiliate	Manpower services	782,081	573,204
		Collection	782,081	815,069
Yellow Mix Foundation	Affiliate	Manpower services	231,519	29,288
		Collection	219,701	17,361
Arabian Shifa Medical Company	Affiliate/Subsidiary	Manpower services	-	1,230,547
		Collection	-	32,304
Care Shield Holding Company Limited	Associate	Manpower services	1,585,980	-
		Collection	1,132,177	-
Others	Affiliate	Manpower services	798,702	366,571
		Collection	1,069,662	251,614

Notes to the consolidated financial statements  
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12 - Related party transactions and balances (Continued)

Due from related parties

	(Saudi riyal)	
	2022	2021
KABI Technology Company for Information Technology (Previously Bloovo limited company) (*)	1,648,460	1,327,239
Care Shield Holding Company Limited	1,004,543	-
Yellow Mix Foundation	23,744	11,927
Arabian Shifa Medical Company (**)	-	1,574,725
Others (***)	30,211	301,170
	2,706,958	3,215,061

Due to related parties	(Saudi riyal)	
	2022	2021
Board of directors (****)	2,950,999	2,929,999
	2,950,999	2,929,999

(\*) During 2022, the Group acquired a 19.87% share in KABI Technology with a capital of SAR 200 million through an in-kind transaction representing its entire share in Blovoo limited (Note 18).

(\*\*) On 6 Ramadan 1442H (corresponding to 18 April 2021), Sarb Arabia Investment Holding Company (a subsidiary) transferred its entire owned stake in Shifa Arabia Medical Company and therefore, is no longer considered a related party to the Group. On 10 Jumada II 1443H (corresponding to 13 January 2022), the Company acquired 85% of the ownership of Arabian Shifa Medical Company (Note 40).

(\*\*\*) Other parties include Abdulaziz Eida Muflih Alkithari foundation, Sajaya Healthcare Company, and Arabia Jazal company

(\*\*\*\*) Amounts due to related parties are presented under "Trade payables, payables and other current liabilities" in the consolidated statement of financial position. (note 20)

The remuneration and benefits of the members of the Board of Directors and other senior management personnel is as follows:

	(Saudi riyal)	
	2022	2021
Salaries and other benefits	12,115,005	12,260,753
Defined benefit obligations	1,541,106	797,820
	13,656,111	13,058,573

Notes to the consolidated financial statements  
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13 - Property and Equipment

	Lands	Buildings	Leasehold improvement	Furniture and fixtures	Office equipment	Vehicles	Work under process	Total
Cost								
As of 1 January 2021	63,187,014	66,815,908	20,600,488	7,786,952	22,951,543	26,591,072	16,284,573	224,217,550
Related to acquisition of subsidiary	-	-	978,833	1,538,911	4,950,329	4,960,286	-	12,428,359
Additions	-	2,723,987	207,417	322,458	3,965,262	908,730	3,542,896	11,670,750
Disposals	(11,940,000)	-	(296,987)	(509,417)	(874,200)	(2,354,132)	-	(15,974,736)
Transferred to investment properties (note 14)	(18,148,500)	-	-	-	-	-	(19,804,374)	(37,952,874)
Transfers from capital work in progress	-	-	-	23,095	-	-	(23,095)	-
As of 31 December 2021	33,098,514	69,539,895	21,489,751	9,161,999	30,992,934	30,105,956	-	194,389,049
Additions	-	224,995	1,500,612	426,647	5,373,117	6,211,489	-	13,736,860
Related to acquisition of subsidiary	-	-	254,703	15,738	66,287	-	-	336,728
Disposals	-	-	-	(542,199)	(734,058)	(810,143)	-	(2,086,400)
As of 31 December 2022	33,098,514	69,764,890	23,245,066	9,062,185	35,698,280	35,507,302	-	206,376,237
Accumulated depreciation								
As of 1 January 2021	-	5,669,636	11,301,663	3,348,797	13,153,397	17,712,799	-	51,186,292
Related to acquisition of subsidiary	-	-	531,236	710,776	1,970,332	3,651,884	-	6,864,228

Notes to the consolidated financial statements  
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	Lands	Buildings	Leasehold improvement	Furniture and fixtures	Office equipment	Vehicles	Work under process	Total
Charge for the year	-	1,817,626	2,358,676	798,811	3,059,701	5,214,750	-	13,249,564
Relate to disposals	-	-	(196,445)	(284,644)	(39,946)	(1,769,127)	-	(2,290,162)
As of 31 December 2021	-	7,487,262	13,995,130	4,573,740	18,143,484	24,810,306	-	69,009,922
Related to acquisition of subsidiary	-	-	-	567	13,556	-	-	14,123
Charge for the year	-	1,835,021	2,499,843	777,280	3,686,091	4,632,753	-	13,430,988
Disposals	-	-	-	(453,079)	(406,542)	(754,936)	-	(1,614,557)
As of 31 December 2022	-	9,322,283	16,494,973	4,898,508	21,436,589	28,688,123	-	80,840,476
Net book value								
As of 31 December 2022	33,098,514	60,442,607	6,750,093	4,163,677	14,261,691	6,819,179	-	125,535,761
As of 31 December 2021	33,098,514	62,052,633	7,494,621	4,588,259	12,849,450	5,295,650	-	125,379,127

Notes to the consolidated financial statements  
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Depreciation charge for the year has been allocated as follows:

	(Saudi riyal)	
	2022	2021
Cost of revenues (note 29)	8,326,341	7,262,370
General and administration expenses (note 30)	5,068,859	5,954,654
Selling and marketing expenses (note 31)	35,788	32,540
Total	13,430,988	13,249,564

14 - Investment Properties

Cost	(Saudi riyal)			
	Land	Building	Work under process	Total
As of 1 January 2021	-	-	-	-
Transfer from property and equipment (note 13)	18,148,500	-	19,804,374	37,952,874
As of 31 December 2021	18,148,500	-	19,804,374	37,952,874
Additions	-	346,317	-	346,317
Transfers	-	19,804,374	(19,804,374)	-
As of 31 December 2022	18,148,500	20,150,691	-	38,299,191
Accumulated depreciation				
As of 1 January 2021	-	-	-	-
As of 31 December 2021	-	-	-	-
Charged for the year (note 30)	-	499,613	-	499,613
As of 31 December 2022	-	499,613	-	499,613
Net book value				
As of 31 December 2022	18,148,500	19,651,078	-	37,799,578
As of 31 December 2021	18,148,500	-	19,804,374	37,952,874



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The fair values of investment properties were determined by an independent external evaluator. Investment properties have been evaluated by “Middle East Real Estate Appraisal Company” under license number (1210001207). The evaluation firm is professionally recognized qualified and is having a up-to-date experience in the location and category of properties being evaluated. The fair value was set at SAR 37.8 million as at 31 December 2022 (31 December 2021: SAR 39.7 million). The above investment properties are measured at fair value using the income method, which is a valuation method that estimates the fair value of a property by calculating the present value of future cash flows that the entity or asset expects to achieve over a life time.

**15 - Intangible Assets**

	(Saudi riyal)	
	2022	2021
Intangible assets - Goodwill	5,269,787	4,450,237
Intangible assets - Others	2,603,209	3,192,349
	7,872,996	7,642,586

Intangible asset- Goodwill	(Saudi riyal)	
	2022	2021
TPH Domestic Worker Services Center (*)	3,001,536	3,001,536
MBL Building Maintenance LLC (**)	1,175,521	1,175,521
Arabian Shifa Medical Company (“Shifa”) (***)	819,550	-
TPH Public Health Pest Control Services - One Person Company (****)	273,180	273,180
	5,269,787	4,450,237

(\*) Effective 1 January 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 1 January 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 II 1443H (corresponding to 13 January 2022), Growth Path Company, a subsidiary, completed the acquisition of 85% of the ownership of Arabian Shifa Medical Company (“Shifa”) for SR 85,000. The acquisition was calculated using the accounting procurement method. The fair value of net assets acquired was SR 734,550 resulting in goodwill of SR 819,550 Arabian Shifa Medical Company is licensed to perform medical operations in hospitals, provide home medical care services, mobile medical clinics, pain relief centers, telecare centers and telemedicine (see Note 40).

(\*\*\*\*) On 1 January 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.

**Notes to the consolidated financial statements**  
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**15 - Intangible Assets (Continued)**

**Goodwill impairment test:**

Goodwill is tested annually for impairment by management for the year ended 31 December 2022 and 2021, the management has determined that goodwill carrying amounts are less than their recoverable amounts. Recoverable amounts were determined on the basis of value-in-use calculations. These calculations use cash flow projections for five years based on financial budgets approved by management. Cash flows beyond the budgets are extrapolated using the estimated growth rate for each company. In management’s opinion, the growth rate assumptions do not exceed the long-term average growth rates for the business in which the companies operate.

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

	(Saudi riyal)	
	31 December 2022	31 December 2021
Discount rate	%19-%25	%12.5-%13.5
Average annual growth rate for sale	%7 – 10%	%5
Terminal growth rate	%2	%2

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

**Sensitivity to changes in assumptions**

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

**Intangible assets - Others**

	(Saudi riyal)	
	2022	2021
Tadbeer licenses	1,843,821	2,211,075
Other intangible assets	759,388	981,274
	2,603,209	3,192,349

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15 - Intangible Assets (Continued)

Cost:	(Saudi riyal)			
	Tadbeer licenses	Customer relation	Other intangible assets	Total
As of 1 January 2021	3,672,537	3,268,266	787,382	7,728,185
Related to acquisition of subsidiary (Note 40)	-	-	453,427	453,427
Additions	-	-	769,786	769,786
As of 31 December 2021	3,672,537	3,268,266	2,010,595	8,951,398
Additions	-	-	2,300	2,300
As of 31 December 2022	3,672,537	3,268,266	2,012,895	8,953,698
Accumulated Amortization:				
As of 1 January, 2021	1,094,208	3,268,266	711,577	5,074,051
Relate to acquisition of subsidiary (Note 40)	-	-	170,828	170,828
Amortized for the year (Note 30)	367,254	-	146,916	514,170
As of 31 December 2021	1,461,462	3,268,266	1,029,321	5,759,049
Amortized for the year (Note 30)	367,254	-	224,186	591,440
As of 31 December 2022	1,828,716	3,268,266	1,253,507	6,350,489
Net book value				
As of 31 December, 2022	1,843,821	-	759,388	2,603,209
As of 31 December, 2021	2,211,075	-	981,274	3,192,349

Tadbeer licenses and customer relationships are intangible assets acquired through business combinations. The Tadbeer licenses have been granted by the Ministry of Human Resources and Emiratisation of UAE to provide specific services related to domestic worker recruitment and welfare while customer relationships relate to TPH's current customers consist predominantly of residential cleaning clients across UAE.

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16 - Financial assets at Fair Value Through Profit or Loss (“FVTPL”)

Financial assets at FVTPL comprises of the following:

	(Saudi riyal)	
	2022	2021
Investment funds - Sukuk (i)	25,099,306	39,545,245
Liquidity fund investment (ii)	-	40,389,291
Quoted equity securities (iii)	-	19,640,123
Total	25,099,306	99,574,659

- xii- 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.
- xiii- Investments include financial assets that are invested in various mutual funds, purchased for SAR 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. The entire investment was sold during the year.
- xiv- These represent investments in equity securities in various companies listed on the Saudi Stock Exchange (Tadawul). The entire investment was sold during the year.

Cost	(Saudi riyal)	
	2022	2021
At the beginning of the year	98,571,697	30,000,000
Additions	-	99,944,280
Disposals	(74,512,553)	(30,000,000)
Transfer	940,856	(1,372,583)
At the end of the year	25,000,000	98,571,697
Reassessment adjustments		
At the beginning of the year	1,002,962	3,428,757
Net income for the year	3,160,719	1,272,792
Disposals	(4,064,375)	(3,698,587)
At the end of the year	99,306	1,002,962
Net book value	25,099,306	99,574,659

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17 - Right of Use and Lease Liabilities

Right of use

	(Saudi riyal)	
	2022	2021
At the beginning of the year	57,168,236	41,749,985
Related to the acquisition of subsidiary (note 40)	-	12,765,959
Additions	35,861,668	8,178,387
Disposals	(5,276,776)	(5,526,095)
At the end of the year	87,753,128	57,168,236
Accumulated depreciation		
At the beginning of the year	30,395,960	15,678,547
Related to the acquisition of subsidiary (note 40)	-	6,065,679
Charged for the year (note 29)	15,086,989	9,359,652
Disposals	(754,242)	(707,918)
At the end of the year	44,728,707	30,395,960
Net book value	43,024,421	26,772,276

Lease liabilities

	(Saudi riyal)	
	2022	2021
At the beginning of the year	24,350,964	32,440,802
Additions	35,861,668	8,185,803
Disposals	(3,863,981)	(3,025,229)
Finance costs (note 32)	1,132,673	701,123
Paid	(15,235,683)	(13,951,535)
At the end of the year	42,245,641	24,350,964
Less: current portion (Note 20)	(11,026,528)	(10,378,123)
Non-Current portion	31,219,113	13,972,841

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18 - Financial Assets at Fair Value Through Other Comprehensive Income (“FVOCI”)

During 2022, due to merge between Blovoo Limited and other entity, the Group has a new 19.78% stake in KABI Technology with a capital of SAR 200 million through an in-kind stake representing its entire share in Blovoo Limited. The Group has no “significant influence “ either through ownership (less than 20%) or through other methods indicative of a “significant influence” of the Group on the financial and operational policies of in KABI Technology The purpose of this investment is to hold it for medium to long-term strategic purposes. As a result, the Group decided to opt for the fair value method through other comprehensive income, as short-term fluctuations in the fair value of these investments in net income would not be in line with the Group’s strategy of holding investment for long-term purposes. The fair value of the investment as at 31 December 2022 was SAR 13,985,656 (note 19).

19 - Investment in Associates

During the year, the Group invested in associate companies. Below is a description of these associate companies

	Percentage	(Saudi riyal)	
		2022	2021
Saudi Medical Systems Company	%40	461,324,300	-
Care Shield Holding Company limited	%41.36	328,258,375	-
Silias Trading & Marketing Company	%20	3,750,000	-
KABI Technical Information Technology Company (previously Blovoo Company Limited)	%40	-	14,065,841
		793,332,675	14,065,841

	(Saudi riyal)	
	2022	2021
At the beginning of the year	14,065,841	16,006,778
Additions	737,468,509	-
Share in results of associates	56,529,630	(1,940,937)
Share from other comprehensive losses	(745,649)	-
Transferred to financial assets at fair value through other comprehensive income (*)	(13,985,656)	-
At the end of the year	793,332,675	14,065,841

(\*) During 2022, the Group disposed its entire stake in Blovoo Limited,



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19 - Investment in Associates (Continued)

The tables below provide the summarized financial information of the statement of financial position of the significant associates:

As of 31 December ,2022	(Saudi riyal)	
	Saudi Medical Systems Company	Care Shield Holding Company limited
Total current assets	292,942,671	261,382,755
Total non-current assets	15,050,956	259,261,719
Total current liabilities	(86,424,692)	(126,285,943)
Total non-current liabilities	(31,445,274)	(123,329,661)
Net assets	190,123,661	271,028,870

The tables below provide the summarized financial information of the statement of comprehensive income of significant associates.

For the year ended 31 December 2022	(Saudi riyal)	
	Saudi Medical Systems Company	Care Shield Holding Company limited
Revenues	397,549,525	370,270,155
Direct costs	(299,236,766)	(283,290,764)
Gross profit	98,312,759	86,979,391
General and administration expenses	(6,394,328)	(29,048,987)
(Losses) reversal of expected credit losses	(419,111)	736,107
Finance costs	(1,895,370)	(4,608,623)
Other revenues	2,499,746	3,186,651
Zakat	(4,501,250)	(5,095,513)
Profit for the year	87,602,446	52,149,026
The group share of results	35,040,978	21,568,837
Total other comprehensive losses for the year	(788,023)	(1,040,716)
Group’s share from other comprehensive losses	(315,209)	(430,440)

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20 - Accounts payable, accruals and other current liabilities

	(Saudi riyal)	
	2022	2021
Accrued tickets and vacations	96,785,567	78,894,482
Accrued salaries and other employee costs	37,557,991	26,271,719
Account payables	27,810,645	31,905,807
Value Added Tax (“VAT”)	15,630,486	12,173,707
Accrued bonus and incentives	12,397,772	6,892,007
Current portion of lease liabilities (note 17)	11,026,528	10,378,123
Amount due to related parties (note 12)	2,950,999	2,929,999
Provision for operational risk	753,742	434,347
Others	18,987,794	5,775,119
	223,901,524	175,655,310

21 - Retained Deposits

	(Saudi riyal)	
	2022	2021
At the begging of the year	93,361,120	85,321,190
Related to acquisition of subsidiary (note 40)	-	5,284,345
Additions	28,185,482	24,809,533
Refunded during the year	(22,405,464)	(22,053,948)
At the end of the year	99,141,138	93,361,120

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22 - Zakat Payable

Zakat charge for the year consists of the following:

	(Saudi riyal)	
	2022	2021
Balance at the beginning of the year	16,606,102	16,476,723
Charge for the year	14,739,039	13,585,851
Adjustment for prior years	-	1,793,506
Paid during the year	(15,600,111)	(15,249,978)
Balance at the end of the year	15,745,030	16,606,102

The zakat provision is based on the following:

	(Saudi riyal)	
	2022	2021
Shareholders' equity, beginning balance	572,438,747	559,056,410
Profit before zakat	166,364,996	159,218,731
Opening provisions and adjustments	245,775,057	102,970,284
Non-current liabilities	677,703,925	89,113,323
Non-current assets	(1,072,721,165)	(366,924,712)
Zakat base	589,561,560	543,434,036

Some of these amounts as reported above have been adjusted in arriving at the zakat charge for the year.

Status of assessments

Parent Company

The Company has submitted its Zakat returns for all previous years until the year ended 31 December 2021. All Zakat assessments for the company conducted by the Zakat, Tax and Customs Authority ("Authority") have been approved, with the exception of Zakat assessments for the years 2018 and 2021 where these Zakat assessments are still under examination by the Authority.

Subsidiaries

Spectra has filed its Zakat returns for all previous years until the year ended 31 December 2021. The companies has been linked by the Zakat, Tax and Customs Authority for the years 2015 and 2016 only and there are no other Zakat assessments as at the date of preparing the financial statements.

Growth Path Company has submitted its Zakat declaration for the year ended December 31. 2021 No assessments have been made by ZATCA as at the date of preparing the financial statements

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23 - Long Term Loans

During 2022, the Group signed credit facility agreements with local banks for capital expenditure financing, business expansion, acquisitions and operating expenses financing. The use of the facility limit amounted to SR 562.6 million. The facility agreements include a grace period ranging from two to four years depending on the type of facility used by the Group, a profit margin plus SIBOR, and a repayment period of three to five years after the end of the grace period through a repayment schedule. The facilities used are as follows:

	(Saudi riyal)	
	2022	2021
Current portion	-	-
Non-Current portion	562,607,710	-
Total	562,607,710	-

The following is a statement in the movement of long-term loans for the year:

	(Saudi riyal)	
	2022	2021
At the begging of the year	-	-
Received during the year	562,607,710	-
At the end of the year	562,607,710	-

24 - Employees' Defined Benefits Obligation

The Group grants Employees' Defined Benefits Obligation (benefit plan) to its employees taking into consideration the local labor law requirements in KSA and UAE. The benefit provided by this benefit plan is a lump sum based on the employees' final salaries and allowance and their cumulative years of service at the date of the termination of employment.

The defined benefit obligation recognized in the consolidated statement of financial position in respect of employees end-of-service plan is the present value of the DBO at the reporting date.

The DBO is calculated periodically by qualified actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using yields on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Re-measurement amounts of actuarial gains and losses on the DBO, if any, are recognized and reported within re-measurements of employees' end-of-service benefits under the consolidated statement of comprehensive income and cumulative actuarial gains or losses in the consolidated statement of changes in equity.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

24 - Employees' Defined Benefits Obligation (Continued)

The following table represents the movement in the DBO for the year:

	(Saudi riyal)	
	2022	2021
Opening balance	75,140,482	63,689,749
Related to subsidiary acquisition (note 40)	12,828	4,802,176
Current service cost	21,340,720	20,435,699
Interest cost (note 32)	741,331	510,500
Recognized in the consolidated statement of profit of loss	22,094,879	25,748,375
Financial assumptions	(3,293,000)	(311,000)
Experienced adjustments	8,136,415	2,222,000
Recognized in the consolidated statement of other comprehensive income	4,843,415	1,911,000
Benefits paid during the year	(18,201,674)	(16,208,642)
Closing balance	83,877,102	75,140,482

Significant actuarial assumptions

The significant actuarial assumptions used in the DBO computation:

		(Saudi riyal)	
		2022	2021
Gross discount rate		%4.5	%1
Salary growth rate	Employee	%10	%4
	Worker	%0	%0
	Home worker	%0	%0
Withdrawal rate		%40	%40
% withdrawing before completion of contract	Employee	%20	%20
	Worker	%40	%40
Retirement age		55-60	5560-

Notes to the consolidated financial statements  
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Sensitivity analysis

The results are sensitive to the assumptions used, in particular the withdrawal assumption due the short duration of the plan's liabilities. The table below shows the change in DBO based on increases or decreases in the base assumption value:

	Change in	Base value	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
	assumption	SR	SR	SR
31 December 2022				
Discount rate	%0.25	83,877,102	75,853,000	76,645,000
Salary growth rate	%0.25	83,877,102	76,645,000	76,134,000
Withdrawal rate	%30 or %50	83,877,102	73,937,000	79,430,000

31 December 2021				
Discount rate	0.25%	75,140,482	68,355,000	69,129,000
Salary growth rate	0.25%	75,140,482	69,129,000	68,662,000
Withdrawal rate	30% or 50%	75,140,482	66,150,000	73,638,000

Risks related to employee defined benefit obligations:

Risks of increasing salaries:

The most common type of retirement benefit is the one in which benefits are linked to final salaries. Risks arise when actual increases are higher than expected and therefore affect the obligation.

Withdrawal risks:

Actual withdrawal risks that vary with valuation assumptions can pose risks to benefit obligations. The movement in commitment can be launched in both directions.

The average duration of the DBO at the end of the reporting period is 2.3 years (31 December 2021: 2.3 years).

The following are the expected undiscounted payments in future years:

	(Saudi riyal)	
	2022	2021
Within the next 12 months	32,022,517	27,155,000
Between 2 and 3 years	51,854,585	47,985,482
	83,877,102	75,140,482



Notes to the consolidated financial statements  
For the year ending December 31, 2022

25 - 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.

26 - Reserves

Statutory reserves

In accordance with the Companies Law and the Company's By-Laws, the Company must transfer 10% of its income for the year to the statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 30% of the capital. Accordingly, the Company transferred 10% of its income during the year. The reserve is not available for distribution.

Other reserves

Movement in other reserves is shown below:

	(Saudi riyal)		
	Cumulative currency translation reserve	Cumulative actuarial losses	Total
At of 1 January 2021	(2,161)	(9,444,000)	(9,446,161)
Re-measurements of employees' defined benefits obligation (note 24)	-	(1,911,000)	(1,911,000)
At of 31 December 2021	(2,161)	(11,355,000)	(11,357,161)
Re-measurements of employees' defined benefits obligation (note 24)	-	(4,821,374)	(4,821,374)
Share in other comprehensive income of associates (note 19)	-	(745,649)	(745,649)
At of 31 December 2022	(2,161)	(16,922,023)	(16,924,184)

27 - Dividends

For the year ended 31 December 2022

The Board of Directors of the Group, with its mandate, decided in its meeting held on 7 Shaaban 1443 (corresponding to 10 March 2022) to announce an interim dividend for the second half of 2021 in the amount of SR 75 million (SR 2 per share), which was paid on 26 Shaaban 1443 (corresponding to 29 March 2022). The Board of Directors presented this to the shareholders and approved it at the Annual General Assembly Meeting held on 29 Dhu al-Qi'dah 1443 H (corresponding to 28 June 2022).

The Board of Directors of the Group, with its mandate, decided at its meeting held on 2 Safar 1444 (corresponding to 29 August 2022) to announce an interim dividend for the first half of 2022 of SR 46.8 million (SR 1.25 per share), which was paid on 18 Safar 1444 (corresponding to 14 September 14 2022). The Board of Directors will present this to the shareholders and approve it at the next Annual General Meeting.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

27 - Dividends (Continued)

For the year ended December 31,2021.

The Board of Directors of the Group decided in its meeting held on 3 Shaaban 1442 (corresponding to 16 March 2021) to announce an interim dividend for the second half of 2020 in the amount of SR 75 million (SR 2 per share) which was paid on 23 Shaaban 1442 (corresponding to April 5, 2021). The Board of Directors presented this to the shareholders and approved it at the Annual General Assembly Meeting held on 5 Dhu Al-Qi'dah 1442H (corresponding to 15 June 2021)

In its meeting held on 8 Muharram 1443H (corresponding to 16 August 2021), the Board of Directors of the Group decided to announce an interim dividend for the first half of 2021 of SR 65.6 million which was paid on 25 Muharram 1443H (corresponding to 2 September 2021).

28 - Revenues

In the following table, revenue is disaggregated by type of sector, customer and contracts and also duration of contracts (timing of revenue). Recognition and revenue between group companies are eliminated on consolidation.

Type of sector	(Saudi riyal)	
	2022	2021
Individuals	497,785,852	374,593,164
Industrial and operations	319,623,683	252,139,210
Retail	202,345,795	201,288,874
Hospitality	209,711,370	189,107,033
Healthcare	177,903,335	167,487,708
Facility management	156,273,228	63,708,860
Commercial	84,473,003	68,759,815
Esnad Sector	30,753,122	1,643,884
Others	4,725,285	-
	1,683,594,673	1,318,728,548

Type of customer	(Saudi riyal)	
	2022	2021
Corporate - private	1,152,822,807	931,297,811
Individuals	497,785,852	374,593,164
Corporate - governmental & semi-government	32,986,014	12,837,573
	1,683,594,673	1,318,728,548

Notes to the consolidated financial statements  
For the year ending December 31, 2022

28 - Revenues (Continued)

Type of contracts	(Saudi riyal)	
	2022	2021
Corporate	1,185,808,821	944,135,384
Retail	410,399,774	300,220,499
Hourly “Khidma”	87,386,078	74,372,665
	1,683,594,673	1,318,728,548

Term of Contract	(Saudi riyal)	
	2022	2021
More than one year	1,185,808,821	944,135,384
One year and less	497,785,852	374,593,164
	1,683,594,673	1,318,728,548

The Group has a policy of recognizing revenue over time hence all the revenue is recognized over the term of the contract as services are rendered.

29 - Cost of Revenues

	(Saudi riyal)	
	2022	2021
Employees and workers costs	915,224,476	727,650,129
Resident fee and work permit	227,254,666	204,453,814
Recruitment and visa costs	139,040,551	66,878,255
Leave salaries and tickets	61,504,833	28,705,373
Other employee related costs	52,212,850	25,916,924
Depreciation (note 13, 17)	23,413,330	16,622,022
Others	35,725,250	28,603,935
	1,454,375,956	1,098,830,452

Direct employee costs for the fiscal year ended 31 December 2022 amounted to SR 1,395,237,376 (2021: SR 1,053,604,495).

Notes to the consolidated financial statements  
For the year ending December 31, 2022

30 - General and Administration Expenses

	(Saudi riyal)	
	2022	2021
Employees costs	62,975,023	35,063,631
Professional fees	12,373,945	6,198,676
Depreciation (note 13, 14)	5,568,472	5,954,654
Public Benefits & Subscriptions	4,100,313	4,218,682
BOD remuneration (note 12)	2,930,000	2,989,444
Committees’ remunerations	2,074,008	2,776,421
Repair and maintenance	826,904	607,408
Rent	646,414	1,585,668
Bank charges	621,959	386,501
Amortization (note 15)	591,440	514,170
Others	5,792,588	4,998,029
	98,501,066	65,293,284

31 - Selling and Marketing Expenses

	(Saudi riyal)	
	2022	2021
Employees costs	3,531,568	1,116,365
Advertisement	6,677,745	4,773,589
Marketing commission	3,331,818	4,534,194
Depreciation (note 13)	35,788	32,540
Other	565,957	782,953
	14,142,876	11,239,641

Notes to the consolidated financial statements  
For the year ending December 31, 2022

32 - Finance Costs

	(Saudi riyal)	
	2022	2021
Finance costs related to long term loans	8,677,895	-
Finance costs related to lease liabilities (note 17)	1,132,673	701,123
Finance costs related to employees defined benefit (note 24)	741,331	510,500
	10,551,899	1,211,623

33 - Other Income

	(Saudi riyal)	
	2022	2021
Rental income	2,464,017	902,115
Earnings from Murabaha time deposits (note 6, 7)	709,839	1,098,884
Gain from sale of property and equipment	33,017	10,690,411
Reversal of accrued salaries,s no longer payable	15,086	1,790,947
Others	5,802,031	587,210
	9,023,990	15,069,567

34 - EARNINGS 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 year.

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. The authorized and issued share capital consists of 37.5 million shares.

	(Saudi riyal)	
	2022	2021
Profit for the year attributable to shareholders of Parent Company	154,114,400	144,925,035
weighted average number of shares	37,500,000	37,500,000
Basic and diluted earnings per share	4.11	3.86

Notes to the consolidated financial statements  
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35 - Segment Information

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

The accounting policies used by the Group in reporting segments internally are the same as those contained in note (4) of these consolidated financial statements.

The Group is organized into the following main business segments:

- Corporate: This segment pertains to services provided to corporate entities that have contract terms for two years.
- Individual: This segment pertains to services provided, ranging from worker rentals to khidma services, for individual customers that contract term ranges from an hour to one year.

Segment reporting is consistent in all periods presented as there are no changes in the structure of the Group's internal organization that will cause the composition of its reportable segment to change.

Transfer pricing between operating segments is on an arm's length basis and in a manner similar to transactions with third parties.



Notes to the consolidated financial statements  
For the year ending December 31, 2022

35- Segment Information (Continued)

31 December 2022	(Saudi riyal)					
	Corporate sector	Individual sector	Facility management	Other	Total	Eliminations
Revenues	1,096,009,467	497,589,053	156,273,229	5,862,578	1,755,734,327	(72,139,654)
Cost of revenues	(930,170,480)	(419,001,604)	(158,811,629)	(18,531,897)	(1,526,515,610)	72,139,654
Gross profit	165,838,987	78,587,449	(2,538,400)	(12,669,319)	229,218,717	-
General and administrative expenses	(47,377,772)	(28,381,051)	(11,986,406)	(10,755,837)	(98,501,066)	-
Selling and marketing expenses	(7,905,022)	(6,037,000)	-	(200,854)	(14,142,876)	-
Expected credit losses	(7,803,500)	-	(568,719)	-	(8,372,219)	-
Operating profit	102,752,693	44,169,398	(15,093,525)	(23,626,010)	108,202,556	-

31 December 2021	(Saudi riyal)					
	Corporate sector	Individual sector	Facility management	Other	Total	Eliminations
Revenues	909,730,068	374,593,164	63,708,861	-	1,348,032,093	(29,303,545)
Cost of revenues	(775,508,317)	(292,439,034)	(60,186,646)	-	(1,128,133,997)	29,303,545
Gross profit	134,221,751	82,154,130	3,522,215	-	219,898,096	-
General and administrative expenses	(37,577,185)	(22,444,609)	(5,271,490)	-	(65,293,284)	-
Selling and marketing expenses	(6,845,258)	(4,394,383)	-	-	(11,239,641)	-
Reversal of expected credit losses	3,606,333	(4,021,919)	3,079,347	-	2,663,761	-
Operating profit	93,405,641	51,293,219	1,330,072	-	146,028,932	-

Disclosure of information relating to the net book value of property and equipment, total assets and total liabilities relating to these sectors is not enforceable.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

35- Segment Information (Continued)

The main markets for the Group's products are located in Saudi Arabia and the United Arab Emirates. The analysis of the Group's geographical sectors is as follows:

For the year ended 31 December 2022

	(Saudi riyal)		
	KSA	UAE	Total
Revenue	1,635,150,392	48,444,281	1,683,594,673
Cost of revenue	(1,412,876,842)	(41,499,114)	(1,454,375,956)
Gross profit	222,273,550	6,945,167	229,218,717
General and administration expenses	(91,194,051)	(7,307,015)	(98,501,066)
Selling and marketing expenses	(11,341,142)	(2,801,734)	(14,142,876)
Provision for expected credit losses	(8,372,219)	-	(8,372,219)
Operating income	111,366,138	(3,163,582)	108,202,556

For the year ended 31 December 2021

	(Saudi riyal)		
	KSA	UAE	Total
Revenue	1,279,916,894	38,811,654	1,318,728,548
Cost of revenue	(1,068,812,154)	(30,018,298)	(1,098,830,452)
Gross profit	211,104,740	8,793,356	219,898,096
General and administration expenses	(55,464,989)	(9,828,295)	(65,293,284)
Selling and marketing expenses	(9,157,981)	(2,081,660)	(11,239,641)
Reversal of expected credit losses	7,060,631	(4,396,870)	2,663,761
Operating income	153,542,401	(7,513,469)	146,028,932

Notes to the consolidated financial statements  
For the year ending December 31, 2022

The main markets for the Group’s products are located in Saudi Arabia and the United Arab Emirates. The analysis of the Group’s geographical sectors is as follows:

For the year ended 31 December 2022

	(Saudi riyal)		
	KSA	UAE	Total
Net book value for property and equipment’s	123,268,285	2,267,476	125,535,761
Total assets	1,711,984,897	36,885,218	1,748,870,115
Total liabilities	1,120,201,893	30,302,959	1,150,504,852

For the year ended 31 December 2021

	(Saudi riyal)		
	KSA	UAE	Total
Net book value for property and equipment’s	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

Notes to the consolidated financial statements  
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36 - financial Instruments

Financial instruments by category

Financial instruments have been categorised as follows:

Financial assets	(Saudi riyal)	
	2022	2021
Cash and cash equivalents	83,573,675	89,418,996
Accounts receivable	243,976,861	186,164,998
Financial assets at fair value through profit and loss	25,099,306	99,574,659
Financial assets at fair value through other comprehensive income	13,985,656	-
Murabaha time deposits	-	50,000,000
Letter of guarantee cash margin	721,487	6,350,391
Total financial assets	367,356,985	431,509,044
Financial liabilities		
Retained deposits	99,141,138	93,361,120
Lease liabilities	42,245,641	24,350,964
Accounts payable, accruals and other current liabilities	212,874,996	165,277,187
Total financial liabilities	354,261,775	282,989,271

Fair value estimation of financial instruments

The following table present the Group’s financial instruments measured at fair value

	(Saudi riyal)			
	Level 1	Level 2	Level 3	Total
As of 31 December 2022				
Financial assets at fair value through profit and loss	-	25,099,306	-	25,099,306
Financial assets at fair value through other comprehensive income	-	-	13,985,656	13,985,656
As of 31 December 2021				
Financial assets at fair value through profit and loss	19,640,123	79,934,536	-	99,574,659

Management believes that the fair value of all financial assets and liabilities are classified as amortized cost and at the reporting date approximate their fair value owing to their short-term tenure and the fact that these are readily liquid, except for equity investments at FVTPL. These are all classified within level 1 and level 2 of the fair value hierarchy. There were no transfers between various levels of fair value hierarchy during the current year nor the prior year.

Notes to the consolidated financial statements  
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37 - Financial Risk and Capital Management

The Group has an exposure to the following risks from its use of the financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Commission rate risk
- Foreign Exchange Risk
- Price risk
- Operational risk

This note shows information about the group’s exposure to each of the risks above, the goals of the group, policies, methods of measurement and risk management.

Financial risk management general framework

The Group’s management has overall responsibility for the establishment and oversight of the Group’s risk management framework. The Group’s risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial Profit to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group’s policy states that all customers who want to deal on a forward basis are subject to credit check. Financial instruments that are subject to concentration of credit risk consist mainly of customer receivables. The Group deposits bank balances with a number of financial institutions with a good credit rating and has a policy of setting limits on its balances deposited with each financial institution. As of 31 December 2022, the amount of SR 78.9 million of total trade receivables balances belongs to 5 main customers (31 December 2021: SR 53 million).

Accounts receivable

Customers are evaluated according to the Group’s standards before entering into service contracts. The Group does not believe that there is a significant risk of inefficiency of these institutions and does not consider itself exposed to credit risk concentrations in relation to debtors due to the diversity of its customer base operating in various activities and located in multiple regions.

Amounts due from related parties

An impairment analysis is performed at each reporting date on an individual basis for the major related parties. The maximum exposure to credit risk at the reporting date is the carrying value of the amounts due from related parties (note 12). The Group does not hold collateral as a security. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operates. The Group evaluates the risk with respect to amounts due from related parties as low, as majority of the related parties are owned by the same shareholders

Credit risk related to time deposit and cash deposit

Credit risk from balances with banks and financial institutions is managed in accordance with the Group’s policy. Cash is substantially placed with national banks with sound credit ratings. The Group does not consider itself exposed to a concentration of credit risk with respect to banks due to their strong financial background.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

38 - Financial Risk and Capital Management (Continued)

ECL assessment for accounts receivable

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets measured at amortized cost and contract assets.

The key inputs into the measurement of ECL are the following variables:

- Probability of default (“PD”) using statistical model (i.e. normal distribution curve)
- GDP of KSA, as a macroeconomic variable to adjust the historic loss rate

The maximum credit risk to which the Group is exposed is represented by the value of the financial assets listed in the consolidated statement of financial position as follows:

	(Saudi riyal)	
	2022	2021
Accounts receivables	243,976,861	186,164,998
Contracts assets	104,501,426	69,002,663
Cash with banks and short-term Murabaha deposits	80,050,897	89,190,317
Murabaha Time Deposits	-	50,000,000
	428,529,184	394,357,978

Liquidity Risk:

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. The Group’s terms of sale stipulate that the payment is made in cash when goods are delivered or on a forward-looking basis.

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

As of 31 December 2022	(Saudi riyal)			
	Book value	Contractual cash flow	Less than one year	More than a year
Long term loans	562,607,710	562,607,710	-	562,607,710
Accounts payable, accruals and other current liabilities	212,874,996	212,874,996	212,874,996	-
Contracts liabilities	134,013,235	134,013,235	134,013,235	-
Lease liabilities	42,245,641	42,245,641	11,026,528	31,219,113
Total	951,741,582	951,741,582	357,914,759	593,826,823

Notes to the consolidated financial statements  
For the year ending December 31, 2022

38 - Financial Risk and Capital Management (Continued)

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

As of 31 December 2021	(Saudi riyal)			
	Book value	Contractual cash flow	Less than one year	More than a year
Accounts payable, accruals and other current liabilities	165,277,187	165,277,187	165,277,187	-
Contracts liabilities	90,498,609	90,498,609	90,498,609	-
Lease liabilities	24,350,964	24,350,964	10,378,123	13,972,841
Total	280,126,760	280,126,760	266,153,919	13,972,841

Market risk

Market risk is the risk of Change in the value of financial instruments as a result of changes in market prices. Market risk includes three types of risk: commission price risk, foreign exchange risk and other price risk such as stock price risk and products price risk.

Commission rate risk

Commission price risk represents the risk caused by the fluctuation of the value of financial instruments due to changes in the prevailing commission rates in the market. The Company is subject to the risk of commission rates on borrowing within the Company.

Foreign Exchange Risk

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

Price risk

Price risk is the risk of volatility in the value of a financial instrument as a result of changes in market prices, whether these changes are caused by factors specific to the financial instrument or its issuer or by factors that affect all financial instruments traded in the market. The Company is not exposed to substantial price risk.

Operational Risk

Operational risks represent the difficulties faced by the Group in providing the necessary manpower or not completing the contract as a result of refusal to work, lack of proficiency in the profession, absconding, death or change in the relevant laws and regulations. The Group manages operational risks by monitoring these cases on a regular basis in order to avoid or minimize the effects of these cases. The group also provides a dedicated set aside to address these situations as they occur. During the year, the Group was able to calculate net exposure/impact when taking into the consideration the accounts of prepaid expenses and balances payable for inactive employees. The provision for operational risk at the end of the fiscal year was SR 753K (31 December 2021: SR 435K) (note 20).

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38 - Capital Management

Capital is equity attributable to the shareholders. The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The management policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group manages its capital structure and adjusts it, in light of change in economic conditions. The management monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity. The management also monitors the level of dividends to shareholders. There were no changes in the Group's approach to capital management during the year. Neither the Group are subject to externally imposed capital requirements.

39 - Contingent Liabilities and Capital Commitments

The Group's banks on its behalf issued guarantees of SAR 58 million (31 December 2020: SAR 6.4 million) on contract execution during the normal business cycle.

40 - Business Combination

For the year ended 31 December 2022

- **Arabian Shifa Medical Company ("Shifa")**

On 10 Jumada II 1443H (corresponding to 13 January 2022), Masar Al-Namu (a subsidiary) completed the procedures related to the acquisition of an 85% ownership stake in Shifa Arabia Medical Company ("Shifa") for a compensation of 85,000 Saudi Riyals. The following is the statement of the carrying valueof net assets as at the date of acquisition



Notes to the consolidated financial statements  
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40 - Business Combination (Continued).

	Total Saudi riyal
<b>Assets</b>	
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
<b>Liabilities</b>	
Accounts payable, accruals and others	1,851,244
Employees' end-of-service benefits	12,828
<b>Total liabilities (B)</b>	<b>1,864,072</b>
Net liabilities of Shifa (A - B)	(864,176)
Less: Proportionate share of non-controlling interest 15%	129,626
Net liabilities acquired by the company	(734,550)
Purchase consideration	(85,000)
Goodwill resulted from acquisition (note 15)	(819,550)

- **Spectra Support Services Company (“spectra”)**

On January 5, 2022, the Company's Board of Directors approved the transfer of a 90% ownership stake in Atyaf to Growth Path Company (a subsidiary).

For the year ended 31 December 2022

- **Spectra**

On 25 Dhu al-Hijjah 1442H (corresponding to 4 August 2021), the Company terminated the procedures related to the acquisition of a 90% ownership stake in Atyaf Support Services Company (Atyaf), a related party. The book value of Atyaf Company's net assets was SAR 31.3 million, the net assets acquired by the Group were SAR 28.1 million, and the purchase consideration was SAR 17.2 million, resulting in a difference that was recognized within the retained profit of SAR 10.9.

Notes to the consolidated financial statements  
For the year ending December 31, 2022

40 - Business Combination (Continued).

	Total Saudi riyal
<b>Assets</b>	
Cash and cash equivalents	6,451,565
Accounts receivable	31,264,725
Prepayments and other current assets	14,682,375
Property and equipment	5,564,134
Right-of-use assets	6,700,280
Intangible assets	282,599
<b>Total assets (A)</b>	<b>64,945,678</b>
<b>Liabilities</b>	
Accounts payable, accruals and others	18,200,484
Retained deposits	5,284,345
Employees' end-of-service benefits	4,802,176
Lease liabilities – noncurrent	5,401,476
<b>Total liabilities (B)</b>	<b>33,688,481</b>
Net asset of Spectra (A - B)	31,257,197
Less: Proportionate share of non-controlling interest	3,125,719
Net asset acquired by the Company	28,131,478
Purchase consideration	(17,138,176)
Difference consideration recognized in retained earnings	10,993,302

**Notes to the consolidated financial statements**  
**For the year ending December 31, 2022**

41 - [Group's Operations](#)

Following are Groups branches details as at 31 December 2022:

Name	Commercial Registration Number	Commercial Registration Date
Al Yasameen	1010465207	2 Safar 1438H
Al Moroj	1010436553	28 Shawwal 1436H
Al Taawon	1010427484	9 Muhurram 1435H
Ar Rass	1132010275	7 Dhul-Qadah 1435H
Al Rawdah	1010465209	2 Safar 1438H
Head office (Olaya)	1010364538	07 Rabi Thani 1434H
Esnad	1010709299	22 Ramadan 1442 H
Al Kharj	1011139356	25 Rabi Awal 1440H
Suwaidi	1010427485	9 Muhurram 1435H
Medina	4650074415	7 Dhul-Qadah 1435H
Buraydah 1	1131056729	29 Jumad Awal 1437H
Ha'il	3350043316	27 Rabi Thani 1436H
Khurais	1010436554	28 Shawwal 1436H
Unaizah	1128019121	15 Rabi Awal 1436H
Jeddah - Naeem	4030278496	9 Muhurram 1435H
Jeddah – Al Marwa	4030296922	20 Muhurram 1439H
Jeddah-Al Nozha	4030379270	16 Rajab 1441H
Jeedah- Al Faihaa	4030379272	16 Rajab 1441H
Dammam	2050111011	29 Safar 1438H
Taif	4032241081	1 Rajab 1441H
Abha	5850071792	23 Rabi Thani 1439H
Al Qassim Buradah 2	1131291194	3 Jumad Thani 1439H

42 - [Events Subsequent to The Reporting Date](#)

No events have occurred subsequent to the balance sheet date which requires adjustment to, or disclosure, in these consolidate financial statements.

43 - [Approval of The Consolidated Financial Statements](#)

The consolidated financial statements approved by Groups' board of directors on 14 Shaaban 1444H (corresponding to 6 March 2023).



شركة مهارة  
للموارد البشرية  
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